
HOUSE BILL 1022

State of Washington

54th Legislature

1995 Regular Session

By Representatives B. Thomas, Dyer, Cooke, Carlson, Casada, Chandler, Brumsickle, Foreman, Silver, Sherstad, Dellwo, Benton, Skinner, Kremen, Hargrove, Horn, Schoesler, Buck, Johnson, Thompson, Beeksma, Goldsmith, Radcliff, Hickel, Backlund, Crouse, Cairnes, Elliot, Reams, Pennington, Mastin, Carrell, Mitchell, K. Schmidt, Quall, Chappell, G. Fisher, Basich, Grant, Smith, Robertson, Sehlin, Honeyford, Van Luven, Pelesky, Koster, Lambert, D. Schmidt, Mulliken, Boldt, McMorris, Clements, Campbell, L. Thomas, Huff, Mielke, Talcott, McMahan, Stevens and Hymes

Prefiled 12/30/94. Read first time 01/09/95. Referred to Committee on Finance.

1 AN ACT Relating to reducing property taxes; amending RCW 84.36.381;
2 amending 1994 sp.s. c 8 s 3 (uncodified); adding a new section to
3 chapter 84.55 RCW; creating new sections; making an appropriation;
4 providing an effective date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.55 RCW
7 to read as follows:

8 STATE LEVY. The state levy for collection in 1996 shall not exceed
9 ninety-five percent of the amount that could be levied under the law as
10 in effect on January 1, 1995. Levies collected before 1996 shall not
11 be used as a base for calculating limits for state levies for
12 collection after 1996.

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

15 SENIOR CITIZEN EXEMPTION. A person shall be exempt from any legal
16 obligation to pay all or a portion of the amount of excess and regular
17 real property taxes due and payable in the year following the year in

1 which a claim is filed, and thereafter, in accordance with the
2 following:

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

11 (a) The residence is temporarily unoccupied;

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

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

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

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

34 (4) The amount that the person shall be exempt from an obligation
35 to pay shall be calculated on the basis of combined disposable income,
36 as defined in RCW 84.36.383. If the person claiming the exemption was
37 retired for two months or more of the assessment year, the combined
38 disposable income of such person shall be calculated by multiplying the
39 average monthly combined disposable income of such person during the

1 months such person was retired by twelve. If the income of the person
2 claiming exemption is reduced for two or more months of the assessment
3 year by reason of the death of the person's spouse, or when other
4 substantial changes occur in disposable income that are likely to
5 continue for an indefinite period of time, the combined disposable
6 income of such person shall be calculated by multiplying the average
7 monthly combined disposable income of such person after such
8 occurrences by twelve. If it is necessary to estimate income to comply
9 with this subsection, the assessor may require confirming documentation
10 of such income prior to May 31 of the year following application;

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

14 (b)(i) A person who otherwise qualifies under this section and has
15 a combined disposable income of eighteen thousand dollars or less but
16 greater than fifteen thousand dollars shall be exempt from all regular
17 property taxes on the greater of thirty thousand dollars or thirty
18 percent of the valuation of his or her residence, but not to exceed
19 fifty thousand dollars of the valuation of his or her residence; or

20 (ii) A person who otherwise qualifies under this section and has a
21 combined disposable income of fifteen thousand dollars or less shall be
22 exempt from all regular property taxes on the greater of thirty-four
23 thousand dollars or fifty percent of the valuation of his or her
24 residence((;

25 ~~(6) For a person who otherwise qualifies under this section and has~~
26 ~~a combined disposable income of twenty-eight thousand dollars or less,~~
27 ~~the taxable value of the residence shall not exceed the lesser of (a)~~
28 ~~the assessed value of the residence as reduced by the exemption under~~
29 ~~subsection (5) of this section, if any, or (b) the taxable value of the~~
30 ~~residence for the previous year, increased by the inflation factor for~~
31 ~~the assessment year. For counties that do not revalue property~~
32 ~~annually, the amount under (b) of this subsection shall be the previous~~
33 ~~taxable value increased by the inflation factor for each assessment~~
34 ~~year since the previous revaluation of the residence. As used in this~~
35 ~~section, "inflation factor" means the percentage change used by the~~
36 ~~federal government in adjusting social security payments for inflation~~
37 ~~at the beginning of each year. The department shall provide inflation~~
38 ~~factors to the county assessors annually)).~~

1 **Sec. 3.** 1994 sp.s. c 8 s 3 (uncodified) is amended to read as
2 follows:

3 (~~This act shall take effect on July 1st of the year in which~~
4 ~~specific funding for the administrative costs associated with this act,~~
5 ~~referencing this act by bill or session law number, is provided in an~~
6 ~~appropriations act, and this act~~) Chapter 8, Laws of 1994 sp. sess.,
7 shall take effect July 1, 1995, and shall be effective for taxes levied
8 for collection in ((the year following the year in which the funding is
9 provided,)) 1996 and thereafter.

10 NEW SECTION. **Sec. 4.** EFFECTIVE YEAR. Sections 1 through 3 of
11 this act shall be effective for taxes levied for collection in 1996 and
12 thereafter.

13 NEW SECTION. **Sec. 5.** FUND ADMINISTRATIVE COSTS. The sum of nine
14 hundred fifty-five thousand dollars, or as much thereof as may be
15 necessary, is appropriated for the fiscal biennium ending June 30,
16 1997, from the general fund to the department of revenue for the
17 purpose of providing grants to counties for administrative costs
18 resulting from the section 1, chapter 8, Laws of 1994 sp. sess.
19 amendments to RCW 84.36.381(6).

20 NEW SECTION. **Sec. 6.** CAPTIONS NOT LAW. Captions as used in this
21 act constitute no part of the law.

22 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and shall take
25 effect July 1, 1995.

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