

**SB 700 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

---

**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 3/20

---

**WHAT THE MEASURE DOES:**

Establishes limit on total amount of property taxes due for qualified senior homesteads equal to amount of property taxes due for the property tax year immediately preceding the first property tax year to which a valid claim is filed. Abates taxes in excess of limit. Requires individual to be 65 years of age or older at the time claim is filed and requires individual's primary sources of income to be fixed income sources. Allows limit to be transferred to new homestead once every three years. Requires claim to be filed with county assessor which is then forwarded to Department of Revenue for eligibility determination. Specifies that abatement is in addition to and not in lieu of any other property tax limit, partial exemption, special assessment or deferral. Applies beginning with 2018-19 property tax year.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

The general concept of SB 700 would limit a qualifying senior's property tax liability to the homestead's previous year property tax liability beginning with year in which claim is filed. As a property's maximum assessed value is allowed to increase by no more than 3% per year, an unchanged property's tax liability will, on average, increase 3% annually (adoption of local option taxes, bond levies or creation of new districts can cause larger increases). The effect of SB 700 for qualifying seniors would be a circumvention of the annual 3% growth in property tax liability. Using a hypothetical homestead where the previous year's property tax liability was \$3,000 the reduction in tax for the qualified senior would amount to:

Yr. 1: \$90 | Yr. 2: \$183 | Yr. 3: \$278 | Yr. 4: \$377 | Yr. 5: \$478