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SENATE BILL 6565

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State of Washington

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By Senators Zarelli, Hobbs, Benton, Pflug, Stevens, Honeyford, Morton, Holmquist, McCaslin, Delvin, Parlette, Brandland, Hewitt, and Sheldon

Read first time 01/18/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to exempting a portion of the valuation of  
2 residential property from property taxation; amending RCW 84.48.010;  
3 adding new sections to chapter 84.36 RCW; and providing a contingent  
4 effective date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW  
7 to read as follows:

8 (1) As used in this section, "homestead exemption" means an  
9 exemption under this section.

10 (2) Subject to the conditions in subsection (6) of this section, a  
11 portion of the assessed value of a residence is exempt from property  
12 taxes imposed for state purposes. The exemption from property taxation  
13 is equal to:

14 (a) For taxes levied for collection in 2010:

15 (i) The first fifty thousand dollars of valuation of each  
16 residential tax parcel consisting of fewer than three dwelling units;  
17 and

18 (ii) The first fifty thousand dollars of valuation of each

1 residential unit in a multiunit residential dwelling wherein each unit  
2 is owned and taxed separately;

3 (b) For taxes levied for collection in 2011:

4 (i) The first seventy-five thousand dollars of valuation of each  
5 residential tax parcel consisting of fewer than three dwelling units;  
6 and

7 (ii) The first seventy-five thousand dollars of valuation of each  
8 residential unit in a multiunit residential dwelling wherein each unit  
9 is owned and taxed separately;

10 (c) For taxes levied for collection in 2012:

11 (i) The first one hundred thousand dollars of valuation of each  
12 residential tax parcel consisting of fewer than three dwelling units;  
13 and

14 (ii) The first one hundred thousand dollars of valuation of each  
15 residential unit in a multiunit residential dwelling wherein each unit  
16 is owned and taxed separately;

17 (d) Each subsequent year, the assessed valuation of a residence  
18 exempt from taxation imposed for state purposes shall be increased by  
19 an amount equal to the percentage growth in the state levy collections  
20 for the prior calendar year. The department may round the dollar  
21 amount to the nearest thousand dollars.

22 (3) The term "residence" means a single-family dwelling unit  
23 whether such unit is separate or part of a multiunit dwelling,  
24 including the land on which such dwelling stands. The term also  
25 includes a single-family dwelling situated upon lands the fee of which  
26 is vested in the United States, any instrumentality thereof including  
27 an Indian tribe, or in the state of Washington, and notwithstanding the  
28 provisions of RCW 84.04.080 and 84.04.090, such a residence shall be  
29 deemed real property.

30 (4) The term "residence" also includes a mobile home which has  
31 substantially lost its identity as a mobile unit by virtue of its being  
32 fixed in location upon land owned or leased by the owner of the mobile  
33 home and placed on a foundation (posts or blocks) with fixed pipe, and  
34 connections with sewer, water, or other utilities.

35 (5) Each county assessor shall send a declaration form for the  
36 owner to sign under penalty of perjury, as provided in RCW 9A.72.085,  
37 that the property is the principal residence of the owner within the

1 meaning of subsection (6)(a) and (b) of this section. The declaration  
2 form may be included with the valuation notice required by RCW  
3 84.40.045.

4 (6) The following conditions apply to homestead exemptions:

5 (a) The residence must be occupied by the person claiming the  
6 exemption as the principal place of residence as of the date of the  
7 signed declaration under subsection (5) of this section. A person who  
8 sells, transfers, or is displaced from his or her residence may  
9 transfer his or her exemption status to a replacement residence, but no  
10 claimant shall receive an exemption on more than one residence in any  
11 year. However, the confinement of the person to a hospital, nursing  
12 home, boarding home, or adult family home may not disqualify the claim  
13 of exemption if:

- 14 (i) The residence is temporarily unoccupied;
- 15 (ii) The residence is occupied by either a spouse or a person  
16 financially dependent on the claimant for support, or both; or
- 17 (iii) The residence is rented for the purpose of paying nursing  
18 home, hospital, boarding home, or adult family home costs.

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

28 (c) The declaration form identified in subsection (5) of this  
29 section must be signed and returned to the county assessor not later  
30 than November 30th for exemption from taxes payable the following year.

31 (7) If the assessor finds that the residence does not meet the  
32 qualifications for a homestead exemption, the exemption shall be denied  
33 but such denial is subject to appeal under the provisions of RCW  
34 84.48.010 and in accordance with the provisions of RCW 84.40.038.

35 (8) The director of the department of revenue shall adopt such  
36 rules and prescribe such forms as may be necessary and appropriate to  
37 implement and administer this act subject to chapter 34.05 RCW, the  
38 administrative procedure act.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 84.36 RCW  
2 to read as follows:

3        Pursuant to the provisions of Article VII, section . . . (Senate  
4 Joint Resolution No. ...), the state levy shall be reduced as necessary  
5 to prevent the value exempted under the homestead exemption in section  
6 1 of this act from resulting in a higher tax rate than would have  
7 occurred in the absence of the homestead exemption.

8        **Sec. 3.**    RCW 84.48.010 and 2001 c 187 s 22 are each amended to read  
9 as follows:

10        Prior to July 15th, the county legislative authority shall form a  
11 board for the equalization of the assessment of the property of the  
12 county. The members of said board shall receive a per diem amount as  
13 set by the county legislative authority for each day of actual  
14 attendance of the meeting of the board of equalization to be paid out  
15 of the current expense fund of the county:    PROVIDED, That when the  
16 county legislative authority constitute the board they shall only  
17 receive their compensation as members of the county legislative  
18 authority. The board of equalization shall meet in open session for  
19 this purpose annually on the 15th day of July and, having each taken an  
20 oath fairly and impartially to perform their duties as members of such  
21 board, they shall examine and compare the returns of the assessment of  
22 the property of the county and proceed to equalize the same, so that  
23 each tract or lot of real property and each article or class of  
24 personal property shall be entered on the assessment list at its true  
25 and fair value, according to the measure of value used by the county  
26 assessor in such assessment year, which is presumed to be correct under  
27 RCW 84.40.0301, and subject to the following rules:

28        First. They shall raise the valuation of each tract or lot or item  
29 of real property which is returned below its true and fair value to  
30 such price or sum as to be the true and fair value thereof, after at  
31 least five days' notice shall have been given in writing to the owner  
32 or agent.

33        Second. They shall reduce the valuation of each tract or lot or  
34 item which is returned above its true and fair value to such price or  
35 sum as to be the true and fair value thereof.

36        Third. They shall raise the valuation of each class of personal  
37 property which is returned below its true and fair value to such price

1 or sum as to be the true and fair value thereof, and they shall raise  
2 the aggregate value of the personal property of each individual  
3 whenever the aggregate value is less than the true valuation of the  
4 taxable personal property possessed by such individual, to such sum or  
5 amount as to be the true value thereof, after at least five days'  
6 notice shall have been given in writing to the owner or agent thereof.

7 Fourth. They shall reduce the valuation of each class of personal  
8 property enumerated on the detail and assessment list of the current  
9 year, which is returned above its true and fair value, to such price or  
10 sum as to be the true and fair value thereof; and they shall reduce the  
11 aggregate valuation of the personal property of such individual who has  
12 been assessed at too large a sum to such sum or amount as was the true  
13 and fair value of the personal property.

14 Fifth. The board may review all claims for either real or personal  
15 property tax exemption, or homestead exemptions under section 1 of this  
16 act, as determined by the county assessor, and shall consider any  
17 taxpayer appeals from the decision of the assessor thereon to determine  
18 (1) if the taxpayer is entitled to an exemption, and (2) if so, the  
19 amount thereof.

20 The clerk of the board shall keep an accurate journal or record of  
21 the proceedings and orders of said board showing the facts and evidence  
22 upon which their action is based, and the said record shall be  
23 published the same as other proceedings of county legislative  
24 authority, and shall make a true record of the changes of the  
25 descriptions and assessed values ordered by the county board of  
26 equalization. The assessor shall correct the real and personal  
27 assessment rolls in accordance with the changes made by the said county  
28 board of equalization, and the assessor shall make duplicate abstracts  
29 of such corrected values, one copy of which shall be retained in the  
30 office, and one copy forwarded to the department of revenue on or  
31 before the eighteenth day of August next following the meeting of the  
32 county board of equalization.

33 The county board of equalization shall meet on the 15th day of July  
34 and may continue in session and adjourn from time to time during a  
35 period not to exceed four weeks, but shall remain in session not less  
36 than three days: PROVIDED, That the county board of equalization with  
37 the approval of the county legislative authority may convene at any

1 time when petitions filed exceed twenty-five, or ten percent of the  
2 number of appeals filed in the preceding year, whichever is greater.

3 No taxes, except special taxes, shall be extended upon the tax  
4 rolls until the property valuations are equalized by the department of  
5 revenue for the purpose of raising the state revenue.

6 County legislative authorities as such shall at no time have any  
7 authority to change the valuation of the property of any person or to  
8 release or commute in whole or in part the taxes due on the property of  
9 any person.

10 NEW SECTION. **Sec. 4.** This act takes effect if the proposed  
11 amendment to Article VII of the state Constitution (Senate Joint  
12 Resolution No. ...), providing for a homestead exemption, is validly  
13 submitted to and is approved and ratified by the voters at the next  
14 general election. If the proposed amendment is not approved and  
15 ratified, this act is void in its entirety.

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