

WAC 458-16A-150 Senior citizen, disabled person, and disabled veteran exemption—Requirements for keeping the exemption. (1) **Introduction.** This rule explains how and when a senior citizen, disabled person, or disabled veteran must file additional documents with the county assessor to maintain their senior citizen, disabled person, or disabled veteran property tax exemption. The rule also explains what happens when the claimant or the property no longer qualifies for the full exemption.

Examples. This rule includes examples that identify a set of facts and then state a conclusion. These examples should only be used as a general guide.

(2) **Continuing the exemption.** The claimant must keep the assessor up to date on their continued qualification for the senior citizen, disabled person, or disabled veteran property tax exemption. The claimant keeps the assessor up to date in the following three ways:

(a) First, the claimant submits a change in status form when any change affects their exemption. In some circumstances, the change in status form may be submitted by an executor, a surviving spouse, a surviving domestic partner, or a purchaser to notify the county of a change in status affecting the exemption;

(b) Second, the claimant submits a renewal application for the exemption either on the assessor's request following an amendment of the income requirement, or at least once every six years; and

(c) Third, the claimant applies to transfer the exemption when moving to a new principal residence.

(3) **Change in status.** When a claimant's circumstances change in a way that affects their qualification for the senior citizen, disabled person, or disabled veteran property tax exemption, the claimant must submit a completed change in status form to notify the county of this change.

(a) **When to submit form.** The claimant must submit a change in status form to the county assessor for any change affecting that person's qualification for the exemption within thirty days of the change in status. If the claimant is unable or fails to submit a change in status form, any subsequent property owner, including a claimant's estate or surviving spouse or surviving domestic partner, should submit a change in status form to avoid interest, and in some cases, the penalty for willfully claiming the exemption based on erroneous information.

(b) **Change in status described.** A change in status includes:

(i) Changes that affect the property (i.e., changes in land use regulations, new construction, boundary line changes, rentals, ownership changes, etc.);

(ii) Changes to the property owner's annual income that increase or decrease property taxes due under the exemption; or

(iii) Changes that affect the property owner's eligibility for the exemption (i.e., death, moving to a replacement residence, moving to another residence the claimant does not own, not meeting the occupancy requirements, marriage, registration in a state registered domestic partnership, improvement of a disability for a disabled person's claim, or a disabled person entering into gainful employment, and in some cases, moving into a hospice, a nursing home, or any other long-term care facility).

(c) **Change in status form.** The county assessor designs the change in status form or adapts a master form obtained from the department. The county must obtain approval of the final form from the department

before it may be distributed. The claimant, the claimant's agent, or a subsequent owner of the residence must use a change in status form from the county where the principal residence is located. The person filing the form must certify that under penalty of perjury under the laws of Washington, the information on the change in status form is true and correct.

(d) **Obtaining the form.** The claimant or subsequent property owner may obtain the form from the county assessor where their principal residence is located. The form may also be obtained electronically if available from the county assessor and electronic filing has been approved by the department.

(e) **Failure to submit the form after a change in status occurs.** If the claimant fails to submit the change in status form, the application information relied on becomes erroneous for the period following the change in status. Upon discovery of the erroneous information, the assessor determines the status of the exemption, and notifies the county treasurer to collect any unpaid property taxes and interest from the claimant, the claimant's estate, or if the property has been transferred, from the subsequent property owner. The treasurer may collect any unpaid property taxes, interest, and penalties for a period not to exceed five years as provided under RCW 84.36.385. In addition, if a person willfully fails to submit the form or provides erroneous information, that person is liable for an additional penalty equal to one hundred percent of the unpaid taxes. If the change in status results in a refund of property taxes, the treasurer may refund property taxes and interest for up to the most recent three years after the taxes were due as provided in RCW 84.69.030.

(f) **Loss of the exemption.** As provided in RCW 84.40.360, if the change in status disqualifies the applicant for the exemption, property taxes must be recalculated based on the current full assessed value of the property and paid from the date the change in status occurred.

For example, the exemption is lost when the claimant dies, unless the spouse or domestic partner also qualifies. The property taxes are then recalculated based on the full assessed value of the principal residence, on a pro rata basis, beginning the day following the date of the claimant's death through the remainder of the year.

(g) **Loss of exemption on part of the property.** If a change in status results in the removal of a portion of the property from the exemption, property taxes on that portion are no longer exempt and must be recalculated based on the current full assessed value of that portion of the property and paid from the date the change in status occurred.

For example, a property owner subdivides their one-acre lot into two parcels. The parcel that does not have the principal residence built on it will no longer qualify for the exemption. The property taxes are then recalculated based on the full assessed value of that parcel on a pro rata basis for the remainder of the year beginning the day following the date the subdivision was given final approval.

(h) **Exemption reduced.** If the change in income reduces the exemption amount, the increased property taxes are due in the year following the change in income. For example, a claimant's income rises so that only excess levies and the state property tax levy imposed under RCW 84.52.065(2) on the principal residence are exempt. The claimant's income is based on the assessment year. In the following year when the taxes are collected, the property taxes due will be calculated with only an exemption for excess levies and an exemption for the state property tax levy imposed under RCW 84.52.065(2).

(4) **Renewal application.** The county assessor must notify claimants when to file a renewal application with updated supporting documentation.

(a) **Notice to renew.** Written notice must be sent by the assessor and must be mailed at least three weeks in advance of the expected claimant response date.

(b) **When to renew.** The assessor must request a renewal application at least once every six years. The assessor may request a renewal application for any year the income requirements are amended in the statute after the exemption is granted.

(c) **Processing renewal applications.** Renewal applications are processed in the same manner as the initial application.

(d) **The renewal application form.** The county assessor may design the renewal application form or adapt either its own application form or the application master form obtained from the department. The county must obtain approval of the final renewal application form from the department before it may be distributed and used, and must also obtain authorization from the department if providing an option to file by electronic means. The property owner must use a renewal form from the county where the principal residence is located and must certify under penalty of perjury under the laws of Washington, the information on the renewal application form is true and correct.

(e) **Obtaining the renewal application.** The assessor provides the renewal application, in either paper or electronic form, to senior citizens, disabled persons, or disabled veterans claiming the exemption.

(f) **Failure to submit the renewal application.** If the property owner fails to submit the renewal application, the exemption is discontinued until the claimant reapplies for the exemption. The assessor may postpone collection activities and continue to work with an eligible claimant to complete an application for a missed period.

(5) **Transfer of the exemption.** When a claimant moves to a replacement residence, they must file a change in status form with the assessor in the county where their former principal residence was located. No claimant may receive an exemption on more than the equivalent of one residence in any year.

(a) **Exemption on the former residence.** The exemption on the former residence will apply through the closing date of the sale of the former residence, provided the former residence was the claimant's principal residence prior to the date of closing. Property taxes must be recalculated based on the current full assessed value of the property and paid from the day following the date the sale closed. The taxes are paid for the remaining portion of the year.

(b) **Exemption on the replacement residence.** Upon moving, the claimant must reapply for the exemption in the county where the replacement residence is located if the claimant wants to continue receiving the exemption. The same application, supporting documents, and application process is used for the exemption on the replacement residence as when a claimant first applies. The exemption on the replacement residence applies on a pro rata basis in the year the claimant moves, but only from the latter of the date the claimant moves into the new principal residence or the day following the date the sale closes on their former residence.

[Statutory Authority: RCW 84.36.389 and 84.36.865. WSR 20-24-066, § 458-16A-150, filed 11/24/20, effective 12/25/20. Statutory Authority: RCW 84.36.865. WSR 20-04-017, § 458-16A-150, filed 1/24/20, effective

2/24/20. Statutory Authority: RCW 84.08.010, 84.08.070, and 84.36.389. WSR 18-04-007, § 458-16A-150, filed 1/25/18, effective 2/25/18. Statutory Authority: RCW 84.36.389 and 84.36.865. WSR 13-08-028, § 458-16A-150, filed 3/27/13, effective 4/27/13. Statutory Authority: RCW 84.36.383, 84.36.389, and 84.36.865. WSR 08-16-076, § 458-16A-150, filed 7/31/08, effective 8/31/08; WSR 03-16-029, § 458-16A-150, filed 7/29/03, effective 8/29/03; WSR 03-09-002, § 458-16A-150, filed 4/2/03, effective 5/3/03.]