

## Senior Homestead Exemption

### Referendum A

- Constitutional amendment passed in 2000 with 55 percent support; effective 2002

Exemption available to all seniors, and surviving spouses of deceased seniors who:

- Own their home
- Have resided in their home for at least 10 years

Exempts **50 percent of the first \$200,000** in actual home property value. Property tax benefit of the exemption differs according to a senior's home value and local mill levy.

In 2002, 123,300 senior households accessed the exemption. Average value was \$499. In 2017, 237,300 senior households accessed the exemption. Average value was \$545.

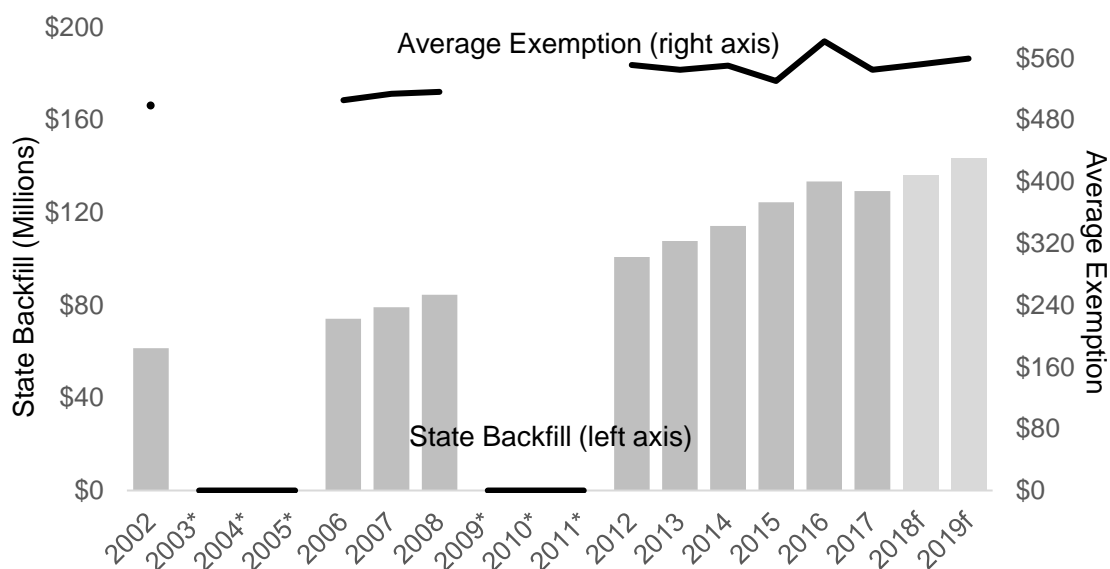
Property tax is collected exclusively by local governments (there is no federal or state property tax). The state reimburses local governments for lost property tax revenue.

For 2002, state reimbursements totaled \$61.5 million

For 2017, state reimbursements totaled \$129.3 million

State reimbursements expected to grow to \$143.5 million for 2019

### History of the Senior Homestead Exemption



Sources: Division of Property Taxation; Department of the Treasury; Legislative Council Staff.

\*Denotes years when senior homestead exemption was reduced to \$0 by the legislature

"f" denotes forecast

The constitution allows the legislature to raise or lower the \$200,000 exemption cap. For 2003 through 2005, and for 2009 through 2011, the cap was lowered to \$0. In these years, seniors did not receive an exemption.

**Demographics.** The state's senior population was 434,000 in 2002 and grew by about 4.0% annually to 778,000 in 2017. It will exceed 1 million in 2023 and 1.25 million in 2031, driving up the cost of the exemption.