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HOUSE BILL 1892

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State of Washington

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By Representatives Kessler, Blalock, Cooper, Mason, Doumit, Hatfield, Gombosky, Quall, Cody, Dickerson, Anderson, Constantine, Keiser, Regala, Ogden, Conway, Costa, Wood, Cole and O'Brien

Read first time 02/12/97. Referred to Committee on Finance.

1 AN ACT Relating to property tax exemptions for senior citizens;  
2 amending RCW 84.36.381; and creating a new section.

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

4 **Sec. 1.** RCW 84.36.381 and 1996 c 146 s 1 are each amended to read  
5 as follows:

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

10 (1) The property taxes must have been imposed upon a residence  
11 which was occupied by the person claiming the exemption as a principal  
12 place of residence as of the time of filing: PROVIDED, That any person  
13 who sells, transfers, or is displaced from his or her residence may  
14 transfer his or her exemption status to a replacement residence, but no  
15 claimant shall receive an exemption on more than one residence in any  
16 year: PROVIDED FURTHER, That confinement of the person to a hospital  
17 or nursing home shall not disqualify the claim of exemption if:

18 (a) The residence is temporarily unoccupied;

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

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

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

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

23 (4) The amount that the person shall be exempt from an obligation  
24 to pay shall be calculated on the basis of combined disposable income,  
25 as defined in RCW 84.36.383. If the person claiming the exemption was  
26 retired for two months or more of the assessment year, the combined  
27 disposable income of such person shall be calculated by multiplying the  
28 average monthly combined disposable income of such person during the  
29 months such person was retired by twelve. If the income of the person  
30 claiming exemption is reduced for two or more months of the assessment  
31 year by reason of the death of the person's spouse, or when other  
32 substantial changes occur in disposable income that are likely to  
33 continue for an indefinite period of time, the combined disposable  
34 income of such person shall be calculated by multiplying the average  
35 monthly combined disposable income of such person after such  
36 occurrences by twelve. If it is necessary to estimate income to comply  
37 with this subsection, the assessor may require confirming documentation  
38 of such income prior to May 31 of the year following application;

1 (5)(a) A person who otherwise qualifies under this section and has  
2 a combined disposable income of twenty-eight thousand dollars or less  
3 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-two thousand  
6 dollars or less but greater than (~~(fifteen)~~) eighteen thousand dollars  
7 shall be exempt from all regular property taxes on the greater of  
8 (~~(thirty)~~) thirty-seven thousand dollars or thirty percent of the  
9 valuation of his or her residence, but not to exceed (~~(fifty)~~) sixty  
10 thousand dollars of the 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)~~) eighteen thousand dollars or  
13 less shall be exempt from all regular property taxes on the greater of  
14 (~~(thirty-four)~~) forty-five thousand dollars or fifty percent of the  
15 valuation of his or her residence; and

16 (6) For a person who otherwise qualifies under this section and has  
17 a combined disposable income of twenty-eight thousand dollars or less,  
18 the valuation of the residence shall be the assessed value of the  
19 residence on the later of January 1, 1995, or January 1st of the  
20 assessment year the person first qualifies under this section. If the  
21 person subsequently fails to qualify under this section only for one  
22 year because of high income, this same valuation shall be used upon  
23 requalification. If the person fails to qualify for more than one year  
24 in succession because of high income or fails to qualify for any other  
25 reason, the valuation upon requalification shall be the assessed value  
26 on January 1st of the assessment year in which the person requalifies.  
27 If the person transfers the exemption under this section to a different  
28 residence, the valuation of the different residence shall be the  
29 assessed value of the different residence on January 1st of the  
30 assessment year in which the person transfers the exemption.

31 In no event may the valuation under this subsection be greater than  
32 the true and fair value of the residence on January 1st of the  
33 assessment year.

34 This subsection does not apply to subsequent improvements to the  
35 property in the year in which the improvements are made. Subsequent  
36 improvements to the property shall be added to the value otherwise  
37 determined under this subsection at their true and fair value in the  
38 year in which they are made.

1        NEW SECTION.   **Sec. 2.**   This act applies to taxes levied in 1997 for  
2   collection in 1998 and thereafter.

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