

SENATE BILL REPORT

HB 2926

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 25, 1992

**Brief Description:** Modifying application requirements for senior citizen exemptions.

**SPONSORS:** Representatives Wang, Brumsickle, Leonard, Wynne, Rust, Van Luven, Fraser, Winsley, Mitchell, Rasmussen, Ludwig, Locke, Brough, Carlson, Bowman, Casada, Nelson, Franklin, O'Brien, Ferguson, Forner, Silver and May

**HOUSE COMMITTEE ON REVENUE**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bailey, Bauer, Bluechel, Cantu, Gaspard, Hayner, M. Kreidler, Murray, Newhouse, Saling, L. Smith, Talmadge, and Wojahn.

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** February 24, 1992; February 25, 1992

**BACKGROUND:**

Senior citizens at least 61 years old and persons who are retired from regular employment because of physical disability are eligible for tax relief on their personal residences. If the person's disposable household income is \$30,000 or less, the person is entitled to defer any property taxes and special benefit assessments imposed on the property. If the person's disposable household income is \$26,000 or less, the person is also entitled to a partial property tax exemption.

Application is only required in the first year, but the claimant must inform the county assessor of any change in status.

In 1991, the Legislature directed the Department of Revenue to study the administration of the property tax system. The study included an examination of the adequacy of auditing tax relief programs. The department made the following recommendations:

- (1) Applicants for the senior citizen and disabled persons homeowner tax relief program should be required to verify income at the time of application; and
- (2) Participants should reapply at least once every four years.

**SUMMARY:**

All applicants for property tax exemption under the senior citizen and disabled persons property tax relief program are required to provide documents that verify income.

An application must be renewed at least once every four years. The assessor may require a renewal application following a change in the program's income requirements.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**Effective Date:** July 1, 1992

**TESTIMONY FOR:**

This bill establishes more consistent standards. Only those entitled to the exemption will receive it.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Rep. Wang