
SUBSTITUTE SENATE BILL 5110

State of Washington

52nd Legislature

1991 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Bluechel, Bauer, McDonald, McMullen, Cantu, Gaspard, Bailey, Craswell, Wojahn, Sutherland, Vognild, Rasmussen, Johnson, Conner, Snyder, A. Smith, Talmadge, L. Smith, Madsen, Stratton, Murray, Rinehart, Pelz, Oke, Erwin, McCaslin and Skratek).

Read first time March 11, 1991.

1 AN ACT Relating to exemptions and deferrals for senior citizens and
2 persons retired for reasons of physical disability; amending RCW
3 84.36.381, 84.36.385, and 84.38.030; and creating new sections.

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

5 **Sec. 1.** RCW 84.36.381 and 1987 c 301 s 1 are each amended to read
6 as follows:

7 A person shall be exempt from any legal obligation to pay all or a
8 portion of the amount of excess and regular real property taxes due and
9 payable in the two years following the year in which a claim is
10 filed(~~(, and thereafter,)~~) in accordance with the following:

11 (1) The property taxes must have been imposed upon a residence
12 which was occupied by the person claiming the exemption as a principal
13 place of residence as of January 1st of the year for which the
14 exemption is claimed: PROVIDED, That any person who sells, transfers,
15 or is displaced from his or her residence may transfer his or her

1 exemption status to a replacement residence, but no claimant shall
2 receive an exemption on more than one residence in any year: PROVIDED
3 FURTHER, That confinement of the person to a hospital or nursing home
4 shall not disqualify the claim of exemption if the residence is
5 temporarily unoccupied or if the residence is occupied by a spouse
6 and/or a person financially dependent on the claimant for support;

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

17 (3) The person claiming the exemption must have been sixty-one
18 years of age or older on January 1st of the year in which the exemption
19 claim is filed, or must have been, at the time of filing, retired from
20 regular gainful employment by reason of physical disability: PROVIDED,
21 That any surviving spouse of a person who was receiving an exemption at
22 the time of the person's death shall qualify if the surviving spouse is
23 fifty-seven years of age or older and otherwise meets the requirements
24 of this section;

25 (4) The amount that the person shall be exempt from an obligation
26 to pay shall be calculated on the basis of combined disposable income,
27 as defined in RCW 84.36.383. If the person claiming the exemption was
28 retired for two months or more of the preceding year, the combined
29 disposable income of such person shall be calculated by multiplying the

1 average monthly combined disposable income of such person during the
2 months such person was retired by twelve.

3 (5) (a) A person who otherwise qualifies under this section and has
4 a combined disposable income of (~~eighteen~~) twenty-six thousand
5 dollars or less shall be exempt from all excess property taxes; and

6 (b) (i) A person who otherwise qualifies under this section and has
7 a combined disposable income of eighteen thousand dollars or less but
8 greater than fourteen thousand dollars shall be exempt from all regular
9 property taxes on the greater of forty thousand dollars or thirty
10 percent of the valuation of his or her residence, but not to exceed one
11 hundred thousand dollars of the valuation of his or her residence; or

12 (ii) A person who otherwise qualifies under this section and has a
13 combined disposable income of fourteen thousand dollars or less but
14 greater than twelve thousand dollars shall be exempt from all regular
15 property taxes on the greater of (~~twenty-four~~) forty thousand dollars
16 or (~~thirty~~) forty percent of the valuation of his or her residence,
17 but not to exceed (~~forty~~) one hundred thousand dollars of the
18 valuation of his or her residence; or

19 (~~(ii)~~) (iii) A person who otherwise qualifies under this section
20 and has a combined disposable income of twelve thousand dollars or less
21 shall be exempt from all regular property taxes on the greater of
22 (~~twenty-eight~~) forty thousand dollars or fifty percent of the
23 valuation of his or her residence, but not to exceed one hundred
24 thousand dollars of the valuation of his or her residence.

25 **Sec. 2.** RCW 84.36.385 and 1988 c 222 s 10 are each amended to read
26 as follows:

27 A claim for exemption under RCW 84.36.381 (~~as now or hereafter~~
28 ~~amended,~~) shall be made and filed at any time during the year for
29 exemption from taxes payable in the following two years (~~and~~

1 thereafter)) and solely upon forms as prescribed and furnished by the
2 department of revenue.

3 A person granted an exemption under RCW 84.36.381 shall inform the
4 county assessor of any change in status affecting the person's
5 entitlement to the exemption on forms prescribed and furnished by the
6 department of revenue.

7 If the assessor finds that the applicant does not meet the
8 qualifications as set forth in RCW 84.36.381, (~~as now or hereafter~~
9 ~~amended,~~) the claim or exemption shall be denied but such denial shall
10 be subject to appeal under the provisions of RCW 84.48.010(5). If the
11 applicant had received exemption in prior years based on erroneous
12 information, the taxes shall be collected subject to penalties as
13 provided in RCW 84.40.130 for a period of not to exceed three years.

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

23 **Sec. 3.** RCW 84.38.030 and 1988 c 222 s 11 are each amended to read
24 as follows:

25 (1) A claimant may defer payment of special assessments and/or real
26 property taxes ((on his property that is receiving an exemption under
27 RCW 84.36.381 through 84.36.389)) on up to eighty percent of the amount
28 of his or her equity value in ((said property)) property that is
29 receiving an exemption under RCW 84.36.381 through 84.36.389 and such

1 additional property, up to a total of five acres, that comprises the
2 residential parcel, if the following conditions are met:

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

10 ~~((2))~~ (b) The claimant must have and keep in force fire and
11 casualty insurance in sufficient amount to protect the interest of the
12 state in the claimant's equity value: PROVIDED, That if the claimant
13 fails to keep fire and casualty insurance in force to the extent of the
14 state's interest in the claimant's equity value, the amount deferred
15 shall not exceed one hundred percent of the claimant's equity value in
16 the land or lot only.

17 ~~((3))~~ (c) In the case of special assessment deferral, the
18 claimant must have opted for payment of such special assessments on the
19 installment method if such method was available.

20 (2) A claimant whose residence qualifies for deferral under this
21 section may defer payment of special assessments and/or real property
22 taxes upon the total acreage, not to exceed five acres, included in the
23 residential parcel.

24 (3) A taxing authority or special purpose district whose special
25 assessment and/or real property tax is deferrable under this chapter
26 shall not foreclose upon property that is eligible for deferral but
27 shall require the owner to file a declaration to defer the special
28 assessment and/or real property tax.

1 NEW SECTION. **Sec. 4.** In calendar year 1992, the county
2 assessor of each county shall compile data on the number of persons
3 using the property tax exemption program, the number of persons using
4 the property tax deferral program, the income of the claimants, and the
5 value of the residence for which an exemption or deferral is claimed.
6 The county assessor shall report the results to the department of
7 revenue no later than March 1, 1993.

8 NEW SECTION. **Sec. 5.** This act shall apply to property taxes
9 collected in 1992, and thereafter.