

SB 1045 Home Sharing and Property Taxes

We all understand that there is a housing shortage and that there are various ways that the state and local communities can participate. While SB 1045 has commendable goals, as written the bill leaves many questions unanswered.

There seem to be many moving parts in this piece of legislation. While a 501 (C) (3) entity can create a qualified home share program there seem to be no details on what the actual qualifications are. A city or a county or a housing authority can also be a “qualified home share program”, in which case the cost for administration of the program will fall on other property tax payers.

The income level of the home share seeker’s income level is determined by the city or county that creates the ordinance. This seems very subjective. While we understand the need to be flexible it seems that there should be some set percentage. We would seriously ask that if this legislation moves forward there be an amendment that is consistent with other housing standards or 50% of median family income by county adjusted for size.

The bill says that the county or the city will determine the method of means testing. We believe that there are already methods of means testing used by the state for programs. One of the methods should be chosen rather than having a patchwork across the state.

There can be a period of not less than three months in which the home share provider can find someone to substitute for the original home share seeker. I would think it would be in the interest of the state to set a maximum time for which the home share provider is lacking a home share seeker. We suggest three months.

It is unclear how the counties or the cities would decide on the percentage of property tax abated. It seems that the language is very permissive. The range of abatement could vary greatly over the state. A set standard, if this goes forward, should be set. We would suggest no more than ½ the common area and the area utilized solely by the home sharer.

It seems to us that such a serious step in creating the program should require an ordinance by the affected city or county. There is a more thorough process for an ordinance, and it should stand up to rigorous testing.

The legislation requires a maximum number of homes to receive the exemption should be set by the city or county. It would seem more reasonable to set a cap on the amount of property tax that would be forgiven for a given year.

We are unclear on how the city or county verifies that the home seeker and the home provider are validly sharing a home after the initial certification. Is the county assessor going to have to call on home owners and verify the home sharer is still an occupant?

The individual cities and counties are tasked with their own applications. There should be a consistent and comprehensive application with consultation with the Department of Revenue and Assessors.

Nowhere in the bill does it eliminate the potential of by blood or marriage relatives or domestic partners.

How does the assessor know to immediately disqualify a property if there is no longer a home sharer?

How do you evaluate “by reason of a breach of the home share agreement for which the home share provider is not at fault?” Who determines if the home share provider is not at fault?

No where in the bill is there any information on how the program would be evaluated. That would need to be done for including in the ever-expanding tax expenditure report.

We are talking property taxes. The cities and the counties in this state rely heavily on taxes to perform their duties. Are the taxes forgiven for all taxing districts for all purposes or are the taxes used to pay off taxpayer authorized bonds affected.

Property taxes forgiven do not contribute to the administration of the program or to the jurisdictions other unfunded liabilities such as PERS.

Marcia Kelley

Public Policy Advocate