

2 **SB 5835 - H AMD 054 SCOPE AND OBJECT 2-26-97**

3 By Representative Dunshee

4

5 Strike everything after the enacting clause and insert the  
6 following:

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

9 (1) There is allowed a credit against the state regular real  
10 property tax for owner-occupied residential property. The credit is  
11 equal to the state regular property tax imposed on twenty percent of  
12 the state-wide average assessed value of owner-occupied single-family  
13 residential property multiplied by the indicated ratio fixed by the  
14 state department of revenue. The credit in any tax year shall not  
15 exceed the amount of state property tax imposed on the property.

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

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

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

26 (i) The residence is temporarily unoccupied;

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

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

31 (b) The person claiming the credit must have owned, at the time of  
32 filing, in fee, as a life estate, or by contract purchase, the  
33 residence on which the property taxes have been imposed or if the  
34 person claiming the credit lives in a cooperative housing association,  
35 corporation, or partnership, the person must own a share therein  
36 representing the unit or portion of the structure in which the person

1 resides. For purposes of this subsection, a residence owned by a  
2 marital community or owned by cotenants is deemed to be owned by each  
3 spouse or cotenant, and any lease for life is deemed a life estate.

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

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

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

24 (2) After entering the amounts under subsection (1) of this  
25 section, the county assessor shall compute the amount of credit  
26 authorized under section 1 of this act for each parcel of property.  
27 The credit allowed for any property shall be extended on the rolls in  
28 a column headed tax credit. The county treasurer shall subtract the  
29 amount of the credit from the total tax and enter this amount in a  
30 column headed tax payable.

31 (3) For the purpose of computing the rate necessary to raise the  
32 amount of any excess levy in a taxing district which has classified or  
33 designated forest land under chapter 84.33 RCW, other than the state,  
34 the county assessor shall add the district's timber assessed value, as  
35 defined in RCW 84.33.035, to the assessed value of the property:  
36 PROVIDED, That for school districts maintenance and operations levies  
37 only one-half of the district's timber assessed value or eighty percent

1 of the timber roll of such district in calendar year 1983 as determined  
2 under chapter 84.33 RCW, whichever is greater, shall be added.

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

6 I, . . . . ., assessor of . . . . . county, state of  
7 Washington, do hereby certify that the foregoing is a correct list of  
8 taxes levied on the real and personal property in the county of  
9 . . . . . for the year ~~((one thousand nine hundred and))~~ . . . . .

10 Witness my hand this . . . . day of . . . . ., ~~((19))~~ . . . .  
11 . . . . ., County Assessor

12 ~~((+4))~~ (5) The county assessor shall deliver said tax rolls to the  
13 county treasurer, on or before the fifteenth day of January, taking  
14 receipt therefor, and at the same time the county assessor shall  
15 provide the county auditor with an abstract of the tax rolls showing  
16 the total amount of taxes collectible in each of the taxing districts.

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

19 (1) On receiving the tax rolls the treasurer shall post all real  
20 and personal property taxes from the rolls to the treasurer's tax roll,  
21 and shall carry forward to the current tax rolls a memorandum of all  
22 delinquent taxes on each and every description of property, and enter  
23 the same on the property upon which the taxes are delinquent showing  
24 the amounts for each year. The treasurer shall notify each taxpayer in  
25 the county, at the expense of the county, of the amount of the real and  
26 personal property ~~((,))~~ and the current and delinquent amount of tax due  
27 on the same ~~((; and))~~. The treasurer shall have printed on the notice  
28 the name of each tax ((and)), the levy made on the same, the amount of  
29 any credit under section 1 of this act, and the tax payable. The state  
30 tax credit authorized in section 1 of this act shall be credited  
31 against any state tax payable on the property. The county treasurer  
32 shall be the sole collector of all delinquent taxes and all other taxes  
33 due and collectible on the tax rolls of the county ~~((:—PROVIDED,~~  
34 ~~That))~~.

35 (2) The term "taxpayer" as used in this section shall mean any  
36 person charged, or whose property is charged, with property tax; and  
37 the person to be notified is that person whose name appears on the tax

1 roll herein mentioned(~~(:—PROVIDED, FURTHER, That)~~). If no name so  
2 appears the person to be notified is that person shown by the  
3 treasurer's tax rolls or duplicate tax receipts of any preceding year  
4 as the payer of the tax last paid on the property in question.

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

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

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

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

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

31 (4) "Combined disposable income" means the disposable income of the  
32 person claiming the exemption, plus the disposable income of his or her  
33 spouse, and the disposable income of each cotenant occupying the  
34 residence for the assessment year, less amounts paid by the person  
35 claiming the exemption or his or her spouse during the assessment year  
36 for:

1 (a) Drugs supplied by prescription of a medical practitioner  
2 authorized by the laws of this state or another jurisdiction to issue  
3 prescriptions; and

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

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

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

17 (b) Amounts deducted for loss;

18 (c) Amounts deducted for depreciation;

19 (d) Pension and annuity receipts;

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

22 (f) Veterans benefits other than attendant-care and medical-aid  
23 payments;

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

25 (h) Dividend receipts; and

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

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

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

31 (1) A claim for exemption under RCW 84.36.381 (~~(as now or hereafter~~  
32 ~~amended,)~~ or a credit under section 1 of this act shall be made and  
33 filed at any time during the year for exemption or credit from taxes  
34 payable the following year and thereafter and solely upon forms as  
35 prescribed (~~(and furnished)~~) by the department of revenue. However, an  
36 exemption from tax under RCW 84.36.381 shall continue for no more than  
37 four years unless a renewal application is filed as provided in  
38 subsection (3) of this section. The county assessor may also require,

1 by written notice, a renewal application following an amendment of the  
2 income requirements set forth in RCW 84.36.381. Renewal applications  
3 shall be on forms prescribed and furnished by the department of  
4 revenue. A credit under section 1 of this act shall continue each year  
5 as long as the residence is eligible for credit.

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

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

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

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

28 (6) The department and each local assessor is hereby directed to  
29 publicize the qualifications and manner of making claims under RCW  
30 84.36.381 through 84.36.389 and section 1 of this act, through  
31 communications media, including such paid advertisements or notices as  
32 it deems appropriate. Notice of the qualifications, method of making  
33 applications, the penalties for not reporting a change in status, and  
34 availability of further information shall be included on or with  
35 property tax statements and revaluation notices for all residential  
36 property including mobile homes, except rental properties.

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

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

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

18 (3) All claims for exemption and renewal applications under RCW  
19 84.36.381 shall be accompanied by such documented verification of  
20 income as shall be prescribed by rule adopted by the department of  
21 revenue.

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

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

31 (6) A remainderman or other person who would have otherwise paid  
32 the tax on real property that is the subject of an exemption granted  
33 under RCW 84.36.381 or a credit granted under section 1 of this act for  
34 an estate for life shall reduce the amount which would have been  
35 payable by the life tenant to the remainderman or other person to the  
36 extent of the exemption or credit. If no amount is owed or separately  
37 stated as an obligation between these persons, the remainderman or  
38 other person shall make payment to the life tenant in the exact amount  
39 of the exemption or credit.

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

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

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

12           (3) Any information or facts concerning confidential income data  
13 obtained by the assessor or the department, or their agents or  
14 employees, under subsection (2) of this section shall be used only to  
15 administer RCW 84.36.381 through 84.36.389. Notwithstanding any  
16 provision of law to the contrary, absent written consent by the person  
17 about whom the information or facts have been obtained, the  
18 confidential income data shall not be disclosed by the assessor or the  
19 assessor's agents or employees to anyone other than the department or  
20 the department's agents or employees nor by the department or the  
21 department's agents or employees to anyone other than the assessor or  
22 the assessor's agents or employees except in a judicial proceeding  
23 pertaining to the taxpayer's entitlement to the tax exemption under RCW  
24 84.36.381 through 84.36.389 or credit under section 1 of this act. Any  
25 violation of this subsection is a misdemeanor.

26           NEW SECTION. **Sec. 8.** The following acts or parts of acts are each  
27 repealed:

28           (1) RCW 84.55.--- and 1997 c 2 s 2; and

29           (2) 1997 c 2 s 5 (uncodified).

30           NEW SECTION. **Sec. 9.** If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

34           NEW SECTION. **Sec. 10.** (1) Section 8 of this act is necessary for  
35 the immediate preservation of the public peace, health, or safety, or



1 support of the state government and its existing public institutions,  
2 and takes effect immediately.

3 (2) Sections 1 through 7 of this act take effect for taxes payable  
4 in 1998 if the proposed amendment to Article VII of the state  
5 Constitution providing tax credits for owner-occupied residential  
6 housing (HJR 4200) is validly submitted to and is approved and ratified  
7 by the voters at a general election held in November 1997. If the  
8 proposed amendment is not approved and ratified, sections 1 through 7  
9 of this act are null and void in their entirety."

10 Correct the title accordingly.

11 EFFECT: Strikes the bill and instead 1) provides a residential  
12 property tax credit against the state property tax equal to the tax on  
13 20% of the average home value, subject to approval of HJR 4200 at the  
14 November general election and 2) repeals the 4.7% permanent state  
15 property tax cut to be submitted to the voters under EHB 1417 (1997 c  
16 2), effective immediately.

--- END ---