

# SENATE BILL REPORT

## SJR 8210

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As Reported By Senate Committee On:  
Ways & Means, March 5, 2007

**Brief Description:** Providing a homestead exemption from property taxation for principal residences.

**Sponsors:** Senators Haugen, Oemig, Kline, Marr, Brown, Kauffman, Keiser, Pridemore, Kilmer, Franklin, Spanel and Jacobsen.

**Brief History:**

**Committee Activity:** Ways & Means: 2/15/07, 3/05/07 [DPS, DNP, w/oRec].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Joint Resolution No. 8210 be substituted therefor, and the substitute joint resolution do pass.

Signed by Senators Prentice, Chair; Pridemore, Vice Chair, Operating Budget; Carrell, Fairley, Hatfield, Hobbs, Keiser, Oemig, Rasmussen, Regala and Rockefeller.

**Minority Report:** Do not pass.

Signed by Senator Hewitt.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Honeyford, Parlette, Roach and Schoesler.

**Staff:** Dianne Criswell (786-7433)

**Background:** Article 7, section 1 of the State Constitution provides that all taxes must be uniform on the same class of property. This means that taxes must be the same on property of the same value and requires both an equal rate and equality in valuing the property taxed. Further, assessed value must be equal to 100 percent of the fair market value of the property, unless the property qualifies under a special tax relief program.

In 1966, the voters approved an amendment to the State Constitution to allow property owned by retired persons to be valued and taxed differently than other residential property. Another amendment to the State Constitution, approved by voters in 1968, authorizes certain property (such as agricultural lands, timberland, and other open space properties) to be valued on the current use of the property, rather than the market value.

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

**Summary of Bill:** An amendment of Article 7 of the State Constitution is submitted to the people at the next general election. The amendment expressly allows the Legislature to provide a homestead exemption for the first \$50,000 of valuation on residential property. This constitutional amendment is implemented by SB 5187 (2007).

**EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Ways & Means):** The requirement that the property be the owner's primary residence to qualify is removed. Homestead exemptions can be up to \$75,000 of valuation of residential property. It is added that the homestead exemption only applies to the state portion of the property tax. This constitutional amendment is implemented by SB 5187 (2007).

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect following an affirmative vote of the people at the November 2007 General Election.

**Staff Summary of Public Testimony:** CON: The bill implementing this constitutional amendment would shift the property tax burden from some taxpayers on to others. There should not be different treatment given to different taxpayers. Valuation of property should remain 100 percent market value. Property tax relief is important, but other options are preferable.

This bill gives taxpayers false hope, because it needs a constitutional amendment. This is a tax shift, not a levy limit.

**Persons Testifying:** CON: Amber Carter, Association of Washington Business; Tim Eyman, Taxpayer Protection Initiative.