
SENATE BILL 5008

State of Washington**54th Legislature****1995 Regular Session****By** Senators Winsley, Haugen, McCaslin, Rasmussen and Schow

Read first time 01/09/95. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax relief for senior citizens and
2 persons retired by reason of physical disability; amending RCW
3 84.36.381 and 84.36.381; creating a new section; providing a contingent
4 effective date; and declaring an emergency.

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 thousand dollars or less
3 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 thousand dollars or less but
6 greater than fifteen thousand dollars shall be exempt from all regular
7 property taxes on the greater of thirty thousand dollars or thirty
8 percent of the valuation of his or her residence, but not to exceed
9 fifty thousand dollars of the valuation of his or her residence; or

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

15 (6) For a person who otherwise qualifies under this section, who
16 has a combined disposable income of thirty-six thousand dollars or
17 less, and who is at least sixty-five years of age or older on December
18 31st of the year in which the exemption claim is filed, the taxable
19 value of the residence shall not exceed the true and fair value of the
20 residence on January 1st of the year in which the exemption claim is
21 filed. A renewal application shall not be considered the filing of a
22 new exemption claim.

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

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

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

37 (a) The residence is temporarily unoccupied;

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

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

5 (2) The person claiming the exemption must have owned, at the time
6 of filing, in fee, as a life estate, or by contract purchase, the
7 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 share
10 therein representing the unit or portion of the structure in which he
11 or she resides. For purposes of this subsection, a residence owned by
12 a marital community or owned by cotenants shall be deemed to be owned
13 by each spouse or cotenant, and any lease for life shall be deemed a
14 life estate;

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

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

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

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

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

29 (7) For a person who otherwise qualifies under this section, who
30 has a combined disposable income of thirty-six thousand dollars or
31 less, and who is at least sixty-five years of age or older on December
32 31st of the year in which the exemption claim is filed, the taxable
33 value of the residence shall not exceed the true and fair value of the
34 residence on January 1st of the year in which the exemption claim is
35 filed. A renewal application shall not be considered the filing of a
36 new exemption claim.

37 NEW SECTION. **Sec. 3.** This act applies to taxes levied in 1995 for
38 collection in 1996 and thereafter.

1 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions. Section 1 of
4 this act shall take effect immediately. Section 2 of this act shall
5 take effect on the effective date of chapter 8, Laws of 1994 1st sp.
6 sess.

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