

**SENATE BILL REPORT**

**SJR 8219**

**AS OF FEBRUARY 18, 1991**

**Brief Description:** Amending the Constitution to authorize property tax relief.

**SPONSORS:** Senators Murray, Niemi, Bauer, Gaspard, Wojahn, Conner, Madsen, Sutherland, Williams, Moore, Skratek, L. Kreidler, Owen, Snyder and Rasmussen; by request of Governor Gardner.

**SENATE COMMITTEE ON WAYS & MEANS**

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

**Hearing Dates:**

**BACKGROUND:**

Article VII, section 1 of the state Constitution provides that all taxes shall be uniform on the same class of property within the territorial limits of the jurisdiction levying the tax and states that real estate constitutes one class. In addition, Article VII, section 2 limits the aggregate tax on property to 1 percent of its true and fair value. For property tax purposes, real property is valued at its highest and best use. Article VII, Section 11 allows the Legislature to provide that the true and fair value of farm and agricultural land, standing timber and timberlands, and open space lands be based on its current use rather than its highest and best use.

**SUMMARY:**

For property tax purposes, increases in the assessed value of owner-occupied residential property is limited to 6 percent per year except upon sale, but the assessed value can never exceed fair market value. In addition, the Legislature is authorized to place such restrictions and conditions on this limitation as it considers proper, including allowing greater increases on new construction and remodeling and restricting the limitation to property with assessed values below a threshold amount.

If approved at the November 1991 general election, the limitation will apply to taxes payable in 1992, and thereafter.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested February 11, 1991

