

1 **SB 5024** - H AMD

2 By Representative

3 On page 1, after line 8, insert:

4 "NEW SECTION. **Sec. 1.** A new section is added to chapter 84.38
5 RCW to read as follows:

6 The legislature finds that large and unanticipated increases in
7 taxes on residential property, usually attributable to rapid increases
8 in property values, cause undue and excessive hardships for many
9 homeowners. These increased tax burdens put many of these homeowners
10 at risk of being unable to remain in their residences and maintain
11 their property. Temporary financial hardships, such as unemployment or
12 medical costs, may also cause some homeowners to have insufficient
13 resources to pay property tax bills. The deferral program created in
14 section 26 of this act is intended to provide those distressed
15 taxpayers with the ability to defer taxes due so that they will be able
16 to remain in their homes while still paying an equitable share of the
17 overall property tax burden.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.38 RCW
19 to read as follows:

20 (1) A claimant may defer payment of that amount of real property
21 taxes that exceeds four percent of the claimant's combined disposable
22 income, but not to exceed three thousand dollars per year.

23 (2) Deferral of taxes under this chapter is subject to the
24 following conditions:

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

32 (b) The property taxes must have been imposed upon a residence
33 that was occupied by the claimant as a principal place of residence.

34 (c) A deferral is not allowed for taxes levied in the first full
35 calendar year in which the person owns the residence.

1 (d) The claimant must have and keep in force fire and casualty
2 insurance in sufficient amount to protect the interest of the state in
3 the claimant's equity value. If the claimant fails to keep fire and
4 casualty insurance in force to the extent of the state's interest in
5 the claimant's equity value, the amount deferred shall not exceed one
6 hundred percent of the claimant's equity value in the land or lot only.

7 (e) The total amount of taxes deferred, including interest
8 thereon, must not exceed eighty percent of the claimant's equity value
9 in the residence.

10 NEW SECTION. **Sec. 3.** Section 2 of this act is effective for
11 taxes levied for collection in 2000 and thereafter.

12 **Sec. 4.** RCW 84.38.010 and 1975 1st ex.s. c 291 s 26 are each
13 amended to read as follows:

14 The legislature finds that savings once deemed adequate for
15 retirement living have been rendered inadequate by increased tax rates,
16 increased property values, and the failure of pension systems to
17 adequately reflect such factors. It is therefore deemed necessary that
18 the legislature, in addition to that tax exemption as provided for in
19 RCW 84.36.381 through 84.36.389 as now or hereafter amended, allow
20 retired persons to defer payment of special assessments on their
21 residences, and to defer their real property tax obligations on their
22 residences, an amount of up to eighty percent of their equity in said
23 property. ((This deferral program)) The deferral provided under RCW
24 84.38.030 is intended to assist retired persons in maintaining their
25 dignity and a reasonable standard of living by residing in their own
26 homes, providing for their own needs, and managing their own affairs
27 without requiring assistance from public welfare programs.

28 **Sec. 5.** RCW 84.38.050 and 1979 ex.s. c 214 s 8 are each amended
29 to read as follows:

30 (1)(a) Declarations to defer property taxes for all years
31 following the first year under RCW 84.38.030 may be made by filing with
32 the county assessor no later than thirty days before the tax is due a
33 renewal form in duplicate, prescribed by the department of revenue and
34 supplied by the county assessor, which affirms the continued
35 eligibility of the claimant.

1 (b) In January of each year, the county assessor shall send to
2 each claimant who has been granted deferral of ad valorem taxes for the
3 previous year under RCW 84.38.030 renewal forms and notice to renew.

4 (2) Declarations to defer special assessments shall be made by
5 filing with the assessor no later than thirty days before the special
6 assessment is due on a form to be prescribed by the department of
7 revenue and supplied by the county assessor. Upon approval, the full
8 amount of special assessments upon such claimant's residence shall be
9 deferred but not to exceed an amount equal to eighty percent of the
10 claimant's equity value in said property."

11 Renumber sections consecutively, correct any internal references
12 accordingly and correct the title.

EFFECT: Adds a homeowner deferral program.