

SENATE BILL REPORT

SHB 1976

As Reported By Senate Committee On:
Ways & Means, March 9, 2004

Title: An act relating to a property tax exemption for widows or widowers of honorably discharged veterans.

Brief Description: Providing a property tax exemption to widows or widowers of honorably discharged veterans.

Sponsors: House Committee on Finance (originally sponsored by Representatives Conway, Pettigrew, Talcott, Mielke, McCoy, Bush and Haigh).

Brief History:

Committee Activity: Ways & Means: 3/9/04 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Zarelli, Chair; Hewitt, Vice Chair; Parlette, Vice Chair; Carlson, Doumit, Fairley, Fraser, Johnson, Pflug, Prentice, Rasmussen, Regala, Sheahan, B. Sheldon and Winsley.

Staff: Terry Wilson (786-7433)

Background: All real and personal property in this state is subject to property tax each year based on its value, unless a specific exemption is provided by law.

Some senior citizens and persons retired, due to disability, are entitled to property tax relief on their principal residences. To qualify, a person must be 61 years old in the year of application or retired from employment because of a physical disability, own his or her principal residence, and have a disposable income of less than \$30,000 a year. Persons meeting these criteria are entitled to partial property tax exemptions and a valuation freeze.

Summary of Amended Bill: Widows or widowers of certain veterans are eligible for property tax relief on their principal residence according to the following schedule:

Income less than \$32,000 Exempt from all property taxes on first \$200,000 of value

Income between \$32,000 and \$40,000 Exempt from all property taxes on first \$150,000 of value

Income between \$40,000 and \$50,000 Exempt from all property taxes on first \$100,000 of value

In addition, the assessed value of the residence of all eligible widows and widowers is frozen at the value on January 1, 2001 or the value when first qualifying for the program.

Eligible persons must be at least age 61 when they apply for relief and must be widows or widowers of veterans that: died as a result of a service-connected disability; were rated as 100 percent disabled for the ten years prior to death; were prisoners of war and rated as 100 percent disabled for at least one year prior to death; or died in active military training status.

Veterans are persons who were honorably discharged or discharged for physical reasons with an honorable record from the armed forces of the United States and served during periods of war. Women's air force service pilots and certain merchant mariners are eligible.

Eligible persons cannot remarry.

The procedures for application and calculation of income are the same as for the current senior citizen and persons retired due to disability property tax relief program.

This change first applies to property tax due for collection in 2005.

Amended Bill Compared to Original Bill: The amendment provides a valuation freeze on January 1, 2004, instead of January 1, 2001, and clarifies that a person claiming this exemption cannot also take a senior citizen exemption.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: No one.