

1 **ESSB 5212** - H AMD to H AMD (H-1707.2/97) AMD **026 FAILED 2-10-97**

2 By Representative Dunshee

3 On page 1, beginning on line 7, strike everything through page
4 34, line 8, and insert:

5 "NEW SECTION. **Sec. 1.** A new section is added to chapter
6 84.52 RCW to read as follows:

7 (1) A credit is allowed against the state regular real
8 property tax equal to the tax imposed on the first fifty-eight
9 thousand seven hundred fifty dollars of assessed valuation of owner-
10 occupied residential property, multiplied by the indicated ratio
11 fixed by the state department of revenue. The credit in any tax
12 year shall not exceed the amount of state property tax imposed on
13 the property. For taxes due in 1999 and each year thereafter, the
14 department of revenue shall adjust the amount of credit allowed
15 under this section in proportion to changes in the implicit price
16 deflator for personal consumption expenditures for the United
17 States as published for the most recent twelve-month period by the
18 bureau of economic analysis of the federal department of commerce
19 in September of the year before the taxes are payable.

20 (2) The credit in this section is in addition to any other
21 property tax relief that may be provided by law.

22 (3) The following conditions apply to credit under this
23 section:

24 (a) The residence must be occupied by the person claiming the
25 credit as a principal place of residence as of January 1st of the
26 year in which taxes are due. A person who sells, transfers, or is
27 displaced from the person's residence may transfer the person's
28 credit status to a replacement residence, but a claimant may not
29 receive a credit on more than one residence in any year.
30 Confinement of the person to a hospital or nursing home does not
31 disqualify the claim of credit if:

32 (i) The residence is temporarily unoccupied;

33 (ii) The residence is occupied by either or both a spouse or
34 a person financially dependent on the claimant for support; or

1 (iii) The residence is rented for the purpose of paying
2 nursing home or hospital costs.

3 (b) The person claiming the credit must have owned, at the
4 time of filing, in fee, as a life estate, or by contract purchase,
5 the residence on which the property taxes have been imposed or if
6 the person claiming the credit lives in a cooperative housing
7 association, corporation, or partnership, the person must own a
8 share therein representing the unit or portion of the structure in
9 which the person resides. For purposes of this subsection, a
10 residence owned by a marital community or owned by cotenants is
11 deemed to be owned by each spouse or cotenant, and any lease for
12 life is deemed a life estate.

13 (4) RCW 84.36.383, 84.36.385, 84.36.387, and 84.36.389 apply
14 to this section.

15 **Sec. 2.** RCW 84.52.080 and 1989 c 378 s 16 are each amended to
16 read as follows:

17 (1) The county assessor shall extend the taxes upon the tax
18 rolls in the form herein prescribed. The rate percent necessary to
19 raise the amounts of taxes levied for state and county purposes,
20 and for purposes of taxing districts coextensive with the county,
21 shall be computed upon the assessed value of the property of the
22 county; the rate percent necessary to raise the amount of taxes
23 levied for any taxing district within the county shall be computed
24 upon the assessed value of the property of the district; all taxes
25 assessed against any property shall be added together and extended
26 on the rolls in a column headed consolidated or total tax. In
27 extending any tax, whenever it amounts to a fractional part of a
28 cent greater than five mills it shall be made one cent, and
29 whenever it amounts to five mills or less than five mills it shall
30 be dropped. The amount of all taxes shall be entered in the proper
31 columns, as shown by entering the rate percent necessary to raise
32 the consolidated or total tax and the total tax assessed against
33 the property.

34 (2) After entering the amounts under subsection (1) of this
35 section, the county assessor shall compute the amount of credit
36 authorized under section 1 of this act for each parcel of property.
37 The credit allowed for any property shall be extended on the rolls

1 in a column headed tax credit. The county treasurer shall subtract
2 the amount of the credit from the total tax and enter this amount
3 in a column headed tax payable.

4 (3) For the purpose of computing the rate necessary to raise
5 the amount of any excess levy in a taxing district which has
6 classified or designated forest land under chapter 84.33 RCW, other
7 than the state, the county assessor shall add the district's timber
8 assessed value, as defined in RCW 84.33.035, to the assessed value
9 of the property: PROVIDED, That for school districts maintenance
10 and operations levies only one-half of the district's timber
11 assessed value or eighty percent of the timber roll of such
12 district in calendar year 1983 as determined under chapter 84.33
13 RCW, whichever is greater, shall be added.

14 ((+3)) (4) Upon the completion of such tax extension, it
15 shall be the duty of the county assessor to make in each assessment
16 book, tax roll or list a certificate in the following form:

17 I,, assessor of county, state of
18 Washington, do hereby certify that the foregoing is a correct list
19 of taxes levied on the real and personal property in the county of
20 for the year ((one thousand nine hundred and))
21

22 Witness my hand this day of, ((19))
23 , County Assessor

24 ((+4)) (5) The county assessor shall deliver said tax rolls
25 to the county treasurer, on or before the fifteenth day of January,
26 taking receipt therefor, and at the same time the county assessor
27 shall provide the county auditor with an abstract of the tax rolls
28 showing the total amount of taxes collectible in each of the taxing
29 districts.

30 **Sec. 3.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to
31 read as follows:

32 (1) On receiving the tax rolls the treasurer shall post all
33 real and personal property taxes from the rolls to the treasurer's
34 tax roll, and shall carry forward to the current tax rolls a
35 memorandum of all delinquent taxes on each and every description of

1 property, and enter the same on the property upon which the taxes
2 are delinquent showing the amounts for each year. The treasurer
3 shall notify each taxpayer in the county, at the expense of the
4 county, of the amount of the real and personal property(~~(7)~~) and
5 the current and delinquent amount of tax due on the same(~~(7 and)~~).
6 The treasurer shall have printed on the notice the name of each tax
7 ((and)), the levy made on the same, the amount of any credit under
8 section 1 of this act, and the tax payable. The state tax credit
9 authorized in section 1 of this act shall be credited against any
10 state tax payable on the property. The county treasurer shall be
11 the sole collector of all delinquent taxes and all other taxes due
12 and collectible on the tax rolls of the county(~~(7 PROVIDED,~~
13 ~~That))~~).

14 (2) The term "taxpayer" as used in this section shall mean any
15 person charged, or whose property is charged, with property tax;
16 and the person to be notified is that person whose name appears on
17 the tax roll herein mentioned(~~(7 PROVIDED, FURTHER, That))~~). If no
18 name so appears the person to be notified is that person shown by
19 the treasurer's tax rolls or duplicate tax receipts of any
20 preceding year as the payer of the tax last paid on the property in
21 question.

22 **Sec. 4.** RCW 84.36.383 and 1995 1st sp.s. c 8 s 2 are each
23 amended to read as follows:

24 As used in RCW 84.36.381 through 84.36.389 and section 1 of
25 this act, except where the context clearly indicates a different
26 meaning:

27 (1) The term "residence" shall mean a single family dwelling
28 unit whether such unit be separate or part of a multiunit dwelling,
29 including the land on which such dwelling stands not to exceed one
30 acre. The term shall also include a share ownership in a
31 cooperative housing association, corporation, or partnership if the
32 person claiming exemption can establish that his or her share
33 represents the specific unit or portion of such structure in which
34 he or she resides. The term shall also include a single family
35 dwelling situated upon lands the fee of which is vested in the
36 United States or any instrumentality thereof including an Indian
37 tribe or in the state of Washington, and notwithstanding the

1 provisions of RCW 84.04.080 and 84.04.090, such a residence shall
2 be deemed real property.

3 (2) The term "real property" shall also include a mobile home
4 which has substantially lost its identity as a mobile unit by
5 virtue of its being fixed in location upon land owned or leased by
6 the owner of the mobile home and placed on a foundation (posts or
7 blocks) with fixed pipe, connections with sewer, water, or other
8 utilities: PROVIDED, That a mobile home located on land leased by
9 the owner of the mobile home shall be subject, for tax billing,
10 payment, and collection purposes, only to the personal property
11 provisions of chapter 84.56 RCW and RCW 84.60.040.

12 (3) "Department" shall mean the state department of revenue.

13 (4) "Combined disposable income" means the disposable income
14 of the person claiming the exemption, plus the disposable income of
15 his or her spouse, and the disposable income of each cotenant
16 occupying the residence for the assessment year, less amounts paid
17 by the person claiming the exemption or his or her spouse during
18 the assessment year for:

19 (a) Drugs supplied by prescription of a medical practitioner
20 authorized by the laws of this state or another jurisdiction to
21 issue prescriptions; and

22 (b) The treatment or care of either person received in the
23 home or in a nursing home.

24 (5) "Disposable income" means adjusted gross income as defined
25 in the federal internal revenue code, as amended prior to January
26 1, 1989, or such subsequent date as the director may provide by
27 rule consistent with the purpose of this section, plus all of the
28 following items to the extent they are not included in or have been
29 deducted from adjusted gross income:

30 (a) Capital gains, other than nonrecognized gain on the sale
31 of a principal residence under section 1034 of the federal internal
32 revenue code, or gain excluded from income under section 121 of the
33 federal internal revenue code to the extent it is reinvested in a
34 new principal residence;

35 (b) Amounts deducted for loss;

36 (c) Amounts deducted for depreciation;

37 (d) Pension and annuity receipts;

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

3 (f) Veterans benefits other than attendant-care and medical-
4 aid payments;

5 (g) Federal social security act and railroad retirement
6 benefits;

7 (h) Dividend receipts; and

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

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

12 **Sec. 5.** RCW 84.36.385 and 1992 c 206 s 13 are each amended to
13 read as follows:

14 (1) A claim for exemption under RCW 84.36.381 (~~as now or~~
15 ~~hereafter amended,~~) or a credit under section 1 of this act shall
16 be made and filed at any time during the year for exemption or
17 credit from taxes payable the following year and thereafter and
18 solely upon forms as prescribed (~~and furnished~~) by the department
19 of revenue. However, an exemption from tax under RCW 84.36.381
20 shall continue for no more than four years unless a renewal
21 application is filed as provided in subsection (3) of this section.
22 The county assessor may also require, by written notice, a renewal
23 application following an amendment of the income requirements set
24 forth in RCW 84.36.381. Renewal applications shall be on forms
25 prescribed and furnished by the department of revenue. A credit
26 under section 1 of this act shall continue each year as long as the
27 residence is eligible for credit.

28 (2) A person granted an exemption under RCW 84.36.381 or a
29 credit under section 1 of this act shall inform the county assessor
30 of any change in status affecting (~~the person's~~) entitlement to
31 the exemption or credit on forms prescribed and furnished by the
32 department of revenue.

33 (3) Each person exempt from taxes under RCW 84.36.381 in 1993
34 and thereafter, shall file with the county assessor a renewal
35 application not later than December 31 of the year the assessor
36 notifies such person of the requirement to file the renewal
37 application.

1 (4) Beginning in 1992 and in each of the three succeeding
2 years, the county assessor shall notify approximately one-fourth of
3 those persons exempt from taxes under RCW 84.36.381 in the current
4 year who have not filed a renewal application within the previous
5 four years, of the requirement to file a renewal application.

6 (5) If the assessor finds that the applicant does not meet the
7 qualifications as set forth in RCW 84.36.381(~~(, as now or hereafter~~
8 ~~amended))~~ or section 1 of this act, the claim or exemption shall be
9 denied but such denial shall be subject to appeal under the
10 provisions of RCW 84.48.010(5). If the applicant had received
11 exemption or credit in prior years based on erroneous information,
12 the taxes shall be collected subject to penalties as provided in
13 RCW 84.40.130 for a period of not to exceed three years.

14 (6) The department and each local assessor is hereby directed
15 to publicize the qualifications and manner of making claims under
16 RCW 84.36.381 through 84.36.389 and section 1 of this act, through
17 communications media, including such paid advertisements or notices
18 as it deems appropriate. Notice of the qualifications, method of
19 making applications, the penalties for not reporting a change in
20 status, and availability of further information shall be included
21 on or with property tax statements and revaluation notices for all
22 residential property including mobile homes, except rental
23 properties.

24 **Sec. 6.** RCW 84.36.387 and 1992 c 206 s 14 are each amended to
25 read as follows:

26 (1) All claims for exemption under RCW 84.36.381 or a credit
27 under section 1 of this act shall be made and signed by the person
28 entitled to the exemption or credit, by his or her attorney in fact
29 or in the event the residence of such person is under mortgage or
30 purchase contract requiring accumulation of reserves out of which
31 the holder of the mortgage or contract is required to pay real
32 estate taxes, by such holder or by the owner, either before two
33 witnesses or the county assessor or his or her deputy in the county
34 where the real property is located: PROVIDED, That if a claim for
35 exemption or credit is made by a person living in a cooperative
36 housing association, corporation, or partnership, such claim shall

1 be made and signed by the person entitled to the exemption or
2 credit and by the authorized agent of such cooperative.

3 (2) If the taxpayer is unable to submit his or her own claim,
4 the claim shall be submitted by a duly authorized agent or by a
5 guardian or other person charged with the care of the person or
6 property of such taxpayer.

7 (3) All claims for exemption and renewal applications under
8 RCW 84.36.381 shall be accompanied by such documented verification
9 of income as shall be prescribed by rule adopted by the department
10 of revenue.

11 (4) Any person signing a false claim with the intent to
12 defraud or evade the payment of any tax shall be guilty of the
13 offense of perjury.

14 (5) The tax liability of a cooperative housing association,
15 corporation, or partnership shall be reduced by the amount of tax
16 exemption or credit to which a claimant residing therein is
17 entitled and such cooperative shall reduce any amount owed by the
18 claimant to the cooperative by such exact amount of tax exemption
19 or credit or, if no amount be owed, the cooperative shall make
20 payment to the claimant of such exact amount of exemption or
21 credit.

22 (6) A remainderman or other person who would have otherwise
23 paid the tax on real property that is the subject of an exemption
24 granted under RCW 84.36.381 or a credit granted under section 1 of
25 this act for an estate for life shall reduce the amount which would
26 have been payable by the life tenant to the remainderman or other
27 person to the extent of the exemption or credit. If no amount is
28 owed or separately stated as an obligation between these persons,
29 the remainderman or other person shall make payment to the life
30 tenant in the exact amount of the exemption or credit.

31 **Sec. 7.** RCW 84.36.389 and 1979 ex.s. c 214 s 4 are each
32 amended to read as follows:

33 (1) The director of the department of revenue shall adopt such
34 rules (~~and regulations~~) and prescribe such forms as may be
35 necessary and appropriate for implementation and administration of
36 this chapter subject to chapter 34.05 RCW, the administrative
37 procedure act.

1 (2) The department may conduct such audits of the
2 administration of RCW 84.36.381 through 84.36.389 and section 1 of
3 this act and the claims for exemption or credit filed thereunder as
4 it considers necessary. The powers of the department under chapter
5 84.08 RCW apply to these audits.

6 (3) Any information or facts concerning confidential income
7 data obtained by the assessor or the department, or their agents or
8 employees, under subsection (2) of this section shall be used only
9 to administer RCW 84.36.381 through 84.36.389. Notwithstanding any
10 provision of law to the contrary, absent written consent by the
11 person about whom the information or facts have been obtained, the
12 confidential income data shall not be disclosed by the assessor or
13 the assessor's agents or employees to anyone other than the
14 department or the department's agents or employees nor by the
15 department or the department's agents or employees to anyone other
16 than the assessor or the assessor's agents or employees except in
17 a judicial proceeding pertaining to the taxpayer's entitlement to
18 the tax exemption under RCW 84.36.381 through 84.36.389 or credit
19 under section 1 of this act. Any violation of this subsection is
20 a misdemeanor.

21 NEW SECTION. **Sec. 8.** This act takes effect for taxes levied
22 for collection in 1998 if the proposed amendment to Article VII of
23 the state Constitution providing tax credits for owner-occupied
24 residential housing (HJR 4200) is validly submitted to and is
25 approved and ratified by the voters at a general election held in
26 November 1997. If the proposed amendment is not approved and
27 ratified, this act is null and void in its entirety."

28 Re-number sections consecutively, correct any internal
29 references accordingly, and correct the title.

EFFECT: Provides a credit against the state levy for the first
\$58,750 of assessed value for owner-occupied residences.