
HOUSE BILL 2536

State of Washington

64th Legislature

2016 Regular Session

By Representatives Stokesbary, Kilduff, Hargrove, Bergquist, and Scott

Read first time 01/14/16. Referred to Committee on Finance.

1 AN ACT Relating to property tax relief programs available to
2 senior citizens, persons retired because of physical disability,
3 qualifying veterans, and widows or widowers of veterans; amending RCW
4 84.36.381; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** This section is the tax preference
7 performance statement for the tax preference contained in this act.
8 This performance statement is only intended to be used for subsequent
9 evaluation of the tax preference. It is not intended to create a
10 right of action by any party or be used to determine eligibility for
11 preferential tax treatment.

12 (1) The legislature categorizes this tax preference as one
13 intended to provide tax relief for certain individuals, as indicated
14 in RCW 82.32.808(2)(e).

15 (2) It is the legislature's specific public policy objective to
16 promote property tax equity by offering property tax relief, based on
17 their ability to pay, to senior citizens, persons retired because of
18 physical disability, qualifying veterans, and widows or widowers of
19 veterans.

20 (3) To measure the effectiveness of this act in achieving the
21 specific public policy objective described in subsection (2) of this

1 section, the joint legislative audit and review committee must, at
2 minimum, evaluate the number of participants and the total tax relief
3 provided to the participants of the tax preference under RCW
4 84.36.381(7).

5 (4) In order to obtain the data necessary to perform the review
6 under this section, the joint legislative audit and review committee
7 may:

8 (a) Refer to reports of senior and disabled relief for the
9 county, provided by county assessors to the department of revenue;
10 and

11 (b) In addition to the data sources described under this section,
12 use any other data it deems necessary in performing the evaluation
13 under subsection (3) of this section.

14 **Sec. 2.** RCW 84.36.381 and 2015 3rd sp.s. c 30 s 2 are each
15 amended to read as follows:

16 A person is exempt from any legal obligation to pay all or a
17 portion of the amount of excess and regular real property taxes due
18 and payable in the year following the year in which a claim is filed,
19 and thereafter, in accordance with the following:

20 (1) The property taxes must have been imposed upon a residence
21 which was occupied by the person claiming the exemption as a
22 principal place of residence as of the time of filing. However, any
23 person who sells, transfers, or is displaced from his or her
24 residence may transfer his or her exemption status to a replacement
25 residence, but no claimant may receive an exemption on more than one
26 residence in any year. Moreover, confinement of the person to a
27 hospital, nursing home, assisted living facility, or adult family
28 home does not disqualify the claim of exemption if:

29 (a) The residence is temporarily unoccupied;

30 (b) The residence is occupied by a spouse or a domestic partner
31 and/or a person financially dependent on the claimant for support; or

32 (c) The residence is rented for the purpose of paying nursing
33 home, hospital, assisted living facility, or adult family home costs;

34 (2) The person claiming the exemption must have owned, at the
35 time of filing, in fee, as a life estate, or by contract purchase,
36 the residence on which the property taxes have been imposed or if the
37 person claiming the exemption lives in a cooperative housing
38 association, corporation, or partnership, such person must own a
39 share therein representing the unit or portion of the structure in

1 which he or she resides. For purposes of this subsection, a residence
2 owned by a marital community or state registered domestic partnership
3 or owned by cotenants is deemed to be owned by each spouse or each
4 domestic partner or each cotenant, and any lease for life is deemed a
5 life estate;

6 (3)(a) The person claiming the exemption must be:

7 (i) Sixty-one years of age or older on December 31st of the year
8 in which the exemption claim is filed, or must have been, at the time
9 of filing, retired from regular gainful employment by reason of
10 disability; or

11 (ii) A veteran of the armed forces of the United States entitled
12 to and receiving compensation from the United States department of
13 veterans affairs at a total disability rating for a service-connected
14 disability.

15 (b) However, any surviving spouse or surviving domestic partner
16 of a person who was receiving an exemption at the time of the
17 person's death will qualify if the surviving spouse or surviving
18 domestic partner is fifty-seven years of age or older and otherwise
19 meets the requirements of this section;

20 (4) The amount that the person is exempt from an obligation to
21 pay is calculated on the basis of combined disposable income, as
22 defined in RCW 84.36.383. If the person claiming the exemption was
23 retired for two months or more of the assessment year, the combined
24 disposable income of such person must be calculated by multiplying
25 the average monthly combined disposable income of such person during
26 the months such person was retired by twelve. If the income of the
27 person claiming exemption is reduced for two or more months of the
28 assessment year by reason of the death of the person's spouse or the
29 person's domestic partner, or when other substantial changes occur in
30 disposable income that are likely to continue for an indefinite
31 period of time, the combined disposable income of such person must be
32 calculated by multiplying the average monthly combined disposable
33 income of such person after such occurrences by twelve. If it is
34 necessary to estimate income to comply with this subsection, the
35 assessor may require confirming documentation of such income prior to
36 May 31st of the year following application;

37 (5)(a) A person who otherwise qualifies under this section and
38 has a combined disposable income of forty thousand dollars or less is
39 exempt from all excess property taxes; and

1 (b)(i) A person who otherwise qualifies under this section and
2 has a combined disposable income of thirty-five thousand dollars or
3 less but greater than thirty thousand dollars is exempt from all
4 regular property taxes on the greater of fifty thousand dollars or
5 thirty-five percent of the valuation of his or her residence, but not
6 to exceed seventy thousand dollars of the valuation of his or her
7 residence; or

8 (ii) A person who otherwise qualifies under this section and has
9 a combined disposable income of thirty thousand dollars or less is
10 exempt from all regular property taxes on the greater of sixty
11 thousand dollars or sixty percent of the valuation of his or her
12 residence;

13 (6)(a) For a person who otherwise qualifies under this section
14 and has a combined disposable income of forty thousand dollars or
15 less, the valuation of the residence is the assessed value of the
16 residence on the later of January 1, 1995, or January 1st of the
17 assessment year the person first qualifies under this section. If the
18 person subsequently fails to qualify under this section only for one
19 year because of high income, this same valuation must be used upon
20 requalification. If the person fails to qualify for more than one
21 year in succession because of high income or fails to qualify for any
22 other reason, the valuation upon requalification is the assessed
23 value on January 1st of the assessment year in which the person
24 requalifies. If the person transfers the exemption under this section
25 to a different residence, the valuation of the different residence is
26 the assessed value of the different residence on January 1st of the
27 assessment year in which the person transfers the exemption.

28 (b) In no event may the valuation under this subsection be
29 greater than the true and fair value of the residence on January 1st
30 of the assessment year.

31 (c) This subsection does not apply to subsequent improvements to
32 the property in the year in which the improvements are made.
33 Subsequent improvements to the property must be added to the value
34 otherwise determined under this subsection at their true and fair
35 value in the year in which they are made;

36 (7) A person who otherwise qualifies under this section and has a
37 combined disposable income greater than forty thousand dollars is
38 exempt from legal obligation to pay any amount of excess property
39 taxes that exceeds the amount by which their combined disposable
40 income exceeds forty thousand dollars.

1 NEW SECTION. **Sec. 3.** This act is not subject to the expiration
2 date requirements defined in RCW 82.32.805.

3 NEW SECTION. **Sec. 4.** This act applies to the taxes levied for
4 collection in 2017 and thereafter.

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