

SENATE BILL REPORT

SB 5162

AS OF FEBRUARY 21, 1991

Brief Description: Modifying property tax deferrals and exemptions.

SPONSORS: Senators Talmadge, Rinehart, Sutherland and Pelz.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Terry Wilson (786-7715)

Hearing Dates:

BACKGROUND:

Senior citizens at least 61 years of age and persons retired by reason of physical disability are authorized a partial property tax exemption on their principal residences and up to one acre of land on which they are situated if their combined disposable household incomes are \$18,000 or less according to the following table:

<u>Income</u>	<u>Exemption</u>
\$14,001 to \$18,000	All excess levies
\$12,001 to \$14,000	All excess levies Regular levy on greater of \$24,000 or 30% of valuation (\$40,000 valuation maximum)
\$12,000 or less	All excess levies Regular levy on greater of \$28,000 or 50% of valuation

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

Qualifying persons may defer any taxes and special assessments due on the residence on up to 80 percent of the equity value in the residence. The Department of Revenue reimburses local taxing districts the amount of their taxes and assessments deferred. The total amount of taxes so deferred constitute a lien on the property and are due, with interest at 8 percent per year, upon sale or condemnation of the property, when the claimant ceases to reside on the property, or upon death of the claimant.

SUMMARY:

Application for exemption is required every two years. Exemptions are increased according to the following table:

<u>Income</u>	<u>Exemption</u>
\$18,001 to \$30,000	All excess levies
\$14,001 to \$18,000	All excess levies Regular levy on the greater of \$40,000 or 30% of valuation (\$100,000 maximum valuation)
\$12,001 to \$14,000	All excess levies Regular levy on greater of \$40,000 or 40% of valuation (\$100,000 valuation maximum)
\$12,000 or less	All excess levies Regular levy on greater of \$40,000 or 50% of valuation (\$100,000 maximum valuation)

The amount of property qualifying for deferral is increased to five acres.

County assessors are required to compile data in 1991 on the number of persons using the exemption and deferral programs, income levels, and residential valuations. Results are to be reported to the Department of Revenue by March 1, 1992.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.