
HOUSE BILL 1284

State of Washington

61st Legislature

2009 Regular Session

By Representatives Kelley, Ericks, Probst, Green, Smith, Sullivan, Morrell, Rolfes, Springer, Goodman, Jacks, Nelson, Simpson, Driscoll, and Orwall

Read first time 01/16/09. Referred to Committee on Finance.

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 2008 c 6 s 706 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 or a domestic partner
3 and/or a person 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 state registered domestic partnership or owned
14 by cotenants shall be deemed to be owned by each spouse or each
15 domestic partner or each cotenant, and any lease for life shall be
16 deemed a life estate;

17 (3) The person claiming the exemption must be (a) sixty-one years
18 of age or older on December 31st of the year in which the exemption
19 claim is filed, or must have been, at the time of filing, retired from
20 regular gainful employment by reason of disability, or (b) a veteran of
21 the armed forces of the United States with one hundred percent service-
22 connected disability as provided in 42 U.S.C. Sec. 423 (d)(1)(A) as
23 amended prior to January 1, 2005. However, any surviving spouse or
24 surviving domestic partner of a person who was receiving an exemption
25 at the time of the person's death shall qualify if the surviving spouse
26 or surviving domestic partner is fifty-seven years of age or older and
27 otherwise meets the requirements of this section;

28 (4) The amount that the person shall be exempt from an obligation
29 to pay shall be calculated on the basis of combined disposable income,
30 as defined in RCW 84.36.383. If the person claiming the exemption was
31 retired for two months or more of the assessment year, the combined
32 disposable income of such person shall be calculated by multiplying the
33 average monthly combined disposable income of such person during the
34 months such person was retired by twelve. If the income of the person
35 claiming exemption is reduced for two or more months of the assessment
36 year by reason of the death of the person's spouse or the person's
37 domestic partner, or when other substantial changes occur in disposable
38 income that are likely to continue for an indefinite period of time,

1 the combined disposable income of such person shall be calculated by
2 multiplying the average monthly combined disposable income of such
3 person after such occurrences by twelve. If it is necessary to
4 estimate income to comply with this subsection, the assessor may
5 require confirming documentation of such income prior to May 31 of the
6 year following application;

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

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

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

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

37 (b) In no event may the valuation under this subsection be greater

1 than the true and fair value of the residence on January 1st of the
2 assessment year.

3 (c) This subsection does not apply to subsequent improvements to
4 the property in the year in which the improvements are made.
5 Subsequent improvements to the property shall be added to the value
6 otherwise determined under this subsection at their true and fair value
7 in the year in which they are made;

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

17 NEW SECTION. Sec. 2. This act applies to taxes levied for
18 collection in 2011 and thereafter.

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