
HOUSE BILL 1002

State of Washington

54th Legislature

1995 Regular Session

By Representatives Carlson, Kremen, Costa, Mitchell, Conway, Quall, Ogden, Kessler, Chappell, Basich, Grant, Lambert, Patterson, Campbell, Veloria, Sheldon, McMahan, Morris and Cody

Prefiled 12/21/94. Read first time 01/09/95. Referred to Committee on Finance.

1 AN ACT Relating to the senior citizen and disabled person property
2 tax exemption; amending RCW 84.36.381, 84.36.381, and 84.55.010;
3 creating a new section; providing a contingent effective date; and
4 providing a contingent expiration date.

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

6 **Sec. 1.** RCW 84.36.381 and 1993 c 178 s 1 are each amended to read
7 as follows:

8 A person shall be exempt from any legal obligation to pay all or a
9 portion of the amount of excess and regular real property taxes due and
10 payable in the year following the year in which a claim is filed, and
11 thereafter, in accordance with the following:

12 (1) The property taxes must have been imposed upon a residence
13 which was occupied by the person claiming the exemption as a principal
14 place of residence as of January 1st of the year for which the
15 exemption is claimed: PROVIDED, That any person who sells, transfers,
16 or is displaced from his or her residence may transfer his or her
17 exemption status to a replacement residence, but no claimant shall
18 receive an exemption on more than one residence in any year: PROVIDED

1 FURTHER, That confinement of the person to a hospital or nursing home
2 shall not disqualify the claim of exemption if:

3 (a) The residence is temporarily unoccupied;

4 (b) The residence is occupied by a spouse and/or a person
5 financially dependent on the claimant for support; or

6 (c) The residence is rented for the purpose of paying nursing home
7 or hospital costs;

8 (2) The person claiming the exemption must have owned, at the time
9 of filing, in fee, as a life estate, or by contract purchase, the
10 residence on which the property taxes have been imposed or if the
11 person claiming the exemption lives in a cooperative housing
12 association, corporation, or partnership, such person must own a share
13 therein representing the unit or portion of the structure in which he
14 or she resides. For purposes of this subsection, a residence owned by
15 a marital community or owned by cotenants shall be deemed to be owned
16 by each spouse or cotenant, and any lease for life shall be deemed a
17 life estate;

18 (3) The person claiming the exemption must be sixty-one years of
19 age or older on December 31st of the year in which the exemption claim
20 is filed, or must have been, at the time of filing, retired from
21 regular gainful employment by reason of physical disability: PROVIDED,
22 That any surviving spouse of a person who was receiving an exemption at
23 the time of the person's death shall qualify if the surviving spouse is
24 fifty-seven years of age or older and otherwise meets the requirements
25 of this section;

26 (4) The amount that the person shall be exempt from an obligation
27 to pay shall be calculated on the basis of combined disposable income,
28 as defined in RCW 84.36.383. If the person claiming the exemption was
29 retired for two months or more of the preceding year, the combined
30 disposable income of such person shall be calculated by multiplying the
31 average monthly combined disposable income of such person during the
32 months such person was retired by twelve. If the income of the person
33 claiming exemption is reduced for two or more months of the preceding
34 year by reason of the death of the person's spouse, the combined
35 disposable income of such person shall be calculated by multiplying the
36 average monthly combined disposable income of such person after the
37 death of the spouse by twelve.

1 (5)(a) A person who otherwise qualifies under this section and has
2 a combined disposable income of (~~twenty-six~~) thirty thousand dollars
3 or less shall be exempt from all excess property taxes; and

4 (b)(i) A person who otherwise qualifies under this section and has
5 a combined disposable income of (~~eighteen~~) twenty-one thousand
6 dollars or less but greater than fifteen thousand dollars shall be
7 exempt from all regular property taxes on the greater of thirty
8 thousand dollars or thirty percent of the valuation of his or her
9 residence, but not to exceed fifty thousand dollars of the valuation of
10 his or her residence; or

11 (ii) A person who otherwise qualifies under this section and has a
12 combined disposable income of (~~fifteen~~) seventeen thousand dollars or
13 less shall be exempt from all regular property taxes on the greater of
14 thirty-four thousand dollars or fifty percent of the valuation of his
15 or her residence.

16 **Sec. 2.** RCW 84.36.381 and 1994 1st sp.s. c 8 s 1 are each amended
17 to read as follows:

18 A person shall be exempt from any legal obligation to pay all or a
19 portion of the amount of excess and regular real property taxes due and
20 payable in the year following the year in which a claim is filed, and
21 thereafter, in accordance with the following:

22 (1) The property taxes must have been imposed upon a residence
23 which was occupied by the person claiming the exemption as a principal
24 place of residence as of the time of filing: PROVIDED, That any person
25 who sells, transfers, or is displaced from his or her residence may
26 transfer his or her exemption status to a replacement residence, but no
27 claimant shall receive an exemption on more than one residence in any
28 year: PROVIDED FURTHER, That confinement of the person to a hospital
29 or nursing home shall not disqualify the claim of exemption if:

30 (a) The residence is temporarily unoccupied;

31 (b) The residence is occupied by a spouse and/or a person
32 financially dependent on the claimant for support; or

33 (c) The residence is rented for the purpose of paying nursing home
34 or hospital costs;

35 (2) The person claiming the exemption must have owned, at the time
36 of filing, in fee, as a life estate, or by contract purchase, the
37 residence on which the property taxes have been imposed or if the
38 person claiming the exemption lives in a cooperative housing

1 association, corporation, or partnership, such person must own a share
2 therein representing the unit or portion of the structure in which he
3 or she resides. For purposes of this subsection, a residence owned by
4 a marital community or owned by cotenants shall be deemed to be owned
5 by each spouse or cotenant, and any lease for life shall be deemed a
6 life estate;

7 (3) The person claiming the exemption must be sixty-one years of
8 age or older on December 31st of the year in which the exemption claim
9 is filed, or must have been, at the time of filing, retired from
10 regular gainful employment by reason of physical disability: PROVIDED,
11 That any surviving spouse of a person who was receiving an exemption at
12 the time of the person's death shall qualify if the surviving spouse is
13 fifty-seven years of age or older and otherwise meets the requirements
14 of this section;

15 (4) The amount that the person shall be exempt from an obligation
16 to pay shall be calculated on the basis of combined disposable income,
17 as defined in RCW 84.36.383. If the person claiming the exemption was
18 retired for two months or more of the assessment year, the combined
19 disposable income of such person shall be calculated by multiplying the
20 average monthly combined disposable income of such person during the
21 months such person was retired by twelve. If the income of the person
22 claiming exemption is reduced for two or more months of the assessment
23 year by reason of the death of the person's spouse, or when other
24 substantial changes occur in disposable income that are likely to
25 continue for an indefinite period of time, the combined disposable
26 income of such person shall be calculated by multiplying the average
27 monthly combined disposable income of such person after such
28 occurrences by twelve. If it is necessary to estimate income to comply
29 with this subsection, the assessor may require confirming documentation
30 of such income prior to May 31 of the year following application;

31 (5)(a) A person who otherwise qualifies under this section and has
32 a combined disposable income of (~~twenty-eight~~) thirty thousand
33 dollars or less shall be exempt from all excess property taxes; and

34 (b)(i) A person who otherwise qualifies under this section and has
35 a combined disposable income of (~~eighteen~~) twenty-one thousand
36 dollars or less but greater than fifteen thousand dollars shall be
37 exempt from all regular property taxes on the greater of thirty
38 thousand dollars or thirty percent of the valuation of his or her

1 residence, but not to exceed fifty thousand dollars of the valuation of
2 his or her residence; or

3 (ii) A person who otherwise qualifies under this section and has a
4 combined disposable income of (~~(fifteen)~~) seventeen thousand dollars or
5 less shall be exempt from all regular property taxes on the greater of
6 thirty-four thousand dollars or fifty percent of the valuation of his
7 or her residence;

8 (6) For a person who otherwise qualifies under this section and has
9 a combined disposable income of (~~(twenty-eight)~~) thirty thousand
10 dollars or less, the taxable value of the residence shall not exceed
11 the lesser of (a) the assessed value of the residence as reduced by the
12 exemption under subsection (5) of this section, if any, or (b) the
13 taxable value of the residence for the previous year, increased by the
14 inflation factor for the assessment year. For counties that do not
15 revalue property annually, the amount under (b) of this subsection
16 shall be the previous taxable value increased by the inflation factor
17 for each assessment year since the previous revaluation of the
18 residence. As used in this section, "inflation factor" means the
19 percentage change used by the federal government in adjusting social
20 security payments for inflation at the beginning of each year. The
21 department shall provide inflation factors to the county assessors
22 annually.

23 **Sec. 3.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended to
24 read as follows:

25 (1) Except as provided in this chapter, the levy for a taxing
26 district in any year shall be set so that the regular property taxes
27 payable in the following year shall not exceed one hundred six percent
28 of the amount of regular property taxes lawfully levied for such
29 district in the highest of the three most recent years in which such
30 taxes were levied for such district plus an additional dollar amount
31 calculated by multiplying the increase in assessed value in that
32 district resulting from new construction, improvements to property, and
33 any increase in the assessed value of state-assessed property by the
34 regular property tax levy rate of that district for the preceding year.

35 (2) If the legislature has enacted a new exemption or increased an
36 existing exemption, the levy for a taxing district in any year shall be
37 set at an amount that will not cause revenue-neutral tax shifts to

1 occur in violation of RCW 43.135.035 or section 13, chapter 2, Laws of
2 1994.

3 NEW SECTION. Sec. 4. Section 1 of this act is effective for taxes
4 levied for collection in 1996 and thereafter.

5 NEW SECTION. Sec. 5. Section 1 of this act expires on July 1st of
6 the year in which the contingency under section 3, chapter 8, Laws of
7 1994 1st sp. sess. occurs.

8 NEW SECTION. Sec. 6. Section 2 of this act takes effect on July
9 1st of the year in which the contingency under section 3, chapter 8,
10 Laws of 1994 1st sp. sess. occurs.

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