

SHB 2597 - H AMD 1059

By Representative McDonald

1 On page 6, after line 26, insert the following:

2
3 NEW SECTION. **Sec. 4.** (1) This section is the tax preference
4 performance statement for the tax preference contained in section 5,
5 chapter . . . , Laws of 2018 (section 5 of this act). This
6 performance statement is only intended to be used for subsequent
7 evaluation of the tax preference. It is not intended to create a
8 private right of action by any party or be used to determine
9 eligibility for preferential tax treatment.

10 (2) The legislature categorizes this tax preference as one
11 intended to provide tax relief for certain businesses or
12 individuals, as indicated in RCW 82.32.808(2)(e).

13 (3) It is the legislature's specific public policy objective to
14 provide tax relief to senior citizens, disabled persons, and
15 veterans whose income is reduced due to the death of the person's
16 spouse.

17 (4) If a review finds that this tax preference meets the
18 objective in subsection (3) of this section, then the legislature
19 intends to extend the expiration date of this preference.

20 (5) In order to obtain the data necessary to perform the review
21 in subsection (4) of this section, the joint legislative audit and
22 review committee may refer to data provided by the department of
23 revenue.

24

25 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.36
26 RCW to read as follows:

27

1 (1) Beginning with property taxes payable in 2018, if the income
2 of a person claiming an exemption under RCW 84.36.381 is reduced for
3 less than two months of the assessment year by reason of the death
4 of the person's spouse or the person's domestic partner, the person
5 may claim an exemption within one year of the death of the spouse or
6 domestic partner.

7 (2) A claim for exemption must include documentation confirming
8 the income reduction.

9 (3) This section expires December 31, 2026.

10

11 **Sec. 6.** RCW 84.36.385 and 2011 c 174 s 106 are each amended to
12 read as follows:

13 (1) A claim for exemption under RCW 84.36.381, as now or
14 hereafter amended, (~~may~~) must be made and filed (~~at any time~~
15 ~~during the year for exemption from taxes payable the following year~~
16 ~~and thereafter and~~) solely upon forms as prescribed and furnished
17 by the department of revenue. However, an exemption from tax under
18 RCW 84.36.381 continues for no more than six years unless a renewal
19 application is filed as provided in subsection (3) of this section.

20 (2) A person granted an exemption under RCW 84.36.381 must
21 inform the county assessor of any change in status affecting the
22 person's entitlement to the exemption on forms prescribed and
23 furnished by the department of revenue.

24 (3) Each person exempt from taxes under RCW 84.36.381 in 1993
25 and thereafter(~~7~~) must file with the county assessor a renewal
26 application not later than December 31 of the year the assessor
27 notifies such person of the requirement to file the renewal
28 application. Renewal applications must be on forms prescribed and
29 furnished by the department of revenue.

30 (4) At least once every six years, the county assessor must
31 notify those persons receiving an exemption from taxes under RCW
32 84.36.381 of the requirement to file a renewal application. The
33 county assessor may also require a renewal application following an
34 amendment of the income requirements set forth in RCW 84.36.381.

1 (5) If the assessor finds that the applicant does not meet the
2 qualifications as set forth in RCW 84.36.381, as now or hereafter
3 amended, the claim or exemption must be denied but such denial is
4 subject to appeal under the provisions of RCW 84.48.010 and in
5 accordance with the provisions of RCW 84.40.038. If the applicant
6 had received exemption in prior years based on erroneous
7 information, the taxes must be collected subject to penalties as
8 provided in RCW 84.40.130 for a period of not to exceed five years.

9 (6) The department and each local assessor is hereby directed to
10 publicize the qualifications and manner of making claims under RCW
11 84.36.381 through 84.36.389, through communications media, including
12 such paid advertisements or notices as it deems appropriate. Notice
13 of the qualifications, method of making applications, the penalties
14 for not reporting a change in status, and availability of further
15 information must be included on or with property tax statements and
16 revaluation notices for all residential property including mobile
17 homes, except rental properties.

18

19 **Sec. 7.** RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each
20 amended to read as follows:

21 (1) On the order of the county treasurer, ad valorem taxes paid
22 before or after delinquency must be refunded if they were:

23 ~~((1))~~ (a) Paid more than once;

24 ~~((2))~~ (b) Paid as a result of manifest error in description;

25 ~~((3))~~ (c) Paid as a result of a clerical error in extending
26 the tax rolls;

27 ~~((4))~~ (d) Paid as a result of other clerical errors in listing
28 property;

29 ~~((5))~~ (e) Paid with respect to improvements which did not
30 exist on assessment date;

31 ~~((6))~~ (f) Paid under levies or statutes adjudicated to be
32 illegal or unconstitutional;

33 ~~((7))~~ (g) Paid as a result of mistake, inadvertence, or lack
34 of knowledge by any person exempted from paying real property taxes

1 or a portion thereof pursuant to RCW 84.36.381 through 84.36.389, as
2 now or hereafter amended;

3 ~~((+8+))~~ (h) Paid prior to a person being granted an exemption
4 under RCW 84.36.381 if the person qualified under section 5 of this
5 act;

6 (i) Paid as a result of mistake, inadvertence, or lack of
7 knowledge by either a public official or employee or by any person
8 with respect to real property in which the person paying the same
9 has no legal interest;

10 ~~((+9+))~~ (j) Paid on the basis of an assessed valuation which was
11 appealed to the county board of equalization and ordered reduced by
12 the board;

13 ~~((+10+))~~ (k) Paid on the basis of an assessed valuation which
14 was appealed to the state board of tax appeals and ordered reduced
15 by the board(~~(+ PROVIDED, That)~~). However, the amount refunded under
16 ~~((subsections (9) and (10)))~~ (j) and (k) of this ~~((section shall))~~
17 subsection (1) may only be for the difference between the tax paid
18 on the basis of the appealed valuation and the tax payable on the
19 valuation adjusted in accordance with the board's order;

20 ~~((+11+))~~ (l) Paid as a state property tax levied upon property,
21 the assessed value of which has been established by the state board
22 of tax appeals for the year of such levy(~~(+ PROVIDED, HOWEVER,~~
23 ~~That)~~). However, the amount refunded ~~((shall))~~ may only be for the
24 difference between the state property tax paid and the amount of
25 state property tax which would, when added to all other property
26 taxes within the one percent limitation of Article VII, section 2 of
27 the state Constitution equal one percent of the assessed value
28 established by the board;

29 ~~((+12+))~~ (m) Paid on the basis of an assessed valuation which
30 was adjudicated to be unlawful or excessive(~~(+ PROVIDED, That)~~).
31 However, the amount refunded ~~((shall))~~ may be for the difference
32 between the amount of tax which was paid on the basis of the
33 valuation adjudged unlawful or excessive and the amount of tax

34

1 payable on the basis of the assessed valuation determined as a
2 result of the proceeding;

3 ~~((13))~~ (n) Paid on property acquired under RCW 84.60.050, and
4 canceled under RCW 84.60.050(2);

5 ~~((14))~~ (o) Paid on the basis of an assessed valuation that was
6 reduced under RCW 84.48.065;

7 ~~((15))~~ (p) Paid on the basis of an assessed valuation that was
8 reduced under RCW 84.40.039; or

9 ~~((16))~~ (q) Abated under RCW 84.70.010.

10 (2) No refunds under the provisions of this section (~~shall~~)
11 may be made because of any error in determining the valuation of
12 property, except as authorized in (~~subsections (9), (10), (11), and~~
13 ~~(12) of this section~~) subsection (1)(j) through (m) of this section
14 nor may any refunds be made if a bona fide purchaser has acquired
15 rights that would preclude the assessment and collection of the
16 refunded tax from the property that should properly have been
17 charged with the tax. Any refunds made on delinquent taxes must
18 include the proportionate amount of interest and penalties paid.
19 However, no refunds as a result of an incorrect payment authorized
20 under subsection ~~((8))~~ (1)(i) of this section made by a third
21 party payee (~~shall~~) may be granted. The county treasurer may
22 deduct from moneys collected for the benefit of the state's levies,
23 refunds of the state's levies including interest on the levies as
24 provided by this section and chapter 84.68 RCW.

25 (3) The county treasurer of each county must make all refunds
26 determined to be authorized by this section, and by the first Monday
27 in February of each year, report to the county legislative authority
28 a list of all refunds made under this section during the previous
29 year. The list is to include the name of the person receiving the
30 refund, the amount of the refund, and the reason for the refund.

31

32 NEW SECTION. Sec. 8. Sections 6 and 7 of this act expire
33 December 31, 2026."

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1 Correct the title.

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EFFECT: Allows a senior citizen or person with a disability to claim a property tax exemption if income is reduced in the last two months of a calendar year due to the death of a spouse.

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