
SENATE BILL 5627

State of Washington 53rd Legislature 1993 Regular Session

By Senators Fraser and M. Rasmussen

Read first time 02/05/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to the tax relief for low-income residential
2 renters; amending RCW 84.52.043 and 84.55.005; adding a new section to
3 chapter 84.52 RCW; adding a new chapter to Title 36 RCW; creating a new
4 section; prescribing penalties; and providing a contingent effective
5 date.

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

7 NEW SECTION. **Sec. 1.** The legislature recognizes that a portion of
8 the rent paid on residential property represents the property taxes
9 that are imposed on the residence. The purpose of this chapter is to
10 give to low-income renters property tax relief on their principal
11 residences similar to that given to low-income senior citizen
12 homeowners and to authorize local funding of the program by county-wide
13 property tax levies.

14 NEW SECTION. **Sec. 2.** Unless the context clearly requires
15 otherwise, the definitions in this section apply throughout this
16 chapter.

17 (1) "Claimant" means a person who files a claim under this chapter
18 and who is domiciled in the state for the entire calendar year for

1 which the person files a claim. If two or more individuals of a
2 household meet the qualifications for a claim under this chapter, they
3 may determine between them as to who the claimant shall be.

4 (2) "Combined disposable income" means the disposable income of the
5 person claiming the exemption, plus the disposable income of each
6 member of the claimant's family, for the preceding calendar year.

7 (3) "Department" means the state department of revenue.

8 (4) "Disposable income" has the meaning given in RCW 84.36.383.

9 (5) "Member of the family" means any person other than the claimant
10 for whom the claimant is entitled to a dependency exemption under
11 section 151 of the federal internal revenue code of 1986, as existing
12 on the effective date of this act.

13 (6) "Preceding calendar year" means the calendar year preceding the
14 year in which the claim is made.

15 (7) "Rent" means the amounts actually paid in cash or its
16 equivalent during the calendar year solely for the right of occupancy
17 of a residence, exclusive of payments for refundable cleaning or damage
18 deposits or payments for any utilities, services, furniture,
19 furnishings, or personal appliances furnished by the lessor as a part
20 of the rental agreement. Rent advances shall be considered as paid in
21 the year in which the amount would have been due if it had not been
22 paid in advance. The department shall by rule provide a simple method
23 of determining rent if the rental agreement includes charges for
24 utilities, services, furniture, furnishings, or personal appliances and
25 does not separately state the amount of these charges.

26 (8) "Residence" means a dwelling in this state which is used as a
27 claimant's principal place of residence, including the land on which
28 such dwelling stands not to exceed one acre. "Residence" includes
29 mobile homes and houseboats. "Residence" also includes a part of a
30 multifamily dwelling or multipurpose building and, if appropriate, part
31 of the land on which it is situated. "Residence" does not include
32 personal property, such as furniture and appliances, other than a stove
33 and refrigerator.

34 NEW SECTION. **Sec. 3.** (1) A low-income person who rents his or her
35 primary residence in this state for the entire calendar year is
36 entitled to tax relief as provided in this chapter.

37 (2) The amount of relief for which the claimant is entitled shall
38 be calculated on the basis of combined disposable income.

1 (3) A person who otherwise qualifies under this chapter and has a
2 combined disposable income of twelve thousand five hundred dollars plus
3 an additional two thousand five hundred dollars for each member of the
4 person's family is entitled to receive relief equal to the amount of
5 regular and excess taxes paid on the property in the year in which the
6 claim is filed on the greater of twenty thousand dollars or twenty
7 percent of the value of the residence, not to exceed thirty thousand
8 dollars.

9 A person who otherwise qualifies under this chapter and has a
10 combined disposable income of ten thousand five hundred dollars plus an
11 additional two thousand five hundred dollars for each member of the
12 person's family is entitled to receive relief equal to the amount of
13 regular and excess taxes paid on the property in the year in which the
14 claim is filed on the greater of thirty thousand dollars or thirty
15 percent of the value of the residence, not to exceed fifty thousand
16 dollars.

17 A person who otherwise qualifies under this chapter and has a
18 combined disposable income of seven thousand five hundred dollars plus
19 an additional two thousand five hundred dollars for each member of the
20 person's family is entitled to receive relief equal to the amount of
21 regular and excess taxes paid on the property in the year in which the
22 claim is filed on the greater of thirty-four thousand dollars or fifty
23 percent of the value of the residence.

24 (4) Value shall equal the lesser of the assessed value of the
25 rented personal residence while occupied by the claimant or one hundred
26 times the average monthly rent paid. In those cases in which the
27 claimant resided in more than one primary residence during the year,
28 the values shall be averaged based on the length of time the claimant
29 resided in each residence.

30 NEW SECTION. **Sec. 4.** (1) A claim for rent relief under this
31 chapter shall be made and filed between January 2nd and October 1st for
32 rent paid the preceding calendar year. The claim shall be filed with
33 the county assessor of the county in which the claimant resides when
34 the claim is filed solely upon forms as prescribed and furnished by the
35 department of revenue. If the claimant no longer resides in the state,
36 the claim shall be filed with the assessor of the last county in which
37 the claimant resided. For cases in which the claimant resided in one
38 or more other counties during the preceding calendar year, the county

1 assessor of the county in which the claimant currently resides shall
2 coordinate the relief with the other county assessors.

3 (2) If the county assessor determines that the lessor and lessee
4 have not dealt with each other at arm's length and the rent charged is
5 excessive, the county assessor may adjust the rent to a reasonable
6 amount for the purposes of this chapter.

7 (3) If the assessor finds that the applicant does not meet the
8 qualifications set forth in this chapter, the claim shall be denied.
9 If the claimant has received relief in prior years based on erroneous
10 information, the claimant is liable for the amount received and
11 interest on the amount received as computed under RCW 82.32.050. If
12 the claim for relief involves an intent to defraud, the claimant is
13 liable for an additional penalty equal to fifty percent of the amount
14 received.

15 (4) The county legislative authority shall adopt procedures for
16 claimants to appeal denials of relief and rent adjustments under this
17 section.

18 (5) The county assessor shall publicize the qualifications and
19 manner of making claims under this chapter through communications
20 media, including such paid advertisements or notices as the assessor
21 deems appropriate.

22 NEW SECTION. **Sec. 5.** (1) All claims shall be made and signed by
23 the person entitled to the relief, by his or her attorney in fact, or
24 by the person's guardian.

25 (2) If the claimant is unable to submit his or her own claim, the
26 claim may be submitted by a duly authorized agent or by a guardian or
27 other person charged with the care of the person or property of the
28 claimant.

29 (3) All claims for relief shall be accompanied by such documented
30 verification of income and verification of the total amount of rent
31 paid in the preceding calendar year as shall be prescribed by rule
32 adopted by the department.

33 (4) Any person who signs a false claim with the intent to defraud
34 is guilty of false swearing under RCW 9A.72.040.

35 NEW SECTION. **Sec. 6.** (1) The department shall adopt such rules
36 and prescribe such forms as may be necessary and appropriate for

1 implementation and administration of this chapter subject to chapter
2 34.05 RCW, the administrative procedure act.

3 (2) The department may conduct such audits of the administration of
4 this chapter and the claims filed under this chapter as it considers
5 necessary.

6 (3) Any information or facts concerning confidential income data
7 obtained by the assessor or the department, or their agents or
8 employees, under subsection (2) of this section shall be used only to
9 administer this chapter. Notwithstanding any provision of law to the
10 contrary, absent written consent by the person about whom the
11 information or facts have been obtained, the confidential income data
12 shall not be disclosed by the assessor or the assessor's agents or
13 employees to anyone other than the department or the department's
14 agents or employees nor by the department or the department's agents or
15 employees to anyone other than the assessor or the assessor's agents or
16 employees except in a judicial proceeding pertaining to the taxpayer's
17 entitlement to the relief under this chapter. Any violation of this
18 subsection is a misdemeanor.

19 NEW SECTION. **Sec. 7.** The county assessor shall certify to the
20 county treasurer the name, address, and amount of rent relief to which
21 each person is entitled by January 1st of the year following the year
22 in which the claims are filed. The county treasurer shall send the
23 amounts so certified to each qualified claimant by June 1st.

24 NEW SECTION. **Sec. 8.** A new section is added to chapter 84.52 RCW
25 to read as follows:

26 The county may levy an ad valorem property tax, in excess of the
27 one percent limitation, upon property in the county at a rate necessary
28 to fund the claims approved in that year under chapter 36.-- RCW
29 (sections 1 through 7 of this act) for payment the following year.

30 Levies under this section are in addition to county levies under
31 RCW 84.52.043.

32 **Sec. 9.** RCW 84.52.043 and 1990 c 234 s 1 are each amended to read
33 as follows:

34 Within and subject to the limitations imposed by RCW 84.52.050 as
35 amended, the regular ad valorem tax levies upon real and personal
36 property by the taxing districts hereafter named shall be as follows:

1 (1) Levies of the senior taxing districts shall be as follows: (a)
2 The levy by the state shall not exceed three dollars and sixty cents
3 per thousand dollars of assessed value adjusted to the state equalized
4 value in accordance with the indicated ratio fixed by the state
5 department of revenue to be used exclusively for the support of the
6 common schools; (b) the levy by any county shall not exceed one dollar
7 and eighty cents per thousand dollars of assessed value; (c) the levy
8 by any road district shall not exceed two dollars and twenty-five cents
9 per thousand dollars of assessed value; and (d) the levy by any city or
10 town shall not exceed three dollars and thirty-seven and one-half cents
11 per thousand dollars of assessed value. However any county is hereby
12 authorized to increase its levy from one dollar and eighty cents to a
13 rate not to exceed two dollars and forty-seven and one-half cents per
14 thousand dollars of assessed value for general county purposes if the
15 total levies for both the county and any road district within the
16 county do not exceed four dollars and five cents per thousand dollars
17 of assessed value, and no other taxing district has its levy reduced as
18 a result of the increased county levy.

19 (2) (~~Except as provided in RCW 84.52.100,~~) The aggregate levies
20 of junior taxing districts and senior taxing districts, other than the
21 state, shall not exceed five dollars and ninety cents per thousand
22 dollars of assessed valuation. The term "junior taxing districts"
23 includes all taxing districts other than the state, counties, road
24 districts, cities, towns, port districts, and public utility districts.
25 The limitations provided in this subsection shall not apply to: (a)
26 Levies at the rates provided by existing law by or for any port or
27 public utility district; (b) excess property tax levies authorized in
28 Article VII, section 2 of the state Constitution; (c) levies for
29 acquiring conservation futures as authorized under RCW 84.34.230; and
30 (d) levies for emergency medical care or emergency medical services
31 imposed under RCW 84.52.069.

32 (3) This section does not apply to levies under section 8 of this
33 act.

34 **Sec. 10.** RCW 84.55.005 and 1983 1st ex.s. c 62 s 11 are each
35 amended to read as follows:

36 As used in this chapter, the term "regular property taxes" has the
37 meaning given it in RCW 84.04.140(~~, and also includes amounts received~~

1 ~~in lieu of regular property taxes under RCW 84.09.080~~). The term does
2 not include property tax levies under section 8 of this act.

3 NEW SECTION. **Sec. 11.** The department of revenue, with the
4 cooperation of the department of community development and the
5 department of social and health services, shall report to the fiscal
6 committees of the legislature by January 1, 1995, on any improvements
7 in the administration and implementation of this chapter that will
8 maximize the relief provided to persons eligible for public assistance
9 and other income-based social service or housing programs of the
10 department of community development or the department of social and
11 health services.

12 NEW SECTION. **Sec. 12.** Sections 1 through 7 of this act shall
13 constitute a new chapter in Title 36 RCW.

14 NEW SECTION. **Sec. 13.** This act shall take effect on January 1,
15 1994, if the proposed amendment to Article VII of the state
16 Constitution (SJR -- S-0644.1/93) is validly submitted to and is
17 approved and ratified by the voters at a general election held in
18 November, 1993. If the proposed amendment is not so approved and
19 ratified, this act shall be null and void in its entirety.

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