
HOUSE BILL 2127

State of Washington 59th Legislature 2005 Regular Session

By Representatives Sells, Chase and Linville

Read first time 02/18/2005. Referred to Committee on Finance.

1 AN ACT Relating to property tax exemptions for persons with
2 disabilities related to the performance of military duties; amending
3 RCW 84.36.379 and 84.36.381; and creating a new section.

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

5 **Sec. 1.** RCW 84.36.379 and 2000 c 103 s 25 are each amended to read
6 as follows:

7 The legislature finds that the property tax exemption authorized by
8 Article VII, section 10 of the state Constitution should be made
9 available on the basis of a retired person's ability to pay property
10 taxes(~~(. The legislature further finds)~~) and that the best measure of
11 a retired person's ability to pay taxes is that person's disposable
12 income as defined in RCW 84.36.383. The legislature further finds that
13 veterans with service-connected disabilities deserve property tax
14 relief in recognition of their service to our country.

15 **Sec. 2.** RCW 84.36.381 and 2004 c 270 s 1 are each amended to read
16 as follows:

17 A person shall be exempt from any legal obligation to pay all or a

1 portion of the amount of excess and regular real property taxes due and
2 payable in the year following the year in which a claim is filed, and
3 thereafter, in accordance with the following:

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

13 (a) The residence is temporarily unoccupied;

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

16 (c) The residence is rented for the purpose of paying nursing home,
17 hospital, boarding home, or adult family home costs;

18 (2) The person claiming the exemption must have owned, at the time
19 of filing, in fee, as a life estate, or by contract purchase, the
20 residence on which the property taxes have been imposed or if the
21 person claiming the exemption lives in a cooperative housing
22 association, corporation, or partnership, such person must own a share
23 therein representing the unit or portion of the structure in which he
24 or she resides. For purposes of this subsection, a residence owned by
25 a marital community or owned by cotenants shall be deemed to be owned
26 by each spouse or cotenant, and any lease for life shall be deemed a
27 life estate;

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

36 (4) The amount that the person shall be exempt from an obligation
37 to pay shall be calculated on the basis of combined disposable income,
38 as defined in RCW 84.36.383. If the person claiming the exemption was

1 retired for two months or more of the assessment year, the combined
2 disposable income of such person shall be calculated by multiplying the
3 average monthly combined disposable income of such person during the
4 months such person was retired by twelve. If the income of the person
5 claiming exemption is reduced for two or more months of the assessment
6 year by reason of the death of the person's spouse, or when other
7 substantial changes occur in disposable income that are likely to
8 continue for an indefinite period of time, the combined disposable
9 income of such person shall be calculated by multiplying the average
10 monthly combined disposable income of such person after such
11 occurrences by twelve. If it is necessary to estimate income to comply
12 with this subsection, the assessor may require confirming documentation
13 of such income prior to May 31 of the year following application;

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

17 (b)(i) A person who otherwise qualifies under this section and has
18 a combined disposable income of thirty thousand dollars or less but
19 greater than twenty-five thousand dollars shall be exempt from all
20 regular property taxes on the greater of fifty thousand dollars or
21 thirty-five percent of the valuation of his or her residence, but not
22 to exceed seventy thousand dollars of the valuation of his or her
23 residence; or

24 (ii) A person who otherwise qualifies under this section and has a
25 combined disposable income of twenty-five thousand dollars or less
26 shall be exempt from all regular property taxes on the greater of sixty
27 thousand dollars or sixty percent of the valuation of his or her
28 residence;

29 (6) For a person who otherwise qualifies under this section and has
30 a combined disposable income of thirty-five thousand dollars or less,
31 the valuation of the residence shall be the assessed value of the
32 residence on the later of January 1, 1995, or January 1st of the
33 assessment year the person first qualifies under this section. If the
34 person subsequently fails to qualify under this section only for one
35 year because of high income, this same valuation shall be used upon
36 requalification. If the person fails to qualify for more than one year
37 in succession because of high income or fails to qualify for any other
38 reason, the valuation upon requalification shall be the assessed value

1 on January 1st of the assessment year in which the person requalifies.
2 If the person transfers the exemption under this section to a different
3 residence, the valuation of the different residence shall be the
4 assessed value of the different residence on January 1st of the
5 assessment year in which the person transfers the exemption.

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

9 This subsection does not apply to subsequent improvements to the
10 property in the year in which the improvements are made. Subsequent
11 improvements to the property shall be added to the value otherwise
12 determined under this subsection at their true and fair value in the
13 year in which they are made;

14 (7) Any veteran of the armed forces of the United States with a ten
15 percent or more service-connected disability, regardless of age or
16 income, shall receive an exemption of two hundred fifty dollars from
17 all regular property taxes in addition to other exemptions for which
18 the veteran may qualify under this section.

19 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
20 collection in 2006 and thereafter.

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