
SENATE BILL 6835

State of Washington 59th Legislature 2006 Regular Session

By Senators Roach and Rasmussen

Read first time 01/26/2006. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions for persons with
2 disabilities related to the performance of military duties; amending
3 RCW 84.36.381; and creating a new section.

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

5 **Sec. 1.** RCW 84.36.381 and 2005 c 248 (HB 1019) s 2 are each
6 amended 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 the time of filing: PROVIDED, That any person
14 who sells, transfers, or is displaced from his or her residence may
15 transfer his or her exemption status to a replacement residence, but no
16 claimant shall receive an exemption on more than one residence in any
17 year: PROVIDED FURTHER, That confinement of the person to a hospital,
18 nursing home, boarding home, or adult family home shall not disqualify
19 the claim of exemption if:

1 (a) The residence is temporarily unoccupied;

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

4 (c) The residence is rented for the purpose of paying nursing home,
5 hospital, boarding home, or adult family home costs;

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

16 (3) The person claiming the exemption must be (a) sixty-one years
17 of age or older on December 31st of the year in which the exemption
18 claim is filed, or must have been, at the time of filing, retired from
19 regular gainful employment by reason of disability, or (b) a veteran of
20 the armed forces of the United States with a one hundred percent
21 service connected disability as ((provided in 42 U.S.C. Sec. 423
22 (d)(1)(A) as amended prior)) determined pursuant to 38 U.S.C. Sec. 1110
23 et seq. as existing on January 1, ((2005)) 2006. However, any
24 surviving spouse of a person who was receiving an exemption at the time
25 of the person's death shall qualify if the surviving spouse is fifty-
26 seven years of age or older and otherwise meets the requirements of
27 this section;

28 (4) Except for veterans of the armed forces of the United States
29 with a one hundred percent service connected disability, the amount
30 that the person shall be exempt from an obligation to pay shall be
31 calculated on the basis of combined disposable income, as defined in
32 RCW 84.36.383. If the person claiming the exemption was retired for
33 two months or more of the assessment year, the combined disposable
34 income of such person shall be calculated by multiplying the average
35 monthly combined disposable income of such person during the months
36 such person was retired by twelve. If the income of the person
37 claiming exemption is reduced for two or more months of the assessment
38 year by reason of the death of the person's spouse, or when other

1 substantial changes occur in disposable income that are likely to
2 continue for an indefinite period of time, the combined disposable
3 income of such person shall be calculated by multiplying the average
4 monthly combined disposable income of such person after such
5 occurrences by twelve. If it is necessary to estimate income to comply
6 with this subsection, the assessor may require confirming documentation
7 of such income prior to May 31 of the year following application;

8 (5)(a) A person who otherwise qualifies under this section and has
9 a combined disposable income of thirty-five thousand dollars or less or
10 who is a veteran of the armed forces of the United States with a one
11 hundred percent service connected disability shall be exempt from all
12 excess property taxes; and

13 (b)(i) A person who otherwise qualifies under this section and has
14 a combined disposable income of thirty thousand dollars or less but
15 greater than twenty-five thousand dollars shall be exempt from all
16 regular property taxes on the greater of fifty thousand dollars or
17 thirty-five percent of the valuation of his or her residence, but not
18 to exceed seventy thousand dollars of the valuation of his or her
19 residence; or

20 (ii) A person who otherwise qualifies under this section and has a
21 combined disposable income of twenty-five thousand dollars or less or
22 who is a veteran of the armed forces of the United States with a one
23 hundred percent service connected disability shall be exempt from all
24 regular property taxes on the greater of sixty thousand dollars or
25 sixty percent of the valuation of his or her residence;

26 (6) For a person who otherwise qualifies under this section and has
27 a combined disposable income of thirty-five thousand dollars or less or
28 who is a veteran of the armed forces of the United States with a one
29 hundred percent service connected disability, the valuation of the
30 residence shall be the assessed value of the residence on the later of
31 January 1, 1995, or January 1st of the assessment year the person first
32 qualifies under this section. If the person subsequently fails to
33 qualify under this section only for one year because of high income,
34 this same valuation shall be used upon requalification. If the person
35 fails to qualify for more than one year in succession because of high
36 income or fails to qualify for any other reason, the valuation upon
37 requalification shall be the assessed value on January 1st of the
38 assessment year in which the person requalifies. If the person

1 transfers the exemption under this section to a different residence,
2 the valuation of the different residence shall be the assessed value of
3 the different residence on January 1st of the assessment year in which
4 the person transfers the exemption.

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

8 This subsection does not apply to subsequent improvements to the
9 property in the year in which the improvements are made. Subsequent
10 improvements to the property shall be added to the value otherwise
11 determined under this subsection at their true and fair value in the
12 year in which they are made.

13 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
14 collection in 2007 and thereafter.

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