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Bill may change homestead exemptions

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CHARLESTON — Senior citizens could see improvements in the homestead exemption for property taxes if a constitutional amendment sought by Delegate Barbara Evans Fleischauer succeeds.

Fleischauer, D-Monongalia, chair of the Constitutional Revision Committee, is the lead sponsor of House Joint Resolution 37 to raise the exemption.

The homestead exemption applies to the first \$20,000 of assessed property value for those who are 65 and older or are permanently and totally disabled.

Fleischauer said the age provision has proved a problem for couples when one dies and the other is younger than 65, even if the proper-



ty is jointly owned. The survivor suddenly loses the spouse's retirement income, and "it would jack your taxes up dramatically because all of a sudden the homestead exemption wouldn't be available. ... You're having trouble enough as it is, not to mention the grief," she said.

HJR 37 contains two major provisions:

- For widows or widowers under 65, it preserves the homestead exemption if their deceased partner was qualified and had the exemption.

- It allows counties to petition the Legislature to increase the exemption from its current \$20,000 to anywhere from \$20,000 to half the average value of residential property

in the county. They must present a plan to compensate for the lost income. If the Legislature approves the resolution, the county must bring it to the voters for approval by a majority.

If the full Legislature passes the resolution, a constitutional amendment would be put before the state's voters. The resolution as drafted calls for the vote to take place during the November 2012 general election.

Fleischauer pointed out one major issue. "The big problem with the homestead exemption is it takes revenue away from schools, from the state and from the counties."

It's difficult to make up that revenue, she said. The county option would allow those who have the resources and the interest a chance to put it before the voters.

Another problem: Seniors

are a major voting bloc, "but everyone else will be paying for it. We've been trying to figure this out for many, many years. Who's going to be left to pay the taxes?"

HJR 37 has sponsors from both parties. Delegate Patrick Lane, R-Kanawha, is one of them.

"I've been an advocate of raising the homestead exemption for the entire time I've been in the Legislature [since 2004]," he said.

The House recently passed and sent to the Senate another property tax relief bill, HB 2949. It eliminates a couple of tax-credit programs that were never used, and simplifies two others that offer relief beyond the homestead exemption for low-income seniors. The bill is in the Senate Judiciary committee and, if approved, moves to the Senate Finance committee.