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HOUSE BILL 2227

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State of Washington                      52nd Legislature    1991 1st Special Session

By Representatives Horn, Heavey, Holland, G. Fisher, D. Sommers, Broback, Nealey, Haugen, Casada, Phillips, Ballard, Edmondson, Wynne, Brumsickle, Nelson, Morris, Ferguson, Mielke, Lisk, Schmidt, Bowman, Betrozoff, Wineberry, Neher, Chandler, McLean, Miller, Tate, Mitchell, Vance, Brough, Wood, P. Johnson and Paris.

Read first time June 18, 1991. Referred to Committee on Revenue.

1            AN ACT Relating to nonprofit homes for the aging; amending RCW  
2 84.36.041; creating a new section; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 84.36.041 and 1991 c 203 s 2 are each amended to read  
5 as follows:

6            (1) All real and personal property used by a nonprofit home for the  
7 aging that is reasonably necessary for the purposes of the home is  
8 exempt from taxation if the benefit of the exemption inures to the home  
9 and:

10            (a) At least fifty percent of the occupied dwelling units in the  
11 home are occupied by eligible residents; or

12            (b) The home is subsidized under a federal department of housing  
13 and urban development program. The department of revenue shall provide  
14 by rule a definition of homes eligible for exemption under this  
15 subsection (b), consistent with the purposes of this section.

1           (2) A home for the aging is eligible for a partial exemption if the  
2 home does not meet the requirements of subsection (1) of this section  
3 because fewer than fifty percent of the occupied dwelling units are  
4 occupied by eligible residents. The amount of exemption shall be  
5 calculated by multiplying the assessed value of the property reasonably  
6 necessary for the purposes of the home by a fraction. The numerator of  
7 the fraction is the number of dwelling units occupied by eligible  
8 persons multiplied by two. The denominator of the fraction is the  
9 total number of occupied dwelling units. The fraction shall never  
10 exceed one.

11           (3) To be exempt under this section, the property must be used  
12 exclusively for the purposes for which the exemption is granted, except  
13 as provided in RCW 84.36.805.

14           (4) A home for the aging is exempt from taxation only if the  
15 organization operating the home is exempt from income tax under section  
16 501(c) of the federal internal revenue code as existing on January 1,  
17 1989, or such subsequent date as the director may provide by rule  
18 consistent with the purposes of this section.

19           (5) Each eligible resident of a home for the aging shall submit the  
20 form required under RCW 84.36.385 to the county assessor by July 1st of  
21 the assessment year. An eligible resident who has filed a form for a  
22 previous year need not file a new form until there is a change in  
23 status affecting the person's eligibility.

24           (6) In determining the true and fair value of a home for the aging  
25 for purposes of the partial exemption provided by subsection (2) of  
26 this section, the assessor shall apply the computation method provided  
27 by RCW 84.34.060 and shall consider only the use to which such property  
28 is applied during the years for which such partial exemptions are  
29 available and shall not consider potential uses of such property.

1 (7) A home for the aging that was exempt for taxes levied for  
2 collection in 1990 and is not fully exempt under this section is  
3 entitled to partial exemptions as follows:

4 (a) For taxes levied for collection in 1991, two-thirds of the  
5 assessed value that would otherwise be subject to tax under this  
6 section is exempt from taxation.

7 (b) For taxes levied for collection in 1992, one-third of the  
8 assessed value that would otherwise be subject to tax under this  
9 section is exempt from taxation.

10 (8) As used in this section:

11 (a) "Eligible resident" means a person who would be eligible for an  
12 exemption ((of regular property taxes)) under RCW 84.36.381 if the  
13 person owned a single-family dwelling. For the purposes of determining  
14 eligibility under this section, a "cotenant" as used in RCW 84.36.383  
15 means a person who resides with an eligible resident and who shares  
16 personal financial resources with the eligible resident.

17 (b) "Home for the aging" means a residential housing facility that  
18 (i) provides a housing arrangement chosen voluntarily by the resident,  
19 the resident's guardian or conservator, or another responsible person;  
20 (ii) has only residents who are at least sixty-two years of age or who  
21 have needs for care generally compatible with persons who are at least  
22 sixty-two years of age; and (iii) provides varying levels of care and  
23 supervision, as agreed to at the time of admission or as determined  
24 necessary at subsequent times of reappraisal.

25 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
26 preservation of the public peace, health, or safety, or support of the  
27 state government and its existing public institutions, and shall take  
28 effect immediately.

1        NEW SECTION.    **Sec. 3.**        Section 1 of this act shall be effective  
2 for taxes levied for collection in 1992 and thereafter.