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**HOUSE BILL 1482**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Orcutt, Chapman, Jacobsen, Leavitt, McClintock, and Senn

AN ACT Relating to protecting senior citizens' and disabled veterans' property tax exemption eligibility; amending RCW 84.36.381; and creating new sections.

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

**Sec.**  RCW 84.36.381 and 2019 c 453 s 1 are each amended to read as follows:

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

(1)(a) The property taxes must have been imposed upon a residence which was occupied by the person claiming the exemption as a principal place of residence as of the time of filing. However, any person who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant may receive an exemption on more than one residence in any year. Moreover, confinement of the person to a hospital, nursing home, assisted living facility, adult family home, or home of a relative for the purpose of long-term care does not disqualify the claim of exemption if:

(i) The residence is temporarily unoccupied;

(ii) The residence is occupied by a spouse or a domestic partner and/or a person financially dependent on the claimant for support; or

(iii) The residence is rented for the purpose of paying nursing home, hospital, assisted living facility, or adult family home costs.

(b) For the purpose of this subsection (1), "relative" means any individual related to the claimant by blood, marriage, or adoption;

(2) The person claiming the exemption must have owned, at the time of filing, in fee, as a life estate, or by contract purchase, the residence on which the property taxes have been imposed or if the person claiming the exemption lives in a cooperative housing association, corporation, or partnership, such person must own a share therein representing the unit or portion of the structure in which he or she resides. For purposes of this subsection, a residence owned by a marital community or state registered domestic partnership or owned by cotenants is deemed to be owned by each spouse or each domestic partner or each cotenant, and any lease for life is deemed a life estate;

(3)(a) The person claiming the exemption must be:

(i) Sixty-one years of age or older on December 31st of the year in which the exemption claim is filed, or must have been, at the time of filing, retired from regular gainful employment by reason of disability; or

(ii) A veteran of the armed forces of the United States entitled to and receiving compensation from the United States department of veterans affairs at:

(A) A combined service-connected evaluation rating of eighty percent or higher; or

(B) A total disability rating for a service-connected disability without regard to evaluation percent.

(b) However, any surviving spouse or surviving domestic partner of a person who was receiving an exemption at the time of the person's death will qualify if the surviving spouse or surviving domestic partner is ((~~fifty-seven~~)) 57 years of age or older and otherwise meets the requirements of this section;

(4)(a) The amount that the person is exempt from an obligation to pay is calculated on the basis of combined disposable income, as defined in RCW 84.36.383.

(b) If the person claiming the exemption was retired for two months or more of the assessment year, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by ((~~twelve~~)) 12.

(c) If the income of the person claiming exemption is reduced for two or more months of the assessment year by reason of the death of the person's spouse or the person's domestic partner, or when other substantial changes occur in disposable income that are likely to continue for an indefinite period of time, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person after such occurrences by ((~~twelve~~)) 12.

(d)(i) If the income of the person claiming the exemption increases as a result of a cost-of-living adjustment to social security benefits, supplemental security income, or pension benefits in an amount that would disqualify the applicant from eligibility, the applicant is not disqualified but instead maintains eligibility.

(ii) The continued eligibility under this subsection is allowed until the next updated income threshold is published as provided in RCW 84.36.385(8).

(e) If it is necessary to estimate income to comply with this subsection, the assessor may require confirming documentation of such income prior to May 31st of the year following application;

(5)(a) A person who otherwise qualifies under this section and has a combined disposable income equal ((~~[to]~~)) to or less than income threshold 3 is exempt from all excess property taxes, the additional state property tax imposed under RCW 84.52.065(2), and the portion of the regular property taxes authorized pursuant to RCW 84.55.050 and approved by the voters, if the legislative authority of the county or city imposing the additional regular property taxes identified this exemption in the ordinance placing the RCW 84.55.050 measure on the ballot; and

(b)(i) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 2 but greater than income threshold 1 is exempt from all regular property taxes on the greater of ((~~fifty thousand dollars~~)) $50,000 or ((~~thirty-five~~)) 35 percent of the valuation of his or her residence, but not to exceed ((~~seventy thousand dollars~~)) $70,000 of the valuation of his or her residence; or

(ii) A person who otherwise qualifies under this section and has a combined disposable income equal to or less than income threshold 1 is exempt from all regular property taxes on the greater of ((~~sixty thousand dollars~~)) $60,000 or ((~~sixty~~)) 60 percent of the valuation of his or her residence;

(6)(a) For a person who otherwise qualifies under this section and has a combined disposable income equal ((~~[to]~~)) to or less than income threshold 3, the valuation of the residence is the assessed value of the residence on the later of January 1, 1995, or January 1st of the assessment year the person first qualifies under this section. If the person subsequently fails to qualify under this section only for one year because of high income, this same valuation must be used upon requalification. If the person fails to qualify for more than one year in succession because of high income or fails to qualify for any other reason, the valuation upon requalification is the assessed value on January 1st of the assessment year in which the person requalifies. If the person transfers the exemption under this section to a different residence, the valuation of the different residence is the assessed value of the different residence on January 1st of the assessment year in which the person transfers the exemption.

(b) In no event may the valuation under this subsection be greater than the true and fair value of the residence on January 1st of the assessment year.

(c) This subsection does not apply to subsequent improvements to the property in the year in which the improvements are made. Subsequent improvements to the property must be added to the value otherwise determined under this subsection at their true and fair value in the year in which they are made.

NEW SECTION. **Sec.**  This act applies to taxes levied for collection in 2024 and thereafter.

NEW SECTION. **Sec.**  RCW 82.32.805 and 82.32.808 do not apply to this act.

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