

FINAL BILL REPORT

SB 6238

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Synopsis as Enacted

Brief Description: Updating thresholds for the property tax exemption for widows and widowers of honorably discharged veterans.

Sponsors: Senators Dozier, Conway, Fortunato, Hasegawa, Lovelett, Lovick, Torres, Wagoner, Warnick, Wilson, C. and Wilson, J..

Senate Committee on Ways & Means
House Committee on Finance

Background: The Senior Citizen Property Tax Exemption Program. Qualifying senior citizens, persons retired due to disability, and qualifying veterans are entitled to property tax relief on their primary residence through the Senior Citizens Property Tax Exemption Program (SPTE). To qualify for SPTE, a person must meet various income, age, and ownership requirements.

There are three levels of exemption depending on the applicant's combined disposable income. The income thresholds are as follows:

- income threshold one is the greater of \$30,000 or 50 percent of the county median household income;
- income threshold two is the greater of \$35,000 or 60 percent of the county median household income; and
- income threshold three is the greater of \$40,000 or 70 percent of the county median household income.

Income thresholds for the SPTE are to be adjusted every three years, beginning August 1, 2023. Income thresholds that are not adjusted based on changes in county median income will be adjusted by the Consumer Price Index for All Urban Consumers beginning with the August 1, 2023, adjustment, and every adjustment thereafter.

The Property Tax Assistance Program for Widows and Widowers of Veterans. The Property Tax Assistance Program for Widows and Widowers of Veterans (assistance program) helps

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with payment of property taxes in the form of a grant provided by the state. The assistance program supplements the SPTE program. The assistance amount is based on the applicant's income, the value of the residence, and state and local levy rates.

Qualifying individuals must not have remarried and be at least 62 years of age or unable to work due to disability. To qualify for the assistance program, a person must be a widow or widower of a veteran who:

- died as a result of a service-connected disability;
- was rated 100 percent disabled by the United States Veterans' Administration for at least ten years prior to death;
- was a former prisoner of war and rated 100 percent disabled by the United States Veterans' Administration for at least one year prior to death; or
- died on active duty or in active training status as a member of the United States uniformed services, reserves, or national guard.

The assistance amount equals the regular and excess property taxes due on the difference between the amount of taxable value exempted under the SPTE program and the first:

- \$100,000 if the applicant's combined disposable income is \$0 to \$30,000;
- \$75,000 if the applicant's combined disposable income is \$30,001 to \$35,000; or
- \$50,000 if the applicant's combined disposable income is \$35,001 to \$40,000.

The Department of Revenue (DOR) administers the assistance program and is responsible for determining if a property owner meets the qualification requirements. If DOR approves the application a check is mailed to the property owner.

Summary: The assistance amounts are increased for the assistance program.

Income thresholds in the assistance program are aligned with the income thresholds under the STPE program.

The assistance amount equals to the difference between the amount of taxable value exempted under the SPTE program and the first:

- \$200,000 of assessed value of the residence for applicants with income equal to or less than income threshold one;
- \$150,000 of assessed value of the residence for applicants with income equal to or less than income threshold two but greater than income threshold one; or
- \$100,000 of assessed value of the residence for applicants with income equal to or less than income threshold three but greater than income threshold two.

The changes apply to assistance provided in 2025 and thereafter.

Votes on Final Passage:

Senate 49 0

House 92 0 (House amended)
Senate 49 0 (Senate concurred)

Effective: June 6, 2024