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SENATE BILL 5988

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State of Washington

54th Legislature

1995 Regular Session

By Senators McDonald and Oke

Read first time 02/21/95. 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 84.38.020, 84.38.030, and 84.38.020; creating a new section; and  
4 providing a contingent effective date.

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

6 **Sec. 1.** RCW 84.38.020 and 1991 c 213 s 1 are each amended to read  
7 as follows:

8 Unless a different meaning is plainly required by the context, the  
9 following words and phrases as hereinafter used in this chapter shall  
10 have the following meanings:

11 (1) "Claimant" means a person who either elects or is required  
12 under RCW ((~~84.64.030~~ or)) 84.64.050 to defer payment of the special  
13 assessments and/or real property taxes accrued on the claimant's  
14 residence by filing a declaration to defer as provided by this chapter.

15 When two or more individuals of a household file or seek to file a  
16 declaration to defer, they may determine between them as to who the  
17 claimant shall be.

18 (2) "Combined disposable income" has the meaning given in RCW  
19 84.36.383 less any amounts paid during the assessment year by the

1 person claiming the exemption, his or her spouse, or any cotenant  
2 occupying the residence for the previous year for long-term care  
3 insurance for any of these persons.

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

5 ((+3)) (4) "Equity value" means the amount by which the fair  
6 market value of a residence as determined from the records of the  
7 county assessor exceeds the total amount of any liens or other  
8 obligations against the property.

9 ((+4)) (5) "Special assessment" means the charge or obligation  
10 imposed by a city, town, county, or other municipal corporation upon  
11 property specially benefited by a local improvement, including  
12 assessments under chapters 35.44, 36.88, 36.94, 53.08, 54.16, 56.20,  
13 57.16, 86.09, and 87.03 RCW and any other relevant chapter.

14 ((+5)) (6) "Real property taxes" means ad valorem property taxes  
15 levied on a residence in this state in the preceding calendar year.

16 **Sec. 2.** RCW 84.38.030 and 1991 c 213 s 2 are each amended to read  
17 as follows:

18 A claimant may defer payment of special assessments and/or real  
19 property taxes on up to eighty percent of the amount of the claimant's  
20 equity value in the claimant's residence if the following conditions  
21 are met:

22 (1) The claimant must meet all requirements for an exemption for  
23 the residence under RCW 84.36.381, other than the income limits.

24 (2) The claimant must have a combined disposable income(~~(, as~~  
25 ~~defined in RCW 84.36.383,)~~) of thirty thousand dollars or less. This  
26 amount shall be adjusted by the department on January 1st of each year  
27 beginning in 1996 to reflect the change in the implicit price deflator  
28 for the United States for the previous fiscal year as published by the  
29 federal department of commerce.

30 (3) The claimant must have owned, at the time of filing, the  
31 residence on which the special assessment and/or real property taxes  
32 have been imposed. For purposes of this subsection, a residence owned  
33 by a marital community or owned by cotenants shall be deemed to be  
34 owned by each spouse or cotenant. A claimant who has only a share  
35 ownership in cooperative housing, a life estate, a lease for life, or  
36 a revocable trust does not satisfy the ownership requirement.

37 (4) The claimant must have and keep in force fire and casualty  
38 insurance in sufficient amount to protect the interest of the state in

1 the claimant's equity value: PROVIDED, That if the claimant fails to  
2 keep fire and casualty insurance in force to the extent of the state's  
3 interest in the claimant's equity value, the amount deferred shall not  
4 exceed one hundred percent of the claimant's equity value in the land  
5 or lot only.

6 (5) In the case of special assessment deferral, the claimant must  
7 have opted for payment of such special assessments on the installment  
8 method if such method was available.

9 **Sec. 3.** RCW 84.38.020 and 1995 c ... s 1 (section 1 of this act)  
10 are each amended to read as follows:

11 Unless a different meaning is plainly required by the context, the  
12 following words and phrases as hereinafter used in this chapter shall  
13 have the following meanings:

14 (1) "Claimant" means a person who either elects or is required  
15 under RCW 84.64.050 to defer payment of the special assessments and/or  
16 real property taxes accrued on the claimant's residence by filing a  
17 declaration to defer as provided by this chapter.

18 When two or more individuals of a household file or seek to file a  
19 declaration to defer, they may determine between them as to who the  
20 claimant shall be.

21 (2) "Combined disposable income" has the meaning given in RCW  
22 84.36.383 less any amounts paid during the assessment year by the  
23 person claiming the exemption, his or her spouse, or any cotenant  
24 occupying the residence for the ((previous)) assessment year for long-  
25 term care insurance for any of these persons.

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

27 (4) "Equity value" means the amount by which the fair market value  
28 of a residence as determined from the records of the county assessor  
29 exceeds the total amount of any liens or other obligations against the  
30 property.

31 (5) "Special assessment" means the charge or obligation imposed by  
32 a city, town, county, or other municipal corporation upon property  
33 specially benefited by a local improvement, including assessments under  
34 chapters 35.44, 36.88, 36.94, 53.08, 54.16, 56.20, 57.16, 86.09, and  
35 87.03 RCW and any other relevant chapter.

36 (6) "Real property taxes" means ad valorem property taxes levied on  
37 a residence in this state in the preceding calendar year.

1        NEW SECTION.   **Sec. 4.**   Section 3 of this act shall take effect on  
2   the effective date of chapter 8, Laws of 1994 sp. sess. and shall apply  
3   to taxes levied for collection in the following year and thereafter.

4        NEW SECTION.   **Sec. 5.**   Sections 1 and 2 of this act apply to taxes  
5   levied in 1995 for collection in 1996 and thereafter.

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