

1 **SB 5024** - H AMD to H AMD (5024 AMH LONG 165)

2 By Representative Dunshee

3 On page 1 of the amendment, after line 3, insert:

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

6 (1) A credit is allowed against property taxes levied for state
7 purposes upon an owner-occupied principal residence, as defined in RCW
8 84.36.383. The amount of credit for any year equals the base credit
9 amount plus 0.039 percent of the assessed valuation of the residence.

10 (2)(a) For taxes levied for collection in 2000, the base credit
11 amount is one hundred twenty dollars.

12 (b) For taxes levied for collection in 2001, the base credit
13 amount is one hundred sixty dollars.

14 (c) For taxes levied for collection in 2002, the base credit
15 amount is one hundred eighty-five dollars.

16 (d) For taxes levied for collection in 2003, the base credit
17 amount is two hundred ten dollars.

18 (e) For taxes levied for collection in 2004, the base credit
19 amount is two hundred thirty-five dollars.

20 (f) For taxes levied for collection in 2005, the base credit
21 amount is two hundred sixty dollars.

22 (g) For taxes levied for collection in each year after 2005, the
23 base credit amount is equal to one hundred six percent of the base
24 credit amount for the preceding year.

25 (2) The credit in any tax year shall not exceed the amount of
26 taxes levied on the property for state purposes. A credit under this
27 section is in addition to any other property tax relief that may be
28 provided by law.

29 (3) The following conditions must be met for a credit under this
30 section:

31 (a) The residence must be occupied by the person claiming the
32 credit as a principal place of residence as of January 1st of the year
33 in which taxes are due. A person who sells, transfers, or is displaced
34 from the person's residence may transfer the person's credit status to
35 a replacement residence, but a claimant may not receive a credit on

1 more than one residence in any year. Confinement of the person to a
2 hospital or nursing home does not disqualify the claim of credit if:

- 3 (i) The residence is temporarily unoccupied;
4 (ii) The residence is occupied by a spouse and/or a person
5 financially dependent on the claimant for support; or
6 (iii) The residence is rented for the purpose of paying nursing
7 home or hospital costs.

8 (b) The person claiming the credit must have owned, at the time of
9 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 credit lives in a cooperative housing association,
12 corporation, or partnership, the person must own a share therein
13 representing the unit or portion of the structure in which the person
14 resides. For purposes of this subsection, a residence owned by a
15 marital community or owned by cotenants is deemed to be owned by each
16 spouse or cotenant, and any lease for life is deemed a life estate.

17 **Sec. 2.** RCW 84.36.385 and 1992 c 206 s 13 are each amended to
18 read as follows:

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

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

36 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and
37 thereafter, shall file with the county assessor a renewal application

1 not later than December 31 of the year the assessor notifies such
2 person of the requirement to file the renewal application.

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

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

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

25 **Sec. 3.** RCW 84.36.387 and 1992 c 206 s 14 are each amended to
26 read as follows:

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

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

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

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

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

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

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

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

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

35 (2) The department may conduct such audits of the administration
36 of RCW 84.36.381 through 84.36.389 and section 1 of this act and the
37 claims for exemption or credit filed thereunder as it considers

1 necessary. The powers of the department under chapter 84.08 RCW apply
2 to these audits.

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

17 **Sec. 5.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to
18 read 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
30 county treasurer shall be the sole collector of all delinquent taxes
31 and all other taxes due and collectible on the tax rolls of the
32 county(~~(:—PROVIDED, That))~~).

33 (2) The term "taxpayer" as used in this section shall mean any
34 person charged, or whose property is charged, with property tax; and
35 the person to be notified is that person whose name appears on the tax
36 roll herein mentioned(~~(:—PROVIDED, FURTHER, That))~~). If no name so
37 appears the person to be notified is that person shown by the

1 treasurer's tax rolls or duplicate tax receipts of any preceding year
2 as the payer of the tax last paid on the property in question.

3 **Sec. 6.** RCW 84.55.005 and 1997 c 393 s 20 and 1997 c 3 s 201
4 (Referendum Bill No. 47) are each reenacted and amended to read as
5 follows:

6 As used in this chapter:

7 (1) "Inflation" means the percentage change in the implicit price
8 deflator for personal consumption expenditures for the United States as
9 published for the most recent twelve-month period by the bureau of
10 economic analysis of the federal department of commerce in September of
11 the year before the taxes are payable;

12 (2) "Limit factor" means:

13 (a) For the state, one hundred six percent;

14 (b) For taxing districts with a population of less than ten
15 thousand in the calendar year prior to the assessment year, one hundred
16 six percent;

17 (~~(b)~~) (c) For taxing districts for which a limit factor is
18 authorized under RCW 84.55.0101, the lesser of the limit factor
19 authorized under that section or one hundred six percent;

20 (~~(c)~~) (d) For all other districts, the lesser of one hundred six
21 percent or one hundred percent plus inflation; and

22 (3) "Regular property taxes" has the meaning given it in RCW
23 84.04.140.

24 NEW SECTION. **Sec. 7.** A new section is added to chapter 84.55 RCW
25 to read as follows:

26 State levies for collection after 1999 shall be set at the amount
27 that would be allowed otherwise under this chapter if the state levies
28 for collection in 1998 and 1999 had been set without any reduction
29 under RCW 84.55.0121 and using limit factors of one hundred six
30 percent.

31 NEW SECTION. **Sec. 8.** Section 1 of this act applies to taxes
32 levied for collection in 2000 and thereafter.

33 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act take
34 effect if the proposed amendment adding a new section to Article VII of

1 the state Constitution providing tax credits for owner-occupied
2 residential housing (H-1548/99) is validly submitted to and is approved
3 and ratified by the voters at a general election held in November 1999.
4 If the proposed amendment is not approved and ratified, sections 1
5 through 8 of this act are null and void in their entirety."

6 Renumber sections consecutively, correct any internal references
7 accordingly and correct the title.

EFFECT: Adds a property tax credit for owner-occupied principal residences.