
HOUSE BILL 2488

State of Washington

60th Legislature

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By Representatives Moeller, Appleton, Williams, Hasegawa, McIntire, Roberts, Santos, Upthegrove, Chase, and Simpson

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1 AN ACT Relating to eligibility of state registered domestic
2 partners under the senior citizen property tax exemption program;
3 amending RCW 84.36.381 and 84.36.383; creating a new section; and
4 providing an effective date.

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

6 **Sec. 1.** RCW 84.36.381 and 2005 c 248 s 2 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 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,

1 nursing home, boarding home, or adult family home shall not disqualify
2 the claim of exemption if:

3 (a) The residence is temporarily unoccupied;

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

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

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 be (a) sixty-one years
19 of age or older on December 31st 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 disability, or (b) a veteran of
22 the armed forces of the United States with one hundred percent service-
23 connected disability as provided in 42 U.S.C. Sec. 423 (d)(1)(A) as
24 amended prior to January 1, 2005. However, any surviving spouse or
25 state registered domestic partner of a person who was receiving an
26 exemption at the time of the person's death shall qualify if the
27 surviving spouse or state registered domestic partner is fifty-seven
28 years of age or older and otherwise meets the requirements of this
29 section;

30 (4) The amount that the person shall be exempt from an obligation
31 to pay shall be calculated on the basis of combined disposable income,
32 as defined in RCW 84.36.383. If the person claiming the exemption was
33 retired for two months or more of the assessment year, the combined
34 disposable income of such person shall be calculated by multiplying the
35 average monthly combined disposable income of such person during the
36 months 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 state registered

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

9 (5)(a) A person who otherwise qualifies under this section and has
10 a combined disposable income of thirty-five thousand dollars or less
11 shall be exempt from all excess property taxes; and

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

19 (ii) A person who otherwise qualifies under this section and has a
20 combined disposable income of twenty-five thousand dollars or less
21 shall be exempt from all regular property taxes on the greater of sixty
22 thousand dollars or sixty percent of the valuation of his or her
23 residence;

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

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

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

9 **Sec. 2.** RCW 84.36.383 and 2006 c 62 s 1 are each amended to read
10 as follows:

11 As used in RCW 84.36.381 through 84.36.389, except where the
12 context clearly indicates a different meaning:

13 (1) The term "residence" means a single family dwelling unit
14 whether such unit be separate or part of a multiunit dwelling,
15 including the land on which such dwelling stands not to exceed one
16 acre, except that a residence includes any additional property up to a
17 total of five acres that comprises the residential parcel if this
18 larger parcel size is required under land use regulations. The term
19 shall also include a share ownership in a cooperative housing
20 association, corporation, or partnership if the person claiming
21 exemption can establish that his or her share represents the specific
22 unit or portion of such structure in which he or she resides. The term
23 shall also include a single family dwelling situated upon lands the fee
24 of which is vested in the United States or any instrumentality thereof
25 including an Indian tribe or in the state of Washington, and
26 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
27 residence shall be deemed real property.

28 (2) The term "real property" shall also include a mobile home which
29 has substantially lost its identity as a mobile unit by virtue of its
30 being fixed in location upon land owned or leased by the owner of the
31 mobile home and placed on a foundation (posts or blocks) with fixed
32 pipe, connections with sewer, water, or other utilities. A mobile home
33 located on land leased by the owner of the mobile home is subject, for
34 tax billing, payment, and collection purposes, only to the personal
35 property provisions of chapter 84.56 RCW and RCW 84.60.040.

36 (3) "Department" means the state department of revenue.

1 (4) "Combined disposable income" means the disposable income of the
2 person claiming the exemption, plus the disposable income of his or her
3 spouse or state registered domestic partner, and the disposable income
4 of each cotenant occupying the residence for the assessment year, less
5 amounts paid by the person claiming the exemption or his or her spouse
6 during the assessment year for:

7 (a) Drugs supplied by prescription of a medical practitioner
8 authorized by the laws of this state or another jurisdiction to issue
9 prescriptions;

10 (b) The treatment or care of either person received in the home or
11 in a nursing home, boarding home, or adult family home; and

12 (c) Health care insurance premiums for medicare under Title XVIII
13 of the social security act.

14 (5) "Disposable income" means adjusted gross income as defined in
15 the federal internal revenue code, as amended prior to January 1, 1989,
16 or such subsequent date as the director may provide by rule consistent
17 with the purpose of this section, plus all of the following items to
18 the extent they are not included in or have been deducted from adjusted
19 gross income:

20 (a) Capital gains, other than gain excluded from income under
21 section 121 of the federal internal revenue code to the extent it is
22 reinvested in a new principal residence;

23 (b) Amounts deducted for loss;

24 (c) Amounts deducted for depreciation;

25 (d) Pension and annuity receipts;

26 (e) Military pay and benefits other than attendant-care and
27 medical-aid payments;

28 (f) Veterans benefits other than attendant-care and medical-aid
29 payments;

30 (g) Federal social security act and railroad retirement benefits;

31 (h) Dividend receipts; and

32 (i) Interest received on state and municipal bonds.

33 (6) "Cotenant" means a person who resides with the person claiming
34 the exemption and who has an ownership interest in the residence.

35 (7) "Disability" has the same meaning as provided in 42 U.S.C. Sec.
36 423(d)(1)(A) as amended prior to January 1, 2004, or such subsequent
37 date as the director may provide by rule consistent with the purpose of
38 this section.

1 (8) "State registered domestic partner" means a domestic partner
2 who is registered under chapter 26.60 RCW.

3 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2008.

4 NEW SECTION. **Sec. 4.** This act applies to taxes levied for
5 collection in 2009 and thereafter.

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