

2 SSB 5110 - H AMD 651 ADOPTED 4-28-91

3 By Representatives Wang, Holland, Phillips and Van Luven

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5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 84.36.381 and 1987 c 301 s 1 are each amended to read
8 as follows:

9 A person shall be exempt from any legal obligation to pay all or a
10 portion of the amount of excess and regular real property taxes due and
11 payable in the year following the year in which a claim is filed, and
12 thereafter, in accordance with the following:

13 (1) The property taxes must have been imposed upon a residence
14 which was occupied by the person claiming the exemption as a principal
15 place of residence as of January 1st of the year for which the
16 exemption is claimed: PROVIDED, That any person who sells, transfers,
17 or is displaced from his or her residence may transfer his or her
18 exemption status to a replacement residence, but no claimant shall
19 receive an exemption on more than one residence in any year: PROVIDED
20 FURTHER, That confinement of the person to a hospital or nursing home
21 shall not disqualify the claim of exemption if the residence is
22 temporarily unoccupied or if the residence is occupied by a spouse
23 and/or a person financially dependent on the claimant for support;

24 (2) The person claiming the exemption must have owned, at the time
25 of filing, in fee, as a life estate, or by contract purchase, the
26 residence on which the property taxes have been imposed or if the
27 person claiming the exemption lives in a cooperative housing
28 association, corporation, or partnership, such person must own a share

1 therein representing the unit or portion of the structure in which he
2 or she resides. For purposes of this subsection, a residence owned by
3 a marital community or owned by cotenants shall be deemed to be owned
4 by each spouse or cotenant, and any lease for life shall be deemed a
5 life estate;

6 (3) The person claiming the exemption must have been sixty-one
7 years of age or older on January 1st of the year in which the exemption
8 claim is filed, or must have been, at the time of filing, retired from
9 regular gainful employment by reason of physical disability: PROVIDED,
10 That any surviving spouse of a person who was receiving an exemption at
11 the time of the person's death shall qualify if the surviving spouse is
12 fifty-seven years of age or older and otherwise meets the requirements
13 of this section;

14 (4) The amount that the person shall be exempt from an obligation
15 to pay shall be calculated on the basis of combined disposable income,
16 as defined in RCW 84.36.383. If the person claiming the exemption was
17 retired for two months or more of the preceding year, the combined
18 disposable income of such person shall be calculated by multiplying the
19 average monthly combined disposable income of such person during the
20 months such person was retired by twelve.

21 (5)(a) A person who otherwise qualifies under this section and has
22 a combined disposable income of (~~eighteen~~) twenty-six thousand
23 dollars or less shall be exempt from all excess property taxes; and

24 (b)(i) A person who otherwise qualifies under this section and has
25 a combined disposable income of (~~fourteen~~) eighteen thousand dollars
26 or less but greater than (~~twelve~~) fifteen thousand dollars shall be
27 exempt from all regular property taxes on the greater of (~~twenty-~~
28 ~~four~~) thirty thousand dollars or thirty percent of the valuation of
29 his or her residence, but not to exceed (~~forty~~) fifty thousand
30 dollars of the valuation of his or her residence; or

1 (ii) A person who otherwise qualifies under this section and has a
2 combined disposable income of (~~twelve~~) fifteen thousand dollars or
3 less shall be exempt from all regular property taxes on the greater of
4 (~~twenty-eight~~) thirty-four thousand dollars or fifty percent of the
5 valuation of his or her residence."

6 "Sec. 2. RCW 84.36.041 and 1989 c 379 s 2 are each amended to read
7 as follows:

8 (1) All real and personal property used by a nonprofit home for the
9 aging that is reasonably necessary for the purposes of the home is
10 exempt from taxation if the benefit of the exemption inures to the home
11 and:

12 (a) At least fifty percent of the occupied dwelling units in the
13 home are occupied by eligible residents; or

14 (b) The home is subsidized under a federal department of housing
15 and urban development program. The department of revenue shall provide
16 by rule a definition of homes eligible for exemption under this
17 subsection (b), consistent with the purposes of this section.

18 (2) A home for the aging is eligible for a partial exemption if the
19 home does not meet the requirements of subsection (1) of this section
20 because fewer than fifty percent of the occupied dwelling units are
21 occupied by eligible residents. The amount of exemption shall be
22 calculated by multiplying the assessed value of the property reasonably
23 necessary for the purposes of the home by a fraction. The numerator of
24 the fraction is the number of dwelling units occupied by eligible
25 persons multiplied by two. The denominator of the fraction is the
26 total number of occupied dwelling units. The fraction shall never
27 exceed one.

1 (3) To be exempt under this section, the property must be used
2 exclusively for the purposes for which the exemption is granted, except
3 as provided in RCW 84.36.805.

4 (4) A home for the aging is exempt from taxation only if the
5 organization operating the home is exempt from income tax under section
6 501(c) of the federal internal revenue code as existing on January 1,
7 1989, or such subsequent date as the director may provide by rule
8 consistent with the purposes of this section.

9 (5) Each eligible resident of a home for the aging shall submit the
10 form required under RCW 84.36.385 to the county assessor by July 1st of
11 the assessment year. An eligible resident who has filed a form for a
12 previous year need not file a new form until there is a change in
13 status affecting the person's eligibility.

14 (6) In determining the true and fair value of a home for the aging
15 for purposes of the partial exemption provided by subsection (2) of
16 this section, the assessor shall apply the computation method provided
17 by RCW 84.34.060 and shall consider only the use to which such property
18 is applied during the years for which such partial exemptions are
19 available and shall not consider potential uses of such property.

20 (7) A home for the aging that was exempt for taxes levied for
21 collection in 1990 and is not fully exempt under this section is
22 entitled to partial exemptions as follows:

23 (a) For taxes levied for collection in 1991, two-thirds of the
24 assessed value that would otherwise be subject to tax under this
25 section is exempt from taxation.

26 (b) For taxes levied for collection in 1992, one-third of the
27 assessed value that would otherwise be subject to tax under this
28 section is exempt from taxation.

29 (8) As used in this section:

1 (a) "Eligible resident" means a person who would be eligible for an
2 exemption of regular property taxes under RCW 84.36.381 if the person
3 owned a single-family dwelling. For the purposes of determining
4 eligibility under this section, a "cotenant" as used in RCW 84.36.383
5 means a person who resides with an eligible resident and who shares
6 personal financial resources with the eligible resident.

7 (b) "Home for the aging" means a residential housing facility that
8 (i) provides a housing arrangement chosen voluntarily by the resident,
9 the resident's guardian or conservator, or another responsible person;
10 (ii) has only residents who are at least sixty-two years of age or who
11 have needs for care generally compatible with persons who are at least
12 sixty-two years of age; and (iii) provides varying levels of care and
13 supervision, as agreed to at the time of admission or as determined
14 necessary at subsequent times of reappraisal."

15 "NEW SECTION. Sec. 3. In calendar year 1992, the county
16 assessor of each county shall compile data on the number of persons
17 using the property tax exemption program, the number of persons using
18 the property tax deferral program, the income of the claimants, and the
19 value of the residence for which an exemption or deferral is claimed.
20 The county assessor shall report the results to the department of
21 revenue no later than March 1, 1993."

22 "NEW SECTION. Sec. 4. This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and shall take
25 effect immediately."

26 "NEW SECTION. Sec. 5. Section 1 of this act shall be effective
27 for taxes levied for collection in 1992 and thereafter."

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2 By Representative Wang

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4 On page 1, line 2 of the title, after "disability;" strike the
5 remainder of the title and insert "amending RCW 84.36.381 and
6 84.36.041; creating new sections; and declaring an emergency."