

SENATE BILL 5168

State of Washington

52nd Legislature

1991 Regular Session

By Senators Moore, Rasmussen, Sutherland and Conner.

Read first time January 22, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions for low-income persons;
2 amending RCW 84.36.381 and 84.38.020; adding a new section to chapter
3 84.36 RCW; and providing a contingent effective date.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW
6 to read 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 year following the year in which a claim is filed, and
10 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 amount that the person shall be exempt from an obligation
18 to pay shall be calculated on the basis of combined disposable income,
19 as defined in RCW 84.36.383. If the person claiming the exemption was
20 retired for two months or more of the preceding year, the combined
21 disposable income of such person shall be calculated by multiplying the
22 average monthly combined disposable income of such person during the
23 months such person was retired by twelve;

24 (4)(a) A person who otherwise qualifies under this section and has
25 a combined disposable income of eighteen thousand dollars or less shall
26 be exempt from all excess property taxes; and

27 (b)(i) A person who otherwise qualifies under this section and has
28 a combined disposable income of fourteen thousand dollars or less but
29 greater than twelve thousand dollars shall be exempt from all regular
30 property taxes on the greater of twenty-four thousand dollars or thirty

1 percent of the valuation of his or her residence, but not to exceed
2 forty thousand dollars of the valuation of his or her residence; or

3 (ii) A person who otherwise qualifies under this section and has a
4 combined disposable income of twelve thousand dollars or less shall be
5 exempt from all regular property taxes on the greater of twenty-eight
6 thousand dollars or fifty percent of the valuation of his or her
7 residence.

8 **Sec. 2.** RCW 84.36.381 and 1987 c 301 s 1 are each amended to read
9 as follows:

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

14 (1) The property taxes must have been imposed upon a residence
15 which was occupied by the person claiming the exemption as a principal
16 place of residence as of January 1st of the year for which the
17 exemption is claimed: PROVIDED, That any person who sells, transfers,
18 or is displaced from his or her residence may transfer his or her
19 exemption status to a replacement residence, but no claimant shall
20 receive an exemption on more than one residence in any year: PROVIDED
21 FURTHER, That confinement of the person to a hospital or nursing home
22 shall not disqualify the claim of exemption if the residence is
23 temporarily unoccupied or if the residence is occupied by a spouse
24 and/or a person financially dependent on the claimant for support;

25 (2) The person claiming the exemption must have owned, at the time
26 of filing, in fee, as a life estate, or by contract purchase, the
27 residence on which the property taxes have been imposed or if the
28 person claiming the exemption lives in a cooperative housing
29 association, corporation, or partnership, such person must own a share

1 therein representing the unit or portion of the structure in which he
2 or she resides. For purposes of this subsection, a residence owned by
3 a marital community or owned by cotenants shall be deemed to be owned
4 by each spouse or cotenant, and any lease for life shall be deemed a
5 life estate;

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

14 (4) The amount that the person shall be exempt from an obligation
15 to pay shall be calculated on the basis of combined disposable income,
16 as defined in RCW 84.36.383. If the person claiming the exemption was
17 retired for two months or more of the preceding year, the combined
18 disposable income of such person shall be calculated by multiplying the
19 average monthly combined disposable income of such person during the
20 months such person was retired by twelve((-))i

21 (5)(a) A person who otherwise qualifies under this section and has
22 a combined disposable income of ((~~eighteen~~)) thirty thousand dollars or
23 less shall be exempt from all excess property taxes; and

24 (b)(i) A person who otherwise qualifies under this section and has
25 a combined disposable income of ((~~fourteen~~)) twenty-three thousand
26 dollars or less but greater than ((~~twelve~~)) twenty thousand dollars
27 shall be exempt from all regular property taxes on the greater of
28 ((~~twenty-four~~)) forty thousand dollars or thirty percent of the
29 valuation of his or her residence, but not to exceed ((~~forty~~)) seventy
30 thousand dollars of the valuation of his or her residence; or

1 (ii) A person who otherwise qualifies under this section and has a
2 combined disposable income of (~~twelve~~) twenty thousand dollars or
3 less shall be exempt from all regular property taxes on the greater of
4 (~~twenty-eight~~) fifty thousand dollars or fifty percent of the
5 valuation of his or her residence.

6 **Sec. 3.** RCW 84.38.020 and 1984 c 220 s 20 are each amended to read
7 as follows:

8 Unless a different meaning is plainly required by the context, the
9 following words and phrases as hereinafter used in this chapter shall
10 have the following meanings:

11 (1) "Claimant" means a person who is receiving a property tax
12 exemption under RCW 84.36.381 through 84.36.389 or section 1 of this
13 act and who either elects or is required under RCW 84.64.030 or
14 84.64.050 to defer payment of the special assessments and/or real
15 property taxes accrued on his or her residence by filing a declaration
16 to defer as provided by this chapter.

17 When two or more individuals of a household file or seek to file a
18 declaration to defer, they may determine between them as to who the
19 claimant shall be.

20 (2) "Department" means the state department of revenue.

21 (3) "Equity value" means the amount by which the fair market value
22 of a residence as determined from the records of the county assessor
23 exceeds the total amount of any liens or other obligations against the
24 property.

25 (4) "Special assessment" means the charge or obligation imposed by
26 a city, town, county, or other municipal corporation upon property
27 specially benefited by a local improvement, including assessments under
28 chapters 35.44, 36.88, 36.94, 53.08, 54.16, 56.20, 57.16, 86.09, and
29 87.03 RCW and any other relevant chapter.

1 (5) "Real property taxes" means ad valorem property taxes levied on
2 a residence in this state in the preceding calendar year.

3 NEW SECTION. **Sec. 4.** This act shall take effect if the
4 proposed amendment to Article VII of the state Constitution authorizing
5 property tax relief for low-income persons is validly submitted to and
6 is approved and ratified by the voters at the next general election.
7 If the proposed amendment is not so approved and ratified, this act is
8 void in its entirety.