
HOUSE BILL 2375

State of Washington

68th Legislature

2024 Regular Session

By Representatives Goehner, Bateman, Orcutt, Simmons, Davis, Sandlin, Rude, Wilcox, Barkis, Schmidt, Steele, Barnard, Shavers, Christian, Reed, Tharinger, and Caldier

Read first time 01/15/24. Referred to Committee on Finance.

1 AN ACT Relating to including an accessory dwelling unit under
2 property that qualifies for the senior citizens property tax
3 exemption; amending RCW 84.36.383; and creating new sections.

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

5 **Sec. 1.** RCW 84.36.383 and 2023 c 147 s 2 are each amended to
6 read as follows:

7 As used in RCW 84.36.381 through 84.36.389, unless the context
8 clearly requires otherwise:

9 (1) "Accessory dwelling unit" means a separate, autonomous
10 residential dwelling unit that provides complete independent living
11 facilities for one or more persons and includes permanent provisions
12 for living, sleeping, eating, cooking, and sanitation.

13 (2) "Combined disposable income" means the disposable income of
14 the person claiming the exemption, plus the disposable income of his
15 or her spouse or domestic partner, and the disposable income of each
16 cotenant occupying the residence for the assessment year, less
17 amounts paid by the person claiming the exemption or his or her
18 spouse or domestic partner during the assessment year for:

19 (a) Drugs supplied by prescription of a medical practitioner
20 authorized by the laws of this state or another jurisdiction to issue
21 prescriptions;

1 (b) The treatment or care of either person received in the home
2 or in a nursing home, assisted living facility, or adult family home;
3 (c) Health care insurance premiums for medicare under Title XVIII
4 of the social security act;
5 (d) Costs related to medicare supplemental policies as defined in
6 Title 42 U.S.C. Sec. 1395ss;
7 (e) Durable medical equipment, mobility enhancing equipment,
8 medically prescribed oxygen, and prosthetic devices as defined in RCW
9 82.08.0283;
10 (f) Long-term care insurance as defined in RCW 48.84.020;
11 (g) Cost-sharing amounts as defined in RCW 48.43.005;
12 (h) Nebulizers as defined in RCW 82.08.803;
13 (i) Medicines of mineral, animal, and botanical origin
14 prescribed, administered, dispensed, or used in the treatment of an
15 individual by a person licensed under chapter 18.36A RCW;
16 (j) Ostomic items as defined in RCW 82.08.804;
17 (k) Insulin for human use;
18 (l) Kidney dialysis devices; and
19 (m) Disposable devices used to deliver drugs for human use as
20 defined in RCW 82.08.935.
21 ~~((2))~~ (3) "Cotenant" means a person who resides with the person
22 claiming the exemption and who has an ownership interest in the
23 residence.
24 ~~((3))~~ (4) "County median household income" means the median
25 household income estimates for the state of Washington by county of
26 the legal address of the principal place of residence, as published
27 by the office of financial management.
28 ~~((4))~~ (5) "Department" means the state department of revenue.
29 ~~((5))~~ (6) "Disability" has the same meaning as provided in 42
30 U.S.C. Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such
31 subsequent date as the department may provide by rule consistent with
32 the purpose of this section.
33 ~~((6))~~ (7) "Disposable income" means adjusted gross income as
34 defined in the federal internal revenue code, as amended prior to
35 January 1, 1989, or such subsequent date as the director may provide
36 by rule consistent with the purpose of this section, plus all of the
37 following items to the extent they are not included in or have been
38 deducted from adjusted gross income:

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

4 (b) Amounts deducted for loss;

5 (c) Amounts deducted for depreciation;

6 (d) Pension and annuity receipts;

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

9 (f) Veterans benefits, other than:

10 (i) Attendant-care payments;

11 (ii) Medical-aid payments;

12 (iii) Disability compensation, as defined in Title 38, part 3,
13 section 3.4 of the Code of Federal Regulations, as of January 1,
14 2008; and

15 (iv) Dependency and indemnity compensation, as defined in Title
16 38, part 3, section 3.5 of the Code of Federal Regulations, as of
17 January 1, 2008;

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

19 (h) Dividend receipts; and

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

21 (~~(7)~~) (8) "Income threshold 1" means:

22 (a) For taxes levied for collection in calendar years prior to
23 2020, a combined disposable income equal to \$30,000;

24 (b) For taxes levied for collection in calendar years 2020
25 through 2023, a combined disposable income equal to the greater of
26 "income threshold 1" for the previous year or 45 percent of the
27 county median household income; and

28 (c) For taxes levied for collection in calendar year 2024 and
29 thereafter, a combined disposable income equal to the greater of
30 "income threshold 1" for the previous year or 50 percent of the
31 county median household income, adjusted every three years beginning
32 August 1, 2023, as provided in RCW 84.36.385(8).

33 (~~(8)~~) (9) "Income threshold 2" means:

34 (a) For taxes levied for collection in calendar years prior to
35 2020, a combined disposable income equal to \$35,000;

36 (b) For taxes levied for collection in calendar years 2020
37 through 2023, a combined disposable income equal to the greater of
38 "income threshold 2" for the previous year or 55 percent of the
39 county median household income; and

1 (c) For taxes levied for collection in calendar year 2024 and
2 thereafter, a combined disposable income equal to the greater of
3 "income threshold 2" for the previous year or 60 percent of the
4 county median household income, adjusted every three years beginning
5 August 1, 2023, as provided in RCW 84.36.385(8).

6 ~~((9))~~ (10) "Income threshold 3" means:

7 (a) For taxes levied for collection in calendar years prior to
8 2020, a combined disposable income equal to \$40,000;

9 (b) For taxes levied for collection in calendar years 2020
10 through 2023, a combined disposable income equal to the greater of
11 "income threshold 3" for the previous year or 65 percent of the
12 county median household income; and

13 (c) For taxes levied for collection in calendar year 2024 and
14 thereafter, a combined disposable income equal to the greater of
15 "income threshold 3" for the previous year or 70 percent of the
16 county median household income, adjusted every three years beginning
17 August 1, 2023, as provided in RCW 84.36.385(8).

18 ~~((10))~~ (11) "Principal place of residence" means a residence
19 occupied for more than six months each calendar year by a person
20 claiming an exemption under RCW 84.36.381.

21 ~~((11))~~ (12) The term "real property" also includes a mobile
22 home which has substantially lost its identity as a mobile unit by
23 virtue of its being fixed in location upon land owned or leased by
24 the owner of the mobile home and placed on a foundation (posts or
25 blocks) with fixed pipe, connections with sewer, water, or other
26 utilities. A mobile home located on land leased by the owner of the
27 mobile home is subject, for tax billing, payment, and collection
28 purposes, only to the personal property provisions of chapter 84.56
29 RCW and RCW 84.60.040.

30 ~~((12))~~ (13) The term "residence" means a single-family dwelling
31 unit whether such unit be separate or part of a multiunit dwelling,
32 ~~((including))~~ may include one accessory dwelling unit and includes
33 the land on which such dwellings stand~~((s))~~ not to exceed one acre,
34 except that a residence includes any additional property up to a
35 total of five acres that comprises the residential parcel if this
36 larger parcel size is required under land use regulations. The term
37 also includes a share ownership in a cooperative housing association,
38 corporation, or partnership if the person claiming exemption can
39 establish that his or her share represents the specific unit or
40 portion of such structure in which he or she resides. The term also

1 includes a single-family dwelling situated upon lands the fee of
2 which is vested in the United States or any instrumentality thereof
3 including an Indian tribe or in the state of Washington, and
4 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
5 residence is deemed real property.

6 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
7 collection in 2025 and thereafter.

8 NEW SECTION. **Sec. 3.** The provisions of RCW 82.32.805 and
9 82.32.808 do not apply to this act.

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