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**SUBSTITUTE SENATE BILL 5993**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Cantu, Gaspard, Hayner, Murray, Anderson, A. Smith, Craswell, Skratek and Johnson)

Read first time 02/11/92.

1       AN ACT Relating to increasing the maximum income limits of  
2 residents of nonprofit homes for the aging for purposes of the property  
3 tax exemption for nonprofit homes for the aging to the maximum income  
4 limits for retired persons' property tax exemptions; amending RCW  
5 84.36.041; creating a new section; and declaring an emergency.

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

7       **Sec. 1.** RCW 84.36.041 and 1991 sp.s. c 24 s 1 are each amended to  
8 read as follows:

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

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

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

5 (2) A home for the aging is eligible for a partial exemption if the  
6 home does not meet the requirements of subsection (1) of this section  
7 because fewer than fifty percent of the occupied dwelling units are  
8 occupied by eligible residents. The amount of exemption shall be  
9 calculated by multiplying the assessed value of the property reasonably  
10 necessary for the purposes of the home by a fraction. The numerator of  
11 the fraction is the number of dwelling units occupied by eligible  
12 persons multiplied by two. The denominator of the fraction is the  
13 total number of occupied dwelling units. The fraction shall never  
14 exceed one.

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

18 (4) A home for the aging is exempt from taxation only if the  
19 organization operating the home is exempt from income tax under section  
20 501(c) of the federal internal revenue code as existing on January 1,  
21 1989, or such subsequent date as the director may provide by rule  
22 consistent with the purposes of this section.

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

28 (6) In determining the true and fair value of a home for the aging  
29 for purposes of the partial exemption provided by subsection (2) of  
30 this section, the assessor shall apply the computation method provided

1 by RCW 84.34.060 and shall consider only the use to which such property  
2 is applied during the years for which such partial exemptions are  
3 available and shall not consider potential uses of such property.

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

7 (a) For taxes levied for collection in 1991 and 1992, two-thirds of  
8 the assessed value that would otherwise be subject to tax under this  
9 section is exempt from taxation.

10 (b) For taxes levied for collection in 1993, one-third of the  
11 assessed value that would otherwise be subject to tax under this  
12 section is exempt from taxation.

13 (8) As used in this section:

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

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

28 NEW SECTION. **Sec. 2.** This act is effective for taxes  
29 collected in 1993 and thereafter.

1        NEW SECTION.    **Sec. 3.**        This act is necessary for the immediate  
2 preservation of the public peace, health, or safety, or support of the  
3 state government and its existing public institutions, and shall take  
4 effect immediately.