
SENATE BILL 5775

State of Washington

57th Legislature

2001 Regular Session

By Senators Hargrove, Patterson, Franklin, B. Sheldon, Snyder, Spanel, Costa, T. Sheldon, Prentice, McAuliffe, McCaslin, Gardner, Winsley, Oke, Rasmussen and Constantine

Read first time 02/02/2001. Referred to Committee on Ways & Means.

1 AN ACT Relating to authorizing taxpayer tax exemptions from and
2 credits against the state property tax; amending RCW 84.56.050; adding
3 a new chapter to Title 84 RCW; creating a new section; prescribing
4 penalties; and providing a contingent effective date.

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

6 NEW SECTION. **Sec. 1.** (1) Each taxpayer is allowed an exemption
7 against property taxes levied for state purposes. The amount of the
8 exemption is equal to fifty thousand dollars of assessed valuation
9 adjusted to the state equalized value in accordance with the indicated
10 ratio fixed by the department of revenue.

11 (2) The exemption shall be applied to property owned and designated
12 by the taxpayer. If the value of the property is less than the amount
13 of the exemption, the unused portion of the exemption may be applied to
14 additional property owned and designated by the taxpayer. If a
15 taxpayer sells property designated for exemption under this section,
16 the exemption can be transferred to another property owned and
17 designated by the taxpayer.

18 (3) No property is eligible for total exemptions under this section
19 in excess of fifty thousand dollars.

1 (4) No taxpayer may claim more than one exemption.

2 (5) The exemption under this section is in addition to any other
3 property tax relief that may be provided by law.

4 (6) The person claiming the exemption must have owned the property,
5 at the time of filing, in fee, as a life estate, or by contract
6 purchase.

7 (7) For purposes of this section, a marital community constitutes
8 one taxpayer.

9 NEW SECTION. **Sec. 2.** (1) Each taxpayer is allowed a credit
10 against property taxes levied for state purposes. The amount of the
11 credit is equal to the state tax imposed on fifty thousand dollars of
12 assessed valuation adjusted to the state equalized value in accordance
13 with the indicated ratio fixed by the department of revenue. The
14 credit applies to property designated under section 1 of this act.

15 (2) The credit in any tax year shall not exceed the amount of taxes
16 levied on the property for state purposes.

17 (3) No property is eligible for total credits under this section in
18 excess of the state tax imposed on fifty thousand dollars of assessed
19 valuation adjusted to the state equalized value in accordance with the
20 indicated ratio fixed by the department of revenue.

21 (4) No taxpayer may claim more than one credit.

22 (5) The credit under this section is in addition to any other
23 property tax relief that may be provided by law.

24 (6) The person claiming the credit must have owned the property, at
25 the time of filing, in fee, as a life estate, or by contract purchase.

26 (7) For purposes of this section, a marital community constitutes
27 one taxpayer.

28 NEW SECTION. **Sec. 3.** (1) A claim under this chapter shall be made
29 and filed with the county assessor at any time during the year for
30 taxes payable the following year and thereafter, and solely upon forms
31 as prescribed and furnished by the department of revenue. Beginning in
32 2007, tax relief under this chapter continues for no more than four
33 years unless a renewal application is filed.

34 (2) Each person receiving tax relief under this chapter shall file
35 with the county assessor a renewal application not later than December
36 31st of the year the assessor notifies the person of the requirement to
37 file the renewal application. Beginning in 2006, and in each of the

1 three succeeding years, the county assessor shall notify approximately
2 one-fourth of those persons receiving tax relief under this chapter in
3 the current year who have not filed a renewal application within the
4 previous four years of the requirement to file a renewal application.

5 (3) A person receiving tax relief under this chapter shall inform
6 the county assessor of any change affecting the person's entitlement on
7 forms prescribed and furnished by the department of revenue. A person
8 receiving tax relief under this chapter may change the properties
9 receiving the relief on forms prescribed and furnished by the
10 department of revenue.

11 (4) If the assessor finds that the applicant does not meet the
12 qualifications as set forth in this chapter, the claim shall be denied,
13 but the denial may be appealed under RCW 84.48.010. If the applicant
14 received tax relief under this chapter in prior years based on
15 erroneous information, the taxes shall be collected subject to
16 penalties, as provided in RCW 84.40.130, for a period not to exceed
17 three years.

18 (5) The department and each local assessor shall publicize the
19 qualifications and manner of making claims under this chapter through
20 communications media, including paid advertisements or notices as it
21 deems appropriate. Notice of the qualifications, method of making
22 application, the penalties for not reporting a change, and availability
23 of further information shall be included on or with property tax
24 statements and revaluation notices for all property.

25 NEW SECTION. **Sec. 4.** (1) All claims under this chapter shall be
26 made and signed by the person entitled to the tax relief.

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

31 (3) Any person signing a false claim with the intent to defraud or
32 evade the payment of any tax is guilty of the offense of perjury.

33 (4) The tax liability of a cooperative housing association,
34 corporation, or partnership shall be reduced by the amount of tax
35 relief to which a claimant residing therein is entitled and the
36 cooperative shall reduce any amount owed by the claimant to the
37 cooperative by the exact amount of tax relief or, if no amount is owed,

1 the cooperative shall make payment to the claimant of the exact amount
2 of the relief.

3 (5) A remainderman or other person who would have otherwise paid
4 the tax on real property that is receiving tax relief under this
5 chapter for an estate for life shall reduce the amount which would have
6 been payable by the life tenant to the remainderman or other person to
7 the extent of the tax relief. If no amount is owed or separately
8 stated as an obligation between these persons, the remainderman or
9 other person shall make payment to the life tenant in the exact amount
10 of the tax relief.

11 NEW SECTION. **Sec. 5.** (1) The director of revenue shall adopt
12 rules and prescribe forms as may be necessary and appropriate for
13 implementation and administration of this chapter subject to chapter
14 34.05 RCW, the administrative procedure act.

15 (2) The department may conduct audits of the administration of this
16 chapter and the claims filed under this chapter as it considers
17 necessary. The powers of the department under chapter 84.08 RCW apply
18 to these audits.

19 **Sec. 6.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to read
20 as follows:

21 (1) On receiving the tax rolls the treasurer shall post all real
22 and personal property taxes from the rolls to the treasurer's tax roll,
23 and shall carry forward to the current tax rolls a memorandum of all
24 delinquent taxes on each and every description of property, and enter
25 the same on the property upon which the taxes are delinquent showing
26 the amounts for each year. The treasurer shall notify each taxpayer in
27 the county, at the expense of the county, of the amount of the real and
28 personal property(~~(,)~~) and the current and delinquent amount of tax due
29 on the same(~~(; and)~~). The treasurer shall have printed on the notice
30 the name of each tax ((and)), the levy made on the same, the amount of
31 any credit under section 2 of this act, and the tax payable. The
32 county treasurer shall be the sole collector of all delinquent taxes
33 and all other taxes due and collectible on the tax rolls of the
34 county(~~(; PROVIDED, That)~~).

35 (2) The term "taxpayer" as used in this section shall mean any
36 person charged, or whose property is charged, with property tax; and
37 the person to be notified is that person whose name appears on the tax

1 roll herein mentioned(~~(:—PROVIDED, FURTHER, That)~~). If no name so
2 appears, the person to be notified is that person shown by the
3 treasurer's tax rolls or duplicate tax receipts of any preceding year
4 as the payer of the tax last paid on the property in question.

5 NEW SECTION. **Sec. 7.** This act applies to taxes levied for
6 collection in 2003 and thereafter.

7 NEW SECTION. **Sec. 8.** Sections 1 through 5 of this act constitute
8 a new chapter in Title 84 RCW.

9 NEW SECTION. **Sec. 9.** This act takes effect if the proposed
10 amendment adding a new section to Article VII of the state Constitution
11 providing tax credits for owner-occupied residential housing (Senate
12 Joint Resolution (S-1086/01)) is validly submitted to and is
13 approved and ratified by the voters at a general election held in
14 November 2001. If the proposed amendment is not approved and ratified,
15 this act is null and void in its entirety.

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