
HOUSE BILL 2551

State of Washington

56th Legislature

2000 Regular Session

By Representatives Rockefeller, Dunshee, O'Brien, Eickmeyer, Cairnes, Anderson, Conway, Lantz, Kenney, Edmonds, Wolfe, Keiser, Haigh and Murray; by request of Governor Locke

Read first time 01/17/2000. Referred to Committee on Finance.

1 AN ACT Relating to providing a revenue neutral tax credit in
2 regards to ad valorem taxation of real property occupied by senior
3 citizens and retired persons; amending RCW 84.36.381, 84.36.387,
4 84.52.080, and 84.56.050; and creating a new section.

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

6 **Sec. 1.** RCW 84.36.381 and 1998 c 333 s 1 are each amended to read
7 as follows:

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

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

1 a hospital or nursing home shall not disqualify the claim of exemption
2 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~~) the person must own
13 a share therein representing the unit or portion of the structure in
14 which (~~he or she~~) the person resides. For purposes of this
15 subsection, a residence owned by a marital community or owned by
16 cotenants shall be deemed to be owned by each spouse or cotenant, and
17 any lease for life shall be deemed a 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(~~(+~~
22 ~~PROVIDED, That any~~)). A surviving spouse of (~~a~~) the person who was
23 receiving an exemption at the time of the person's death shall qualify
24 if the surviving spouse is fifty-seven years of age or older and
25 otherwise meets the requirements 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~~) the person shall be calculated by
31 multiplying the average monthly combined disposable income of (~~such~~)
32 the person during the months (~~such~~) the person was retired by twelve.
33 If the income of the person claiming exemption is reduced for two or
34 more months of the assessment year by reason of the death of the
35 person's spouse, or when other substantial changes occur in disposable
36 income that are likely to continue for an indefinite period of time,
37 the combined disposable income of (~~such~~) the person shall be
38 calculated by multiplying the average monthly combined disposable
39 income of (~~such~~) the person after (~~such~~) the occurrences by twelve.

1 If it is necessary to estimate income to comply with this subsection,
2 the assessor may require confirming documentation of (~~such~~) the
3 income prior to May 31st of the year following application;

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

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

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

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

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

37 This subsection does not apply to subsequent improvements to the
38 property in the year in which the improvements are made. Subsequent
39 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 All taxpayers who qualify for exemption under this section shall be
4 allowed a credit against the state levy equal to the tax imposed on the
5 assessed value of the owner-occupied residential property for the state
6 levy.

7 **Sec. 2.** RCW 84.36.387 and 1992 c 206 s 14 are each amended to read
8 as follows:

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

22 (2) If the taxpayer is unable to personally submit ~~((his own))~~ a
23 claim, the claim shall be submitted by a duly authorized agent or by a
24 guardian or other person charged with the care of the person or
25 property of ~~((such))~~ the taxpayer.

26 (3) All claims for exemption and renewal applications shall be
27 accompanied by such documented verification of income as shall be
28 prescribed by rule adopted by the department of revenue.

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

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

1 (6) A remainderman or other person who would have otherwise paid
2 the tax on real property that is the subject of an exemption granted
3 under RCW 84.36.381 for an estate for life shall reduce the amount
4 which would have been payable by the life tenant to the remainderman or
5 other person to the extent of the exemption. If no amount is owed or
6 separately stated as an obligation between these persons, the
7 remainderman or other person shall make payment to the life tenant in
8 the exact amount of the exemption.

9 **Sec. 3.** RCW 84.52.080 and 1989 c 378 s 16 are each amended to read
10 as follows:

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

27 (2) After entering the amounts under subsection (1) of this
28 section, the assessor shall compute the amount of credit authorized
29 under RCW 84.36.381 for each parcel of property owned and occupied by
30 senior citizens or persons who are retired from gainful employment by
31 reason of disability receiving the exemption authorized by RCW
32 84.36.381. The credit allowed on any property shall be extended on the
33 rolls in a column headed tax credit. The assessor shall subtract the
34 amount of the credit from the total tax and enter this amount in a
35 column headed tax payable.

36 (3) For the purpose of computing the rate necessary to raise the
37 amount of any excess levy in a taxing district which has classified or
38 designated forest land under chapter 84.33 RCW, other than the state,

1 the ((county)) assessor shall add the district's timber assessed value,
2 as defined in RCW 84.33.035, to the assessed value of the property(~~(+~~
3 ~~PROVIDED, That~~)). For school districts maintenance and operations
4 levies only one-half of the district's timber assessed value or eighty
5 percent of the timber roll of ((such)) the district in calendar year
6 1983 as determined under chapter 84.33 RCW, whichever is greater, shall
7 be added.

8 ((+3)) (4) Upon the completion of ((such)) the tax extension, it
9 shall be the duty of the ((county)) assessor to make in each assessment
10 book, tax roll or list a certificate in the following form:

11 I,, assessor of county, state of
12 Washington, do hereby certify that the foregoing is a correct list of
13 taxes levied on the real and personal property in the county of
14 for the year ((one)) two thousand ((nine hundred and))
15

16 Witness my hand this day of, ((19)). . .

17, ((County)) Assessor

18 ((+4)) (5) The ((county)) assessor shall deliver said tax rolls to
19 the ((county)) treasurer, on or before the fifteenth day of January,
20 taking receipt therefor, and at the same time the ((county)) assessor
21 shall provide the ((county)) auditor with an abstract of the tax rolls
22 showing the total amount of taxes collectible in each of the taxing
23 districts.

24 **Sec. 4.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to read
25 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(~~(,)~~) and the current and delinquent amount of tax due
34 on the same(~~(+and)~~). The treasurer shall have printed on the notice
35 the name of each tax and the levy made on the same. The ((county))
36 treasurer shall be the sole collector of all delinquent taxes and all

1 other taxes due and collectible on the tax rolls of the county(~~(:~~
2 ~~PROVIDED, That)~~).

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

10 NEW SECTION. Sec. 5. This act applies to taxes levied in 2000 for
11 collection in 2001 and thereafter.

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