
Finance Committee

HB 1175

Brief Description: Providing a property tax exemption for real property used as a host home associated with a host home program.

Sponsors: Representatives Johnson, J., Caldier, Callan, Young, Griffey, Sutherland, Harris-Talley, Ormsby and Fitzgibbon.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Provides a property tax exemption for real property used as a host home for at least 90 days during the previous tax year.
--

Hearing Date: 1/11/22

Staff: Tracey Taylor (786-7152).

Background:

Property Tax.

All real and personal property is subject to a tax each year based on the highest and best use, unless a specific exemption is provided by law. The annual growth of all regular property tax levy revenue other than the state levies is limited as follows:

- For jurisdictions with a population of less than 10,000, revenue growth is limited to 1 percent.
- For jurisdictions with a population of 10,000 or more, revenue growth is limited to the lesser of inflation or 1 percent plus the value of new construction.

The state collects two regular property tax levies for common schools. The revenue growth limit applies to both levies. Participants in the senior citizens, individuals with disabilities, and qualifying veterans property tax exemption program receive a partial exemption from the

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

original state levy and a full exemption from the additional state levy.

The Washington Constitution also limits regular levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value). There are individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. For example:

- The state levy rate is limited to \$3.60 per \$1,000 of assessed value.
- County general levies are limited to \$1.80 per \$1,000 of assessed value.
- County road levies are limited to \$2.25 per \$1,000 of assessed value.
- City levies are limited to \$3.375 per \$1,000 of assessed value.

For property tax purposes, the state, counties, and cities are collectively referred to as senior taxing districts. Junior taxing districts—a term that includes fire, hospital, flood control zone, and most other special purpose districts—each have specific rate limits as well.

Host Homes.

During the 2016 regular legislative session, the Washington Legislature passed Substitute House Bill 2440, which exempted host home programs that serve youth from licensing requirements, including for foster care. Host home programs match young people under age 18 who are experiencing homelessness, housing instability, or family crisis, with a community member who is willing to provide housing and other support to the young person. The nonprofit organizations that oversee host home programs provide case management and other supportive services to the youth and the host home/host family.

Summary of Bill:

An exemption from property tax is authorized for real property used for at least 90 days as a host home during the previous tax year.

A claim for the exemption must be made by the owner of the host home for taxes due and payable for the following year. The application must require sufficient evidence to support the owner's eligibility claim. The application must be submitted to the county assessor no later than December 31 of the year prior to the tax year for which the tax is payable. The county assessor must review the exemption claim and approve any application that meets the 90-day minimum. Any denial of the exemption claim may be appealed. Late claims for exemptions made within three years of the due date for payment of the taxes for which an exemption is sought must be granted.

An exemption is valid for one year and must be annually renewed.

This act is exempt from the requirements of a tax preference performance statement, a Joint Legislative Audit and Review Committee study, and the automatic 10-year expiration.

Appropriation: None.

Fiscal Note: Requested on January 5, 2022.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.