
SENATE BILL 5887

State of Washington

56th Legislature

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By Senators Rasmussen, Deccio, Shin, Hargrove, T. Sheldon, Benton, Wojahn, Heavey, Snyder, Bauer, Sellar, Johnson, Hale, Horn, Franklin, Honeyford, Oke, McCaslin, Hochstatter, Jacobsen, Morton, McDonald, Patterson, Goings, Eide, Winsley, Sheahan, Costa, McAuliffe, Kohl-Welles, Swecker, Roach, B. Sheldon, Rossi, Haugen, Gardner, Fairley, Prentice, Long, Kline, Stevens and Zarelli

Read first time 02/15/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions for the principal
2 residences of veterans of the armed forces of the United States who
3 have a service-connected disability; reenacting and amending RCW
4 84.69.020; adding a new chapter to Title 84 RCW; creating a new
5 section; and prescribing penalties.

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

7 NEW SECTION. **Sec. 1.** As used in this chapter, except where the
8 context clearly indicates otherwise:

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

1 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
2 residence shall be deemed real property.

3 (2) The term "real property" shall also include a mobile home which
4 has substantially lost its identity as a mobile unit by virtue of its
5 being fixed in location upon land owned or leased by the owner of the
6 mobile home and placed on a foundation (posts or blocks) with fixed
7 pipe connections with sewer, water, or other utilities: PROVIDED, That
8 a mobile home located on land leased by the owner of the mobile home
9 shall be subject, for tax billing, payment, and collection purposes,
10 only to the personal property provisions of chapter 84.56 RCW and RCW
11 84.60.040.

12 (3) "Department" means the state department of revenue.

13 NEW SECTION. **Sec. 2.** A person shall be exempt from any legal
14 obligation to pay all or a portion of the amount of excess and regular
15 real property taxes due and payable in the year following the year in
16 which a claim is filed, and thereafter, in accordance with the
17 following:

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

26 (a) The residence is temporarily unoccupied;

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

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

31 (2) The person claiming the exemption must have owned, at the time
32 of 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 exemption lives in a cooperative housing
35 association, corporation, or partnership, such person must own a share
36 therein representing the unit or portion of the structure in which he
37 or she resides. For purposes of this subsection, a residence owned by
38 a marital community or owned by cotenants shall be deemed to be owned

1 by each spouse or cotenant, and any lease for life shall be deemed a
2 life estate;

3 (3) The person claiming the exemption must be a veteran of the
4 armed forces of the United States with a one hundred percent service-
5 connected disability: PROVIDED, That any surviving spouse of a person
6 who was receiving an exemption at the time of the person's death shall
7 qualify if the surviving spouse is fifty-seven years of age or older
8 and otherwise meets the requirements of this section; and

9 (4) A person who otherwise qualifies under this section shall be
10 exempt from all excess property taxes and shall be exempt from all
11 regular property taxes on fifty percent of the valuation of his or her
12 residence.

13 NEW SECTION. **Sec. 3.** (1) A claim for exemption under section 2 of
14 this act shall be made and filed at any time during the year for
15 exemption from taxes payable the following year and thereafter and
16 solely upon forms as prescribed and furnished by the department of
17 revenue. However, an exemption from tax under section 2 of this act
18 shall continue for no more than four years unless a renewal application
19 is filed as provided in subsection (3) of this section.

20 (2) A person granted an exemption under section 2 of this act shall
21 inform the county assessor of any change in status affecting the
22 person's entitlement to the exemption on forms prescribed and furnished
23 by the department of revenue.

24 (3) Each person exempt from taxes under this chapter shall file
25 with the county assessor a renewal application not later than December
26 31st of the year the assessor notifies such person of the requirement
27 to file the renewal application. The county assessor shall notify each
28 person exempt from taxes under this chapter of the requirement to file
29 a renewal application by March 1st of the year in which the renewal
30 application is due.

31 (4) If the assessor finds that the applicant does not meet the
32 qualifications set forth in section 2 of this act, the claim for
33 exemption shall be denied but such denial shall be subject to appeal
34 under RCW 84.48.010. If the applicant had received exemption in prior
35 years based on erroneous information, the taxes shall be collected
36 subject to penalties as provided in RCW 84.40.130 for a period not to
37 exceed three years.

1 (5) The department and each local assessor is hereby directed to
2 publicize the qualifications and manner of making claims under this
3 chapter, through communications media, including such paid
4 advertisements or notices as it deems appropriate. Notice of the
5 qualifications, method of making applications, the penalties for not
6 reporting a change in status, and availability of further information
7 shall be included on or with property tax statements and revaluation
8 notices for all residential property including mobile homes, except
9 rental properties.

10 NEW SECTION. **Sec. 4.** (1) All claims for exemption shall be made
11 and signed by the person entitled to the exemption, by his or her
12 attorney in fact or in the event the residence of such person is under
13 mortgage or purchase contract requiring accumulation of reserves out of
14 which the holder of the mortgage or contract is required to pay real
15 estate taxes, by such holder or by the owner, either before two
16 witnesses or the county assessor or his or her deputy in the county
17 where the real property is located: PROVIDED, That if a claim for
18 exemption is made by a person living in a cooperative housing
19 association, corporation, or partnership, such claim shall be made and
20 signed by the person entitled to the exemption and by the authorized
21 agent of such cooperative.

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

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

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

35 (5) A remainderman or other person who would have otherwise paid
36 the tax on real property that is the subject of an exemption granted
37 under section 2 of this act for an estate for life shall reduce the
38 amount which would have been payable by the life tenant to the

1 remainderman or other person to the extent of the exemption. If no
2 amount is owed or separately stated as an obligation between these
3 persons, the remainderman or other person shall make payment to the
4 life tenant in the exact amount of the exemption.

5 NEW SECTION. **Sec. 5.** (1) The director of revenue shall adopt such
6 rules and prescribe such forms as may be necessary and appropriate for
7 implementation and administration of this chapter subject to chapter
8 34.05 RCW, the administrative procedure act.

9 (2) The department may conduct such audits of the administration of
10 this chapter and the claims for exemption filed thereunder as it
11 considers necessary. The powers of the department under chapter 84.08
12 RCW apply to these audits.

13 **Sec. 6.** RCW 84.69.020 and 1998 c 306 s 2 and 1997 c 393 s 18 are
14 each reenacted and amended to read as follows:

15 On the order of the county treasurer, ad valorem taxes paid before
16 or after delinquency shall be refunded if they were:

17 (1) Paid more than once;

18 (2) Paid as a result of manifest error in description;

19 (3) Paid as a result of a clerical error in extending the tax
20 rolls;

21 (4) Paid as a result of other clerical errors in listing property;

22 (5) Paid with respect to improvements which did not exist on
23 assessment date;

24 (6) Paid under levies or statutes adjudicated to be illegal or
25 unconstitutional;

26 (7) Paid as a result of mistake, inadvertence, or lack of knowledge
27 by any person exempted from paying real property taxes or a portion
28 thereof pursuant to RCW 84.36.381 through 84.36.389(~~(, as now)~~) or
29 (~~hereafter amended~~) chapter 84.-- RCW (sections 1 through 5 of this
30 act);

31 (8) Paid as a result of mistake, inadvertence, or lack of knowledge
32 by either a public official or employee or by any person with respect
33 to real property in which the person paying the same has no legal
34 interest;

35 (9) Paid on the basis of an assessed valuation which was appealed
36 to the county board of equalization and ordered reduced by the board;

1 (10) Paid on the basis of an assessed valuation which was appealed
2 to the state board of tax appeals and ordered reduced by the board:
3 PROVIDED, That the amount refunded under subsections (9) and (10) of
4 this section shall only be for the difference between the tax paid on
5 the basis of the appealed valuation and the tax payable on the
6 valuation adjusted in accordance with the board's order;

7 (11) Paid as a state property tax levied upon property, the
8 assessed value of which has been established by the state board of tax
9 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
10 refunded shall only be for the difference between the state property
11 tax paid and the amount of state property tax which would, when added
12 to all other property taxes within the one percent limitation of
13 Article VII, section 2 of the state Constitution equal one percent of
14 the assessed value established by the board;

15 (12) Paid on the basis of an assessed valuation which was
16 adjudicated to be unlawful or excessive: PROVIDED, That the amount
17 refunded shall be for the difference between the amount of tax which
18 was paid on the basis of the valuation adjudged unlawful or excessive
19 and the amount of tax payable on the basis of the assessed valuation
20 determined as a result of the proceeding;

21 (13) Paid on property acquired under RCW 84.60.050, and canceled
22 under RCW 84.60.050(2);

23 (14) Paid on the basis of an assessed valuation that was reduced
24 under RCW 84.48.065; or

25 (15) Paid on the basis of an assessed valuation that was reduced
26 under RCW 84.40.039.

27 No refunds under the provisions of this section shall be made
28 because of any error in determining the valuation of property, except
29 as authorized in subsections (9), (10), (11), and (12) of this section
30 nor may any refunds be made if a bona fide purchaser has acquired
31 rights that would preclude the assessment and collection of the
32 refunded tax from the property that should properly have been charged
33 with the tax. Any refunds made on delinquent taxes shall include the
34 proportionate amount of interest and penalties paid. The county
35 treasurer may deduct from moneys collected for the benefit of the
36 state's levy, refunds of the state levy including interest on the levy
37 as provided by this section and chapter 84.68 RCW.

38 The county treasurer of each county shall make all refunds
39 determined to be authorized by this section, and by the first Monday in

1 February of each year, report to the county legislative authority a
2 list of all refunds made under this section during the previous year.
3 The list is to include the name of the person receiving the refund, the
4 amount of the refund, and the reason for the refund.

5 NEW SECTION. **Sec. 7.** This act applies to taxes levied for
6 collection in 2000 and thereafter.

7 NEW SECTION. **Sec. 8.** Sections 1 through 5 of this act constitute
8 a new chapter in Title 84 RCW.

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