
HOUSE BILL 2906

State of Washington 65th Legislature 2018 Regular Session

By Representatives McDonald, Johnson, and Muri

Read first time 01/23/18. Referred to Committee on Finance.

1 AN ACT Relating to eligibility of a surviving spouse for the
2 property tax exemption for senior citizens and disabled persons;
3 amending RCW 84.36.385 and 84.69.020; adding a new section to chapter
4 84.36 RCW; creating a new section; and providing expiration dates.

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

6 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
7 performance statement for the tax preference contained in section 2,
8 chapter . . . , Laws of 2018 (section 2 of this act). This performance
9 statement is only intended to be used for subsequent evaluation of
10 the tax preference. It is not intended to create a private right of
11 action by any party or be used to determine eligibility for
12 preferential tax treatment.

13 (2) The legislature categorizes this tax preference as one
14 intended to provide tax relief for certain businesses or individuals,
15 as indicated in RCW 82.32.808(2)(e).

16 (3) It is the legislature's specific public policy objective to
17 provide tax relief to senior citizens, disabled persons, and veterans
18 whose income is reduced due to the death of the person's spouse.

19 (4) If a review finds that this tax preference meets the
20 objective in subsection (3) of this section, then the legislature
21 intends to extend the expiration date of this preference.

1 (5) In order to obtain the data necessary to perform the review
2 in subsection (4) of this section, the joint legislative audit and
3 review committee may refer to data provided by the department of
4 revenue.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.36
6 RCW to read as follows:

7 (1) Beginning with property taxes payable in 2018, if the income
8 of a person claiming an exemption under RCW 84.36.381 is reduced for
9 less than two months of the assessment year by reason of the death of
10 the person's spouse or the person's domestic partner, the person may
11 claim an exemption within one year of the death of the spouse or
12 domestic partner.

13 (2) A claim for exemption must include documentation confirming
14 the income reduction.

15 (3) This section expires December 31, 2026.

16 **Sec. 3.** RCW 84.36.385 and 2011 c 174 s 106 are each amended to
17 read as follows:

18 (1) A claim for exemption under RCW 84.36.381, as now or
19 hereafter amended, (~~may~~) must be made and filed (~~at any time~~
20 ~~during the year for exemption from taxes payable the following year~~
21 ~~and thereafter and~~) solely upon forms as prescribed and furnished by
22 the department of revenue. However, an exemption from tax under RCW
23 84.36.381 continues for no more than six years unless a renewal
24 application is filed as provided in subsection (3) of this section.

25 (2) A person granted an exemption under RCW 84.36.381 must inform
26 the county assessor of any change in status affecting the person's
27 entitlement to the exemption on forms prescribed and furnished by the
28 department of revenue.

29 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and
30 thereafter(~~τ~~) must file with the county assessor a renewal
31 application not later than December 31 of the year the assessor
32 notifies such person of the requirement to file the renewal
33 application. Renewal applications must be on forms prescribed and
34 furnished by the department of revenue.

35 (4) At least once every six years, the county assessor must
36 notify those persons receiving an exemption from taxes under RCW
37 84.36.381 of the requirement to file a renewal application. The

1 county assessor may also require a renewal application following an
2 amendment of the income requirements set forth in RCW 84.36.381.

3 (5) If the assessor finds that the applicant does not meet the
4 qualifications as set forth in RCW 84.36.381, as now or hereafter
5 amended, the claim or exemption must be denied but such denial is
6 subject to appeal under the provisions of RCW 84.48.010 and in
7 accordance with the provisions of RCW 84.40.038. If the applicant had
8 received exemption in prior years based on erroneous information, the
9 taxes must be collected subject to penalties as provided in RCW
10 84.40.130 for a period of not to exceed five years.

11 (6) The department and each local assessor is hereby directed to
12 publicize the qualifications and manner of making claims under RCW
13 84.36.381 through 84.36.389, through communications media, including
14 such paid advertisements or notices as it deems appropriate. Notice
15 of the qualifications, method of making applications, the penalties
16 for not reporting a change in status, and availability of further
17 information must be included on or with property tax statements and
18 revaluation notices for all residential property including mobile
19 homes, except rental properties.

20 **Sec. 4.** RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each
21 amended to read as follows:

22 (1) On the order of the county treasurer, ad valorem taxes paid
23 before or after delinquency must be refunded if they were:

24 ~~((1))~~ (a) Paid more than once;

25 ~~((2))~~ (b) Paid as a result of manifest error in description;

26 ~~((3))~~ (c) Paid as a result of a clerical error in extending the
27 tax rolls;

28 ~~((4))~~ (d) Paid as a result of other clerical errors in listing
29 property;

30 ~~((5))~~ (e) Paid with respect to improvements which did not exist
31 on assessment date;

32 ~~((6))~~ (f) Paid under levies or statutes adjudicated to be
33 illegal or unconstitutional;

34 ~~((7))~~ (g) Paid as a result of mistake, inadvertence, or lack of
35 knowledge by any person exempted from paying real property taxes or a
36 portion thereof pursuant to RCW 84.36.381 through 84.36.389, as now
37 or hereafter amended;

1 ~~((8))~~ (h) Paid prior to a person being granted an exemption
2 under RCW 84.36.381 if the person qualified under section 2 of this
3 act;

4 (i) Paid as a result of mistake, inadvertence, or lack of
5 knowledge by either a public official or employee or by any person
6 with respect to real property in which the person paying the same has
7 no legal interest;

8 ~~((9))~~ (j) Paid on the basis of an assessed valuation which was
9 appealed to the county board of equalization and ordered reduced by
10 the board;

11 ~~((10))~~ (k) Paid on the basis of an assessed valuation which was
12 appealed to the state board of tax appeals and ordered reduced by the
13 board(~~(:—PROVIDED, That)~~). However, the amount refunded under
14 ~~((subsections (9) and (10)))~~ (j) and (k) of this ~~((section shall))~~
15 subsection (l) may only be for the difference between the tax paid on
16 the basis of the appealed valuation and the tax payable on the
17 valuation adjusted in accordance with the board's order;

18 ~~((11))~~ (l) Paid as a state property tax levied upon property,
19 the assessed value of which has been established by the state board
20 of tax appeals for the year of such levy(~~(:—PROVIDED, HOWEVER,~~
21 ~~That)~~). However, the amount refunded ~~((shall))~~ may only be for the
22 difference between the state property tax paid and the amount of
23 state property tax which would, when added to all other property
24 taxes within the one percent limitation of Article VII, section 2 of
25 the state Constitution equal one percent of the assessed value
26 established by the board;

27 ~~((12))~~ (m) Paid on the basis of an assessed valuation which was
28 adjudicated to be unlawful or excessive(~~(:—PROVIDED, That)~~). However,
29 the amount refunded ~~((shall))~~ may be for the difference between the
30 amount of tax which was paid on the basis of the valuation adjudged
31 unlawful or excessive and the amount of tax payable on the basis of
32 the assessed valuation determined as a result of the proceeding;

33 ~~((13))~~ (n) Paid on property acquired under RCW 84.60.050, and
34 canceled under RCW 84.60.050(2);

35 ~~((14))~~ (o) Paid on the basis of an assessed valuation that was
36 reduced under RCW 84.48.065;

37 ~~((15))~~ (p) Paid on the basis of an assessed valuation that was
38 reduced under RCW 84.40.039; or

39 ~~((16))~~ (q) Abated under RCW 84.70.010.

1 (2) No refunds under the provisions of this section (~~shall~~) may
2 be made because of any error in determining the valuation of
3 property, except as authorized in (~~subsections (9), (10), (11), and~~
4 ~~(12) of this section~~) subsection (1)(j) through (m) of this section
5 nor may any refunds be made if a bona fide purchaser has acquired
6 rights that would preclude the assessment and collection of the
7 refunded tax from the property that should properly have been charged
8 with the tax. Any refunds made on delinquent taxes must include the
9 proportionate amount of interest and penalties paid. However, no
10 refunds as a result of an incorrect payment authorized under
11 subsection (~~(8)~~) (1)(i) of this section made by a third party payee
12 (~~shall~~) may be granted. The county treasurer may deduct from moneys
13 collected for the benefit of the state's levies, refunds of the
14 state's levies including interest on the levies as provided by this
15 section and chapter 84.68 RCW.

16 (3) The county treasurer of each county must make all refunds
17 determined to be authorized by this section, and by the first Monday
18 in February of each year, report to the county legislative authority
19 a list of all refunds made under this section during the previous
20 year. The list is to include the name of the person receiving the
21 refund, the amount of the refund, and the reason for the refund.

22 NEW SECTION. **Sec. 5.** Sections 3 and 4 of this act expire
23 December 31, 2026.

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