

2 **HB 1022 - H AMD 040**

3 By Representatives G. Fisher and Van Luven

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5 On page 4, after line 9, insert the following:

6 "Sec. 4. RCW 84.36.381 and 1995 c . . . s 1 (section 1 of this
7 act) are each amended to read 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 the time of filing: PROVIDED, That any person
15 who sells, transfers, or is displaced from his or her residence may
16 transfer his or her exemption status to a replacement residence, but no
17 claimant shall receive an exemption on more than one residence in any
18 year: PROVIDED FURTHER, That confinement of the person to a hospital
19 or nursing home shall not disqualify the claim of exemption if:

20 (a) The residence is temporarily unoccupied;

21 (b) The residence is occupied by a spouse and/or a person
22 financially dependent on the claimant for support; or

23 (c) The residence is rented for the purpose of paying nursing home
24 or hospital costs;

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

35 (3) The person claiming the exemption must be sixty-one years of
36 age or older on December 31st of the year in which the exemption claim

1 is filed, or must have been, at the time of filing, retired from
2 regular gainful employment by reason of physical disability: PROVIDED,
3 That any surviving spouse of a person who was receiving an exemption at
4 the time of the person's death shall qualify if the surviving spouse is
5 fifty-seven years of age or older and otherwise meets the requirements
6 of this section;

7 (4) The amount that the person shall be exempt from an obligation
8 to pay shall be calculated on the basis of combined disposable income,
9 as defined in RCW 84.36.383. If the person claiming the exemption was
10 retired for two months or more of the assessment year, the combined
11 disposable income of such person shall be calculated by multiplying the
12 average monthly combined disposable income of such person during the
13 months such person was retired by twelve. If the income of the person
14 claiming exemption is reduced for two or more months of the assessment
15 year by reason of the death of the person's spouse, or when other
16 substantial changes occur in disposable income that are likely to
17 continue for an indefinite period of time, the combined disposable
18 income of such person shall be calculated by multiplying the average
19 monthly combined disposable income of such person after such
20 occurrences by twelve. If it is necessary to estimate income to comply
21 with this subsection, the assessor may require confirming documentation
22 of such income prior to May 31 of the year following application;

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

26 (b)(i) A person who otherwise qualifies under this section and has
27 a combined disposable income of eighteen thousand dollars or less but
28 greater than fifteen thousand dollars shall be exempt from all regular
29 property taxes on the greater of thirty thousand dollars or thirty
30 percent of the valuation of his or her residence, but not to exceed
31 fifty thousand dollars of the valuation of his or her residence; or

32 (ii) A person who otherwise qualifies under this section and has a
33 combined disposable income of fifteen thousand dollars or less shall be
34 exempt from all regular property taxes on the greater of thirty-four
35 thousand dollars or fifty percent of the valuation of his or her
36 residence; and

37 (6) For a person who otherwise qualifies under this section and has
38 a combined disposable income of twenty-eight thousand dollars or less,
39 the valuation of the residence shall be the true and fair value of the

1 residence on the later of January 1, 1995, or January 1st of the year
2 the person first qualifies under this section. If the person
3 subsequently fails to qualify under this section only for one year
4 because of high income, this same valuation shall be used upon
5 requalification. If the person fails to qualify for more than one year
6 in succession because of high income or fails to qualify for any other
7 reason, the valuation upon requalification shall be the true and fair
8 value on January 1st of the year in which the person requalifies. If
9 the person transfers the exemption under this section to a different
10 residence, the valuation of the different residence shall be the true
11 and fair value of the different residence on January 1st of the year in
12 which the person transfers the exemption.

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

16 This subsection does not apply to subsequent improvements to the
17 property in the year in which the improvements are made. Subsequent
18 improvements to the property shall be added to the value otherwise
19 determined under this subsection at their true and fair value in the
20 year in which they are made.

21 NEW SECTION. Sec. 5. A new section is added to chapter 84.40 RCW
22 to read as follows:

23 The assessor shall maintain an assessed valuation in accordance
24 with the approved revaluation cycle for a residence owned by a person
25 qualifying for exemption under RCW 84.36.381 in addition to the
26 valuation required under RCW 84.36.381(6). Upon a change in the true
27 and fair value of the residence, the assessor shall notify the person
28 qualifying for exemption under RCW 84.36.381 of the new true and fair
29 value and that the new true and fair value will be used to compute
30 property taxes if the property fails to qualify for exemption under RCW
31 84.36.381.

32 NEW SECTION. Sec. 6. Sections 4 and 5 of this act apply to taxes
33 levied in 1995 for collection in 1996 and thereafter."

34 Renumber the remaining sections consecutively, correct any internal
35 references accordingly, and correct the title.

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2 By Representative G. Fisher

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4 On page 4, line 25, after "1995" insert ", except sections 4
5 through 6 of this act shall take effect only if specific funding for
6 the administrative costs of section 4 of this act, referencing this act
7 by bill number, is provided by June 30, 1995, in the omnibus
8 appropriations act. If such funding is not provided, sections 4
9 through 6 of this act shall be null and void"

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