
SENATE BILL 5127

State of Washington

64th Legislature

2015 Regular Session

By Senators Angel, Roach, and O'Ban

Read first time 01/14/15. Referred to Committee on Government Operations & State Security.

1 AN ACT Relating to providing that veterans with total disability
2 ratings and their surviving spouses and domestic partners are
3 eligible to qualify for a property tax exemption without meeting
4 certain income requirements; and amending RCW 84.36.381.

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

6 **Sec. 1.** RCW 84.36.381 and 2012 c 10 s 73 are each amended to
7 read as follows:

8 A person is exempt from any legal obligation to pay all or a
9 portion of the amount of excess and regular real property taxes due
10 and payable in the year following the year in which a claim is filed,
11 and 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
14 principal place of residence as of the time of filing. However, any
15 person who sells, transfers, or is displaced from his or her
16 residence may transfer his or her exemption status to a replacement
17 residence, but no claimant may receive an exemption on more than one
18 residence in any year. Moreover, confinement of the person to a
19 hospital, nursing home, assisted living facility, or adult family
20 home does not disqualify the claim of exemption if:

21 (a) The residence is temporarily unoccupied;

1 (b) The residence is occupied by a spouse or a domestic partner
2 and/or a person financially dependent on the claimant for support; or

3 (c) The residence is rented for the purpose of paying nursing
4 home, hospital, assisted living facility, or adult family home costs;

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

16 (3)((+a)) The person claiming the exemption must be:

17 ((+i)) (a) Sixty-one years of age or older on December 31st of
18 the year in which the exemption claim is filed, or must have been, at
19 the time of filing, retired from regular gainful employment by reason
20 of disability. However, any surviving spouse or surviving domestic
21 partner of a person who was receiving an exemption under this
22 subsection (3)(a) at the time of the person's death will qualify if
23 the surviving spouse or surviving domestic partner is fifty-seven
24 years of age or older and otherwise meets the requirements of this
25 section. Moreover, a surviving spouse or surviving domestic partner,
26 who remarries or enters into a new domestic partnership, who
27 otherwise meets the requirements of this section, remains eligible to
28 receive an exemption under this subsection; or

29 ((+ii)) (b) A veteran of the armed forces of the United States
30 entitled to and receiving compensation from the United States
31 department of veterans affairs at a total disability rating for a
32 service-connected disability or the surviving spouse or surviving
33 domestic partner of such a veteran((-

34 ~~(b) However, any surviving spouse or surviving domestic partner~~
35 ~~of a person who was receiving an exemption at the time of the~~
36 ~~person's death will qualify if the surviving spouse or surviving~~
37 ~~domestic partner is fifty seven years of age or older and otherwise~~
38 ~~meets the requirements of this section));~~

39 (4)(a) A veteran qualifying under subsection (3)(b) of this
40 section is exempt from all regular and excess property taxes on a

1 residence meeting the requirements of subsections (1) and (2) of this
2 section.

3 (b) If a veteran qualifying under subsection (3)(b) of this
4 section dies after the effective date of this section, their
5 surviving spouse or surviving domestic partner is exempt from all
6 regular and excess property taxes on a residence meeting the
7 requirements of subsections (1) and (2) of this section so long as
8 the survivor does not remarry or enter into a new domestic
9 partnership after the death of the veteran;

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

28 ((+5)) (6)(a) A person under subsection (3)(a) of this section
29 who otherwise qualifies under this section and has a combined
30 disposable income of thirty-five thousand dollars or less is exempt
31 from all excess property taxes; and

32 (b)(i) A person under subsection (3)(a) of this section who
33 otherwise qualifies under this section and has a combined disposable
34 income of thirty thousand dollars or less but greater than twenty-
35 five thousand dollars is exempt from all regular property taxes on
36 the greater of fifty thousand dollars or thirty-five percent of the
37 valuation of his or her residence, but not to exceed seventy thousand
38 dollars of the valuation of his or her residence; or

39 (ii) A person under subsection (3)(a) of this section who
40 otherwise qualifies under this section and has a combined disposable

1 income of twenty-five thousand dollars or less is exempt from all
2 regular property taxes on the greater of sixty thousand dollars or
3 sixty percent of the valuation of his or her residence;

4 ~~((+6))~~ (7)(a) For a person under subsection (3)(a) of this
5 section who otherwise qualifies under this section and has a combined
6 disposable income of thirty-five thousand dollars or less, the
7 valuation of the residence is the assessed value of the residence on
8 the later of January 1, 1995, or January 1st of the assessment year
9 the person first qualifies under this section. If the person
10 subsequently fails to qualify under this section only for one year
11 because of high income, this same valuation must be used upon
12 requalification. If the person fails to qualify for more than one
13 year in succession because of high income or fails to qualify for any
14 other reason, the valuation upon requalification is the assessed
15 value on January 1st of the assessment year in which the person
16 requalifies. If the person transfers the exemption under this section
17 to a different residence, the valuation of the different residence is
18 the assessed value of the different residence on January 1st of the
19 assessment year in which the person transfers the exemption.

20 (b) In no event may the valuation under this subsection be
21 greater than the true and fair value of the residence on January 1st
22 of the assessment year.

23 (c) This subsection does not apply to subsequent improvements to
24 the property in the year in which the improvements are made.
25 Subsequent improvements to the property must be added to the value
26 otherwise determined under this subsection at their true and fair
27 value in the year in which they are made.

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