

CERTIFICATION OF ENROLLMENT  
SUBSTITUTE SENATE BILL 5110

52nd Legislature  
1991 Regular Session

Passed by the Senate April 28, 1991  
Yeas 43 Nays 1

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**President of the Senate**

Passed by the House April 28, 1991  
Yeas 93 Nays 5

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**Speaker of the  
House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Gordon Golob, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5110** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**



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**SUBSTITUTE SENATE BILL 5110**

AS AMENDED BY THE HOUSE

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Passed Legislature - 1991 Regular Session

**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 and 84.36.041; creating new sections; and declaring an  
4 emergency.

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

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

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

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

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

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

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

26 (4) The amount that the person shall be exempt from an obligation  
27 to pay shall be calculated on the basis of combined disposable income,  
28 as defined in RCW 84.36.383. If the person claiming the exemption was  
29 retired for two months or more of the preceding year, the combined  
30 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 (~~fourteen~~) eighteen thousand dollars  
8 or less but greater than (~~twelve~~) fifteen thousand dollars shall be  
9 exempt from all regular property taxes on the greater of (~~twenty-~~  
10 ~~four~~) thirty thousand dollars or thirty percent of the valuation of  
11 his or her residence, but not to exceed (~~forty~~) fifty thousand  
12 dollars of the valuation of his or her residence; or

13 (ii) A person who otherwise qualifies under this section and has a  
14 combined disposable income of (~~twelve~~) fifteen thousand dollars or  
15 less shall be exempt from all regular property taxes on the greater of  
16 (~~twenty-eight~~) thirty-four thousand dollars or fifty percent of the  
17 valuation of his or her residence.

18 **Sec. 2.** RCW 84.36.041 and 1989 c 379 s 2 are each amended to read  
19 as follows:

20 (1) All real and personal property used by a nonprofit home for the  
21 aging that is reasonably necessary for the purposes of the home is  
22 exempt from taxation if the benefit of the exemption inures to the home  
23 and:

24 (a) At least fifty percent of the occupied dwelling units in the  
25 home are occupied by eligible residents; or

26 (b) The home is subsidized under a federal department of housing  
27 and urban development program. The department of revenue shall provide  
28 by rule a definition of homes eligible for exemption under this  
29 subsection (b), consistent with the purposes of this section.

1 (2) A home for the aging is eligible for a partial exemption if the  
2 home does not meet the requirements of subsection (1) of this section  
3 because fewer than fifty percent of the occupied dwelling units are  
4 occupied by eligible residents. The amount of exemption shall be  
5 calculated by multiplying the assessed value of the property reasonably  
6 necessary for the purposes of the home by a fraction. The numerator of  
7 the fraction is the number of dwelling units occupied by eligible  
8 persons multiplied by two. The denominator of the fraction is the  
9 total number of occupied dwelling units. The fraction shall never  
10 exceed one.

11 (3) To be exempt under this section, the property must be used  
12 exclusively for the purposes for which the exemption is granted, except  
13 as provided in RCW 84.36.805.

14 (4) A home for the aging is exempt from taxation only if the  
15 organization operating the home is exempt from income tax under section  
16 501(c) of the federal internal revenue code as existing on January 1,  
17 1989, or such subsequent date as the director may provide by rule  
18 consistent with the purposes of this section.

19 (5) Each eligible resident of a home for the aging shall submit the  
20 form required under RCW 84.36.385 to the county assessor by July 1st of  
21 the assessment year. An eligible resident who has filed a form for a  
22 previous year need not file a new form until there is a change in  
23 status affecting the person's eligibility.

24 (6) In determining the true and fair value of a home for the aging  
25 for purposes of the partial exemption provided by subsection (2) of  
26 this section, the assessor shall apply the computation method provided  
27 by RCW 84.34.060 and shall consider only the use to which such property  
28 is applied during the years for which such partial exemptions are  
29 available and shall not consider potential uses of such property.

1 (7) A home for the aging that was exempt for taxes levied for  
2 collection in 1990 and is not fully exempt under this section is  
3 entitled to partial exemptions as follows:

4 (a) For taxes levied for collection in 1991, two-thirds of the  
5 assessed value that would otherwise be subject to tax under this  
6 section is exempt from taxation.

7 (b) For taxes levied for collection in 1992, one-third of the  
8 assessed value that would otherwise be subject to tax under this  
9 section is exempt from taxation.

10 (8) As used in this section:

11 (a) "Eligible resident" means a person who would be eligible for an  
12 exemption of regular property taxes under RCW 84.36.381 if the person  
13 owned a single-family dwelling. For the purposes of determining  
14 eligibility under this section, a "cotenant" as used in RCW 84.36.383  
15 means a person who resides with an eligible resident and who shares  
16 personal financial resources with the eligible resident.

17 (b) "Home for the aging" means a residential housing facility that  
18 (i) provides a housing arrangement chosen voluntarily by the resident,  
19 the resident's guardian or conservator, or another responsible person;  
20 (ii) has only residents who are at least sixty-two years of age or who  
21 have needs for care generally compatible with persons who are at least  
22 sixty-two years of age; and (iii) provides varying levels of care and  
23 supervision, as agreed to at the time of admission or as determined  
24 necessary at subsequent times of reappraisal.

25 NEW SECTION. **Sec. 3.** In calendar year 1992, the county  
26 assessor of each county shall compile data on the number of persons  
27 using the property tax exemption program, the number of persons using  
28 the property tax deferral program, the income of the claimants, and the  
29 value of the residence for which an exemption or deferral is claimed.

1 The county assessor shall report the results to the department of  
2 revenue no later than March 1, 1993.

3 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of the  
5 state government and its existing public institutions, and shall take  
6 effect immediately.

7 NEW SECTION. **Sec. 5.** Section 1 of this act shall be effective  
8 for taxes levied for collection in 1992 and thereafter.