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HOUSE BILL 2514

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State of Washington

52nd Legislature

1992 Regular Session

By Representatives Wynne, Wang, Belcher, Brumsickle, Fraser, P. Johnson, G. Cole, Ballard, Rayburn, Horn, O'Brien, D. Sommers, Rust, Miller, Morton, Morris, Mitchell, Ferguson, Wood, Riley, Wilson, Basich, Forner, Hargrove, Silver, Heavey, Chandler, Broback, Moyer, Schmidt, Carlson, Vance, Van Luven, Zellinsky, Hine, Tate, Dellwo, Betrozoff, Haugen, Paris, Winsley, Lisk, Bowman, Orr, May, Brough, J. Kohl, Kremen, Ludwig, Roland, Pruitt, Spanel, Casada and Rasmussen

Read first time 01/20/92. Referred to Committee on Revenue.

1 AN ACT Relating to averaging income for senior citizen property tax  
2 exemption upon death of spouse; reenacting and amending RCW 84.36.381;  
3 and creating a new section.

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

5 **Sec. 1.** RCW 84.36.381 and 1991 c 213 s 3 and 1991 c 203 s 1 are  
6 each reenacted and amended to read as follows:

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

11 (1) The property taxes must have been imposed upon a residence  
12 which was occupied by the person claiming the exemption as a principal  
13 place of residence as of January 1st of the year for which the  
14 exemption is claimed: PROVIDED, That any person who sells, transfers,

1 or is displaced from his or her residence may transfer his or her  
2 exemption status to a replacement residence, but no claimant shall  
3 receive an exemption on more than one residence in any year: PROVIDED  
4 FURTHER, That confinement of the person to a hospital or nursing home  
5 shall not disqualify the claim of exemption if the residence is  
6 temporarily unoccupied or if the residence is occupied by a spouse  
7 and/or a person financially dependent on the claimant for support;

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

1 average monthly combined disposable income of such person during the  
2 months such person was retired by twelve. If the income of the person  
3 claiming exemption is reduced for two or more months of the preceding  
4 year by reason of the death of the person's spouse, the combined  
5 disposable income of such person shall be calculated by multiplying the  
6 average monthly combined disposable income of such person after the  
7 death of the spouse by twelve.

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

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

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

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