

2 **ESSB 5574 - H AMDS 542 FAILED BEYOND SCOPE AND OBJECT 4-18-97**  
3 By Representative Dunshee

4

5 On page 6, after line 2, insert the following:

6

**"PART II**

7

**PROPERTY TAX CREDIT**

8 NEW SECTION. **Sec. 201.** A new section is added to chapter 84.52  
9 RCW to read as follows:

10 (1) There is allowed a credit against the state regular real  
11 property tax equal to the tax imposed by the state on twenty percent of  
12 the state-wide average assessed value of owner-occupied single-family  
13 residential property, multiplied by the combined indicated ratio fixed  
14 by the state department of revenue for each county. The amount of the  
15 credit shall increase annually at a rate not to exceed the average rate  
16 of growth over the immediately preceding five years of owner-occupied  
17 single-family residential property. The average rate of growth shall  
18 be determined by the department. The credit in any tax year shall not  
19 exceed the amount of state property tax imposed on the property and no  
20 credit may result in increased property taxes on other taxpayers.

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

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

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

33 (i) The residence is temporarily unoccupied;

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

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

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

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

14 **Sec. 202.** RCW 84.52.080 and 1989 c 378 s 16 are each amended to  
15 read as follows:

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

32 (2) After entering the amounts under subsection (1) of this  
33 section, the county assessor shall compute the amount of credit  
34 authorized under section 201 of this act for each parcel of property.  
35 The credit allowed for any property shall be extended on the rolls in  
36 a column headed tax credit. The county treasurer shall subtract the  
37 amount of the credit from the total tax and enter this amount in a  
38 column headed tax payable.

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

10       (~~(3)~~) (4) Upon the completion of such tax extension, it shall be  
11 the duty of the county assessor to make in each assessment book, tax  
12 roll or list a certificate in the following form:

13       I, . . . . ., assessor of . . . . . county, state of  
14 Washington, do hereby certify that the foregoing is a correct list of  
15 taxes levied on the real and personal property in the county of  
16 . . . . . for the year (~~one thousand nine hundred and~~) . . . . .  
17       Witness my hand this . . . . day of . . . . ., (~~19~~) . . . .  
18       . . . . . , County Assessor

19       (~~(4)~~) (5) The county assessor shall deliver said tax rolls to the  
20 county treasurer, on or before the fifteenth day of January, taking  
21 receipt therefor, and at the same time the county assessor shall  
22 provide the county auditor with an abstract of the tax rolls showing  
23 the total amount of taxes collectible in each of the taxing districts.

24       **Sec. 203.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to  
25 read as follows:

26       (1) On receiving the tax rolls the treasurer shall post all real  
27 and personal property taxes from the rolls to the treasurer's tax roll,  
28 and shall carry forward to the current tax rolls a memorandum of all  
29 delinquent taxes on each and every description of property, and enter  
30 the same on the property upon which the taxes are delinquent showing  
31 the amounts for each year. The treasurer shall notify each taxpayer in  
32 the county, at the expense of the county, of the amount of the real and  
33 personal property(~~(7)~~) and the current and delinquent amount of tax due  
34 on the same(~~(7) and~~). The treasurer shall have printed on the notice  
35 the name of each tax (~~and~~), the levy made on the same, the amount of  
36 any credit under section 201 of this act, and the tax payable. The  
37 state tax credit authorized in section 201 of this act shall be

1 credited against any state tax payable on the property. The county  
2 treasurer shall be the sole collector of all delinquent taxes and all  
3 other taxes due and collectible on the tax rolls of the county(~~(:~~  
4 ~~PROVIDED, That)~~)).

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

12 **Sec. 204.** RCW 84.36.383 and 1995 1st sp.s. c 8 s 2 are each  
13 amended to read as follows:

14 As used in RCW 84.36.381 through 84.36.389 and section 201 of this  
15 act, except where the context clearly indicates a different meaning:

16 (1) The term "residence" shall mean a single family dwelling unit  
17 whether such unit be separate or part of a multiunit dwelling,  
18 including the land on which such dwelling stands not to exceed one  
19 acre. The term shall also include a share ownership in a cooperative  
20 housing association, corporation, or partnership if the person claiming  
21 exemption can establish that his or her share represents the specific  
22 unit or portion of such structure in which he or she resides. The term  
23 shall also include a single family dwelling situated upon lands the fee  
24 of which is vested in the United States or any instrumentality thereof  
25 including an Indian tribe or in the state of Washington, and  
26 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a  
27 residence shall be deemed real property.

28 (2) The term "real property" shall also include a mobile home which  
29 has substantially lost its identity as a mobile unit by virtue of its  
30 being fixed in location upon land owned or leased by the owner of the  
31 mobile home and placed on a foundation (posts or blocks) with fixed  
32 pipe, connections with sewer, water, or other utilities: PROVIDED,  
33 That a mobile home located on land leased by the owner of the mobile  
34 home shall be subject, for tax billing, payment, and collection  
35 purposes, only to the personal property provisions of chapter 84.56 RCW  
36 and RCW 84.60.040.

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

1 (4) "Combined disposable income" means the disposable income of the  
2 person claiming the exemption, plus the disposable income of his or her  
3 spouse, and the disposable income of each cotenant occupying the  
4 residence for the assessment year, less amounts paid by the person  
5 claiming the exemption or his or her spouse during the assessment year  
6 for:

7 (a) Drugs supplied by prescription of a medical practitioner  
8 authorized by the laws of this state or another jurisdiction to issue  
9 prescriptions; and

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

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

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

23 (b) Amounts deducted for loss;

24 (c) Amounts deducted for depreciation;

25 (d) Pension and annuity receipts;

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

28 (f) Veterans benefits other than attendant-care and medical-aid  
29 payments;

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

31 (h) Dividend receipts; and

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

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

35 **Sec. 205.** RCW 84.36.385 and 1992 c 206 s 13 are each amended to  
36 read as follows:

37 (1) A claim for exemption under RCW 84.36.381 (~~as now or hereafter~~  
38 ~~amended~~) or a credit under section 201 of this act, shall be made and

1 filed at any time during the year for exemption or credit from taxes  
2 payable the following year and thereafter and solely upon forms as  
3 prescribed (~~and furnished~~) by the department of revenue. However, an  
4 exemption from tax under RCW 84.36.381 shall continue for no more than  
5 four years unless a renewal application is filed as provided in  
6 subsection (3) of this section. The county assessor may also require,  
7 by written notice, a renewal application following an amendment of the  
8 income requirements set forth in RCW 84.36.381. Renewal applications  
9 shall be on forms prescribed and furnished by the department of  
10 revenue. A credit under section 201 of this act shall continue each  
11 year as long as the residence is eligible for credit.

12 (2) A person granted an exemption under RCW 84.36.381 or a credit  
13 under section 201 of this act shall inform the county assessor of any  
14 change in status affecting (~~the person's~~) entitlement to the  
15 exemption or credit on forms prescribed and furnished by the department  
16 of revenue.

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

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

26 (5) If the assessor finds that the applicant does not meet the  
27 qualifications as set forth in RCW 84.36.381(~~, as now or hereafter~~  
28 ~~amended~~) or section 201 of this act, the claim or exemption shall be  
29 denied but such denial shall be subject to appeal under the provisions  
30 of RCW 84.48.010(5). If the applicant had received exemption or credit  
31 in prior years based on erroneous information, the taxes shall be  
32 collected subject to penalties as provided in RCW 84.40.130 for a  
33 period of not to exceed three years.

34 (6) The department and each local assessor is hereby directed to  
35 publicize the qualifications and manner of making claims under RCW  
36 84.36.381 through 84.36.389 and section 201 of this act, through  
37 communications media, including such paid advertisements or notices as  
38 it deems appropriate. Notice of the qualifications, method of making  
39 applications, the penalties for not reporting a change in status, and

1 availability of further information shall be included on or with  
2 property tax statements and revaluation notices for all residential  
3 property including mobile homes, except rental properties.

4 **Sec. 206.** RCW 84.36.387 and 1992 c 206 s 14 are each amended to  
5 read as follows:

6 (1) All claims for exemption under RCW 84.36.381 or a credit under  
7 section 201 of this act shall be made and signed by the person entitled  
8 to the exemption or credit, by his or her attorney in fact or in the  
9 event the residence of such person is under mortgage or purchase  
10 contract requiring accumulation of reserves out of which the holder of  
11 the mortgage or contract is required to pay real estate taxes, by such  
12 holder or by the owner, either before two witnesses or the county  
13 assessor or his or her deputy in the county where the real property is  
14 located: PROVIDED, That if a claim for exemption or credit is made by  
15 a person living in a cooperative housing association, corporation, or  
16 partnership, such claim shall be made and signed by the person entitled  
17 to the exemption or credit and by the authorized agent of such  
18 cooperative.

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

23 (3) All claims for exemption and renewal applications under RCW  
24 84.36.381 shall be accompanied by such documented verification of  
25 income as shall be prescribed by rule adopted by the department of  
26 revenue.

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

29 (5) The tax liability of a cooperative housing association,  
30 corporation, or partnership shall be reduced by the amount of tax  
31 exemption or credit to which a claimant residing therein is entitled  
32 and such cooperative shall reduce any amount owed by the claimant to  
33 the cooperative by such exact amount of tax exemption or credit or, if  
34 no amount be owed, the cooperative shall make payment to the claimant  
35 of such exact amount of exemption or credit.

36 (6) A remainderman or other person who would have otherwise paid  
37 the tax on real property that is the subject of an exemption granted  
38 under RCW 84.36.381 or a credit granted under section 201 of this act

1 for an estate for life shall reduce the amount which would have been  
2 payable by the life tenant to the remainderman or other person to the  
3 extent of the exemption or credit. If no amount is owed or separately  
4 stated as an obligation between these persons, the remainderman or  
5 other person shall make payment to the life tenant in the exact amount  
6 of the exemption or credit.

7 **Sec. 207.** RCW 84.36.389 and 1979 ex.s. c 214 s 4 are each amended  
8 to read as follows:

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

13 (2) The department may conduct such audits of the administration of  
14 RCW 84.36.381 through 84.36.389 and section 201 of this act and the  
15 claims for exemption or credit filed thereunder as it considers  
16 necessary. The powers of the department under chapter 84.08 RCW apply  
17 to these audits.

18 (3) Any information or facts concerning confidential income data  
19 obtained by the assessor or the department, or their agents or  
20 employees, under subsection (2) of this section shall be used only to  
21 administer RCW 84.36.381 through 84.36.389. Notwithstanding any  
22 provision of law to the contrary, absent written consent by the person  
23 about whom the information or facts have been obtained, the  
24 confidential income data shall not be disclosed by the assessor or the  
25 assessor's agents or employees to anyone other than the department or  
26 the department's agents or employees nor by the department or the  
27 department's agents or employees to anyone other than the assessor or  
28 the assessor's agents or employees except in a judicial proceeding  
29 pertaining to the taxpayer's entitlement to the tax exemption under RCW  
30 84.36.381 through 84.36.389 or credit under section 201 of this act.  
31 Any violation of this subsection is a misdemeanor."

32 Renumber the remaining parts and sections consecutively and correct  
33 any internal references and the title accordingly.

34 On page 7, after line 33, insert the following:



1           "NEW SECTION.   **Sec. 401.** Sections 201 through 207 of this act take  
2 effect for taxes payable in 1998 if the proposed amendment to Article  
3 VII of the state Constitution providing for large increases in the  
4 assessed value of real property to be phased in over a period of four  
5 years and providing tax credits for owner-occupied single-family  
6 residential housing (HJR 4212) is validly submitted to and is approved  
7 and ratified by the voters at a general election held in November 1997.  
8 If the proposed amendment is not approved and ratified, sections 201  
9 through 207 of this act are null and void in their entirety."

10           Renumber the remaining section consecutively and correct the title.

--- END ---