
SENATE BILL 5361

State of Washington

59th Legislature

2005 Regular Session

By Senators Fairley, Zarelli, Kline, Hewitt, Berkey, McAuliffe, Benton, Pridemore, Rasmussen, Kohl-Welles, Keiser, Regala, Rockefeller, Haugen, Franklin, Brandland, Eide, Thibaudeau, Hargrove, Jacobsen, Prentice, Sheldon and Mulliken

Read first time 01/21/2005. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax relief for senior citizens and
2 persons retired because of physical disability; amending RCW 84.36.381;
3 and creating a new section.

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

5 **Sec. 1.** RCW 84.36.381 and 2004 c 270 s 1 are each amended to read
6 as follows:

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

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

1 (a) The residence is temporarily unoccupied;

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

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

6 (2) The person claiming the exemption must have owned, at the time
7 of filing, in fee, as a life estate, or by contract purchase, the
8 residence on which the property taxes have been imposed or if the
9 person claiming the exemption lives in a cooperative housing
10 association, corporation, or partnership, such person must own a share
11 therein representing the unit or portion of the structure in which he
12 or she resides. For purposes of this subsection, a residence owned by
13 a marital community or owned by cotenants shall be deemed to be owned
14 by each spouse or cotenant, and any lease for life shall be deemed a
15 life estate;

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

24 (4) The amount that the person shall be exempt from an obligation
25 to pay shall be calculated on the basis of combined disposable income,
26 as defined in RCW 84.36.383. If the person claiming the exemption was
27 retired for two months or more of the assessment year, the combined
28 disposable income of such person shall be calculated by multiplying the
29 average monthly combined disposable income of such person during the
30 months such person was retired by twelve. If the income of the person
31 claiming exemption is reduced for two or more months of the assessment
32 year by reason of the death of the person's spouse, or when other
33 substantial changes occur in disposable income that are likely to
34 continue for an indefinite period of time, the combined disposable
35 income of such person shall be calculated by multiplying the average
36 monthly combined disposable income of such person after such
37 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 thirty-five 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 thirty thousand dollars or less but
8 greater than twenty-five thousand dollars shall be exempt from all
9 regular property taxes on the greater of fifty thousand dollars or
10 thirty-five percent of the valuation of his or her residence, but not
11 to exceed seventy thousand dollars of the valuation of his or her
12 residence; or

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

18 (6)(a) For a person who otherwise qualifies under this section and
19 has a combined disposable income of thirty-five thousand dollars or
20 less, 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 (b) In no event may the valuation under this subsection be greater
34 than the true and fair value of the residence on January 1st of the
35 assessment year.

36 (c) This subsection does not apply to subsequent improvements to
37 the property in the year in which the improvements are made.

1 Subsequent improvements to the property shall be added to the value
2 otherwise determined under this subsection at their true and fair value
3 in the year in which they are made;

4 (7) Annually, the department of revenue shall adjust each combined
5 disposable income amount and each valuation amount in subsections (5)
6 and (6) of this section to reflect inflation. The department may round
7 the adjusted amounts to the nearest thousand dollars. The adjusted
8 amounts apply for taxes due the following year. For the purposes of
9 this section, "inflation" means the change in the consumer price index
10 for all urban consumers for the United States, all items, as compiled
11 by the bureau of labor statistics of the United States department of
12 labor.

13 NEW SECTION. Sec. 2. This act applies to taxes levied for
14 collection in 2007 and thereafter.

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