

**SENATE BILL REPORT**

**SHJR 4205**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 2, 1992**

**Brief Description:** Amending the Constitution to allow property devoted to low-income housing to be taxed based on its current use value.

**SPONSORS:** House Committee on Revenue (originally sponsored by Representatives Winsley, Wang, Ballard, Leonard, Mitchell, Nelson, Ebersole, Franklin, Bowman, Jones, R. Johnson, Jacobsen, Betrozoff, Fraser, R. King, Phillips, Brekke, Inslee, Spanel, Rasmussen and Anderson).

**HOUSE COMMITTEE ON HOUSING**

**HOUSE COMMITTEE ON REVENUE**

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass.

Signed by Senators McDonald, Bailey, Bauer, Bluechel, Gaspard, M. Kreidler, Murray, Niemi, Owen, Rinehart, Talmadge, West, Williams, and Wojahn.

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

**Hearing Dates:** February 27, 1992; March 2, 1992

**BACKGROUND:**

Property is valued for property tax purposes at its highest and best use which is its fair market value. The state Constitution authorizes current use valuation for farm and agricultural land, standing timber and timberlands, and open space lands.

**SUMMARY:**

The Legislature may authorize real property devoted to low-income housing and containing three or more low-income units that comply with health and safety standards be valued, for tax purposes, on the basis of current use rather than fair market value.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

Since the Constitution requires property taxation based on a highest and best use valuation, there is no incentive to use property as low-income housing in areas zoned commercial. This is a good tool to provide more housing.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Rep. Winsley; Mike Ryherd, Housing Congress, Housing Authorities