

Chair Nathanson, Vice Chairs Pham and Reschke, and members of the Committee:

I urge your support of this bill to study our property tax through separate tax rates on land and improvements. Equal tax rates on land and improvements leads to a lower rate on land and a higher rate on improvements than is desirable.

Tax rates on land should be higher to stabilize land prices and discourage speculation so more of our residents can own and have security of tenancy, rather than allowing land to be treated as a commodity for unearned wealth accumulation. On the flip side, tax rates on improvements should be lower to stimulate construction. The two parts of the property tax are very different in nature and should be studied separately.

I would further suggest that, if this bill is not passed out of this committee, studying the desirability of separating tax rates on land and improvements be incorporated into HB 2438.

Thank you for your consideration.