

1 (4) "Special assessment" means the charge or obligation
2 imposed by a city, town, county, or other municipal corporation
3 upon property specially benefited by a local improvement, including
4 assessments under chapters 35.44, 36.88, 36.94, 53.08, 54.16,
5 56.20, 57.16, 86.09, and 87.03 RCW and any other relevant chapter.

6 (5) "Real property taxes" means ad valorem property taxes
7 levied on a residence in this state in the preceding calendar
8 year."

9 "Sec. II. RCW 84.38.030 and 1988 c 222 s 11 are each amended
10 to read as follows:

11 A claimant may defer payment of special assessments and/or
12 real property taxes on ~~((his property that is receiving an
13 exemption under RCW 84.36.381 through 84.36.389 on))~~ up to eighty
14 percent of the amount of ~~((his))~~ the claimant's equity value in
15 ~~((said property))~~ the claimant's residence if the following
16 conditions are met:

17 (1) The claimant must meet all requirements for an exemption
18 for the residence under RCW 84.36.381, other than the income
19 limits.

20 (2) The claimant must have a combined disposable income, as
21 defined in RCW 84.36.383, of thirty thousand dollars or less.

22 (3) The claimant must have owned, at the time of filing, the
23 residence on which the special assessment and/or real property
24 taxes have been imposed. For purposes of this subsection, a
25 residence owned by a marital community or owned by cotenants shall

1 be deemed to be owned by each spouse or cotenant. A claimant who
2 has only a share ownership in cooperative housing, a life estate,
3 a lease for life, or a revocable trust does not satisfy the
4 ownership requirement.

5 ~~((2))~~ (4) The claimant must have and keep in force fire and
6 casualty insurance in sufficient amount to protect the interest of
7 the state in the claimant's equity value: PROVIDED, That if the
8 claimant fails to keep fire and casualty insurance in force to the
9 extent of the state's interest in the claimant's equity value, the
10 amount deferred shall not exceed one hundred percent of the
11 claimant's equity value in the land or lot only.

12 ~~((3))~~ (5) In the case of special assessment deferral, the
13 claimant must have opted for payment of such special assessments on
14 the installment method if such method was available."

15 "Sec. III. RCW 84.36.381 and 1987 c 301 s 1 are each amended
16 to read as follows:

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

21 (1) The property taxes must have been imposed upon a residence
22 which was occupied by the person claiming the exemption as a
23 principal place of residence as of January 1st of the year for
24 which the exemption is claimed: PROVIDED, That any person who
25 sells, transfers, or is displaced from his or her residence may

1 transfer his or her exemption status to a replacement residence,
2 but no claimant shall receive an exemption on more than one
3 residence in any year: PROVIDED FURTHER, That confinement of the
4 person to a hospital or nursing home shall not disqualify the claim
5 of exemption if the residence is temporarily unoccupied or if the
6 residence is occupied by a spouse and/or a person financially
7 dependent on the claimant for support;

8 (2) The person claiming the exemption must have owned, at the
9 time of filing, in fee, as a life estate, or by contract purchase,
10 the residence on which the property taxes have been imposed or if
11 the person claiming the exemption lives in a cooperative housing
12 association, corporation, or partnership, such person must own a
13 share therein representing the unit or portion of the structure in
14 which he or she resides. For purposes of this subsection, a
15 residence owned by a marital community or owned by cotenants shall
16 be deemed to be owned by each spouse or cotenant, and any lease for
17 life shall be deemed a life estate;

18 (3) The person claiming the exemption must (~~have been~~) be
19 sixty-one years of age or older on (~~January 1st~~) December 31st of
20 the year in which the exemption claim is filed, or must have been,
21 at the time of filing, retired from regular gainful employment by
22 reason of physical disability: PROVIDED, That any surviving spouse
23 of a person who was receiving an exemption at the time of the
24 person's death shall qualify if the surviving spouse is fifty-seven
25 years of age or older and otherwise meets the requirements of this
26 section;

1 (4) The amount that the person shall be exempt from an
2 obligation to pay shall be calculated on the basis of combined
3 disposable income, as defined in RCW 84.36.383. If the person
4 claiming the exemption was retired for two months or more of the
5 preceding year, the combined disposable income of such person shall
6 be calculated by multiplying the average monthly combined
7 disposable income of such person during the months such person was
8 retired by twelve.

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

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

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

24 "**Sec. IV.** RCW 84.36.383 and 1991 c __ s 1 (HB 1642) are each
25 amended to read as follows:

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

3 (1) The term "residence" shall mean a single family dwelling
4 unit whether such unit be separate or part of a multiunit dwelling,
5 including the land on which such dwelling stands not to exceed one
6 acre. The term shall also include a share ownership in a
7 cooperative housing association, corporation, or partnership if the
8 person claiming exemption can establish that his or her share
9 represents the specific unit or portion of such structure in which
10 he or she resides. The term shall also include a single family
11 dwelling situated upon lands the fee of which is vested in the
12 United States or any instrumentality thereof including an Indian
13 tribe or in the state of Washington, and notwithstanding the
14 provisions of RCW 84.04.080, 84.04.090 or 84.40.250, such a
15 residence shall be deemed real property.

16 (2) The term "real property" shall also include a mobile home
17 which has substantially lost its identity as a mobile unit by
18 virtue of its being fixed in location upon land owned or leased by
19 the owner of the mobile home and placed on a foundation (posts or
20 blocks) with fixed pipe, connections with sewer, water, or other
21 utilities: PROVIDED, That a mobile home located on land leased by
22 the owner of the mobile home shall be subject, for tax billing,
23 payment, and collection purposes, only to the personal property
24 provisions of chapter 84.56 RCW and RCW 84.60.040.

25 (3) The term "preceding calendar year" shall mean the calendar
26 year preceding the year in which the claim for exemption is to be

1 made.

2 (4) "Department" shall mean the state department of revenue.

3 (5) "Combined disposable income" means the disposable income
4 of the person claiming the exemption, plus the disposable income of
5 his or her spouse, and the disposable income of each cotenant
6 occupying the residence for the preceding calendar year, less
7 amounts paid by the person claiming the exemption or his or her
8 spouse during the previous year for the treatment or care of either
9 person received in the home or in a nursing home.

10 (6) "Disposable income" means adjusted gross income as defined
11 in the federal internal revenue code, as amended prior to January
12 1, 1989, or such subsequent date as the director may provide by
13 rule consistent with the purpose of this section, plus all of the
14 following items to the extent they are not included in or have been
15 deducted from adjusted gross income:

16 (a) Capital gains, other than nonrecognized gain on the sale
17 of a principal residence under section 1034 of the federal internal
18 revenue code, or gain excluded from income under section 121 of the
19 federal internal revenue code to the extent it is reinvested in a
20 new principal residence;

21 (b) Amounts deducted for loss;

22 (c) Amounts deducted for depreciation;

23 (d) Pension and annuity receipts;

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

26 (f) Veterans benefits other than attendant-care and medical-

1 aid payments;

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

4 (h) Dividend receipts; and

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

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

9 "NEW SECTION. **Sec. V.** " This act is necessary for the
10 immediate preservation of the public peace, health, or safety, or
11 support of the state government and its existing public
12 institutions, and shall take effect immediately."

13 "NEW SECTION. **Sec. VI.** Sections 1 and 2 of this act
14 shall be effective for taxes levied for collection in 1991 and
15 thereafter. Sections 3 and 4 of this act shall be effective for
16 taxes levied for collection in 1992 and thereafter."

17 **HB 1299** - S AMD
18 By Senator McDonald

19 ADOPTED 4/28/91 - Voice Vote

20 On page 1, line 4 of the title, after "year;" strike the
21 remainder of the title and insert "amending RCW 84.38.020,
22 84.38.030, 84.36.381, and 84.36.383; creating a new section; and
23 declaring an emergency."