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ENGROSSED HOUSE BILL 2670

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State of Washington

53rd Legislature

1994 Regular Session

By Representatives G. Fisher, Foreman, Roland, Kessler, Shin, Campbell, Lemmon, Bray, R. Meyers, Basich, Johanson, Pruitt, Holm, Ogden, Sheldon, Caver, Quall, Jacobsen, Scott, Jones, Finkbeiner, Dellwo, H. Myers, Kremen, Conway, King, Rayburn, J. Kohl, L. Johnson and Anderson

Read first time 01/19/94. Referred to Committee on Revenue.

1 AN ACT Relating to property tax relief for senior citizens and  
2 persons retired by reason of physical disability; amending RCW  
3 84.36.381; creating a new section; and providing for submission of this  
4 act to a vote of the people.

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

6 **Sec. 1.** RCW 84.36.381 and 1993 c 178 s 1 are each amended to read  
7 as follows:

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

12 (1) The property taxes must have been imposed upon a residence  
13 which was occupied by the person claiming the exemption as a principal  
14 place of residence as of January 1st of the year for which the  
15 exemption is claimed: PROVIDED, That any person who sells, transfers,  
16 or is displaced from his or her residence may transfer his or her  
17 exemption status to a replacement residence, but no claimant shall  
18 receive an exemption on more than one residence in any year: PROVIDED

1 FURTHER, That confinement of the person to a hospital or nursing home  
2 shall not disqualify the claim of exemption if:

3 (a) The residence is temporarily unoccupied;

4 (b) The residence is occupied by a spouse and/or a person  
5 financially dependent on the claimant for support; or

6 (c) The residence is rented for the purpose of paying nursing home  
7 or hospital costs;

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

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

26 (4) The amount that the person shall be exempt from an obligation  
27 to pay shall be calculated on the basis of combined disposable income,  
28 as defined in RCW 84.36.383. If the person claiming the exemption was  
29 retired for two months or more of the preceding year, the combined  
30 disposable income of such person shall be calculated by multiplying the  
31 average monthly combined disposable income of such person during the  
32 months such person was retired by twelve. If the income of the person  
33 claiming exemption is reduced for two or more months of the preceding  
34 year by reason of the death of the person's spouse, the combined  
35 disposable income of such person shall be calculated by multiplying the  
36 average monthly combined disposable income of such person after the  
37 death of the spouse by twelve.

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

4 (b)(i) A person who otherwise qualifies under this section and has  
5 a combined disposable income of (~~eighteen~~) twenty-one thousand  
6 dollars or less but greater than (~~fifteen~~) seventeen thousand dollars  
7 shall be exempt from all regular property taxes on the greater of  
8 thirty thousand dollars or thirty percent of the valuation of his or  
9 her residence, but not to exceed fifty thousand dollars of the  
10 valuation of his or her residence; or

11 (ii) A person who otherwise qualifies under this section and has a  
12 combined disposable income of (~~fifteen~~) seventeen thousand dollars or  
13 less shall be exempt from all regular property taxes on the greater of  
14 thirty-four thousand dollars or fifty percent of the valuation of his  
15 or her residence.

16 (6) For a person who otherwise qualifies under this section and has  
17 a combined disposable income of thirty thousand dollars or less, the  
18 taxable value of the residence shall not exceed the lesser of (a) the  
19 assessed value of the residence as reduced by the exemption under  
20 subsection (5) of this section, if any, or (b) the taxable value of the  
21 residence for the previous year, increased by the inflation factor for  
22 the assessment year. For counties that do not revalue property  
23 annually, the amount under (b) of this subsection shall be the previous  
24 taxable value increased by the inflation factor for each assessment  
25 year since the previous revaluation of the residence. As used in this  
26 section, "inflation factor" means the percentage change used by the  
27 federal government in adjusting social security payments for inflation  
28 at the beginning of each year. The department shall provide inflation  
29 factors to the county assessors annually.

30 NEW SECTION. Sec. 2. Section 1 of this act shall be effective for  
31 taxes levied for collection in 1995 and thereafter.

32 NEW SECTION. Sec. 3. If a court enters a final order invalidating  
33 or remanding section 1 of this act on the grounds that it does not  
34 comply with section 13, chapter 2, Laws of 1994, this measure shall be  
35 submitted to the people for their adoption, ratification, or rejection,  
36 at the next succeeding general election to be held in this state, in

1 accordance with Article II, section 1 of the state Constitution, as  
2 amended, and the laws adopted to facilitate the operation thereof.

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