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HOUSE BILL 2938

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State of Washington

55th Legislature

1998 Regular Session

By Representatives DeBolt, Carrell, Ballasiotes, McDonald, Boldt, B. Thomas, Mulliken, Pennington, Van Luven, Thompson, Schoesler, Mitchell, Alexander, Backlund, O'Brien, Bush, Keiser, McCune, Cole, Scott, Conway, Gardner, Dunshee, Cooke and Johnson

Read first time 01/23/98. Referred to Committee on Finance.

1 AN ACT Relating to increasing the fifteen thousand-dollar income  
2 threshold to sixteen thousand dollars and the eighteen thousand-dollar  
3 income threshold to nineteen thousand dollars for property tax  
4 exemptions for senior citizens and persons retired because of physical  
5 disability; amending RCW 84.36.381; and creating a new section.

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

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

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

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

1 year: PROVIDED FURTHER, That confinement of the person to a hospital  
2 or nursing home 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 assessment 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 assessment  
34 year by reason of the death of the person's spouse, or when other  
35 substantial changes occur in disposable income that are likely to  
36 continue for an indefinite period of time, the combined disposable  
37 income of such person shall be calculated by multiplying the average  
38 monthly combined disposable income of such person after such  
39 occurrences by twelve. If it is necessary to estimate income to comply

1 with this subsection, the assessor may require confirming documentation  
2 of such income prior to May 31 of the year following application;

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

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

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

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

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

36 This subsection does not apply to subsequent improvements to the  
37 property in the year in which the improvements are made. Subsequent  
38 improvements to the property shall be added to the value otherwise

1 determined under this subsection at their true and fair value in the  
2 year in which they are made.

3 NEW SECTION. **Sec. 2.** This act applies to taxes levied for  
4 collection in 1999 and thereafter.

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