

HB 2906 - H AMD 897

By Representative McDonald

ADOPTED 02/14/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 84.36.381 and 2017 3rd sp.s. c 13 s 311 are each
4 amended to read as follows:

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

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

18 (a) The residence is temporarily unoccupied;

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

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

23 (2) The person claiming the exemption must have owned, at the
24 time of filing, in fee, as a life estate, or by contract purchase,
25 the residence on which the property taxes have been imposed or if the
26 person claiming the exemption lives in a cooperative housing
27 association, corporation, or partnership, such person must own a
28 share therein representing the unit or portion of the structure in
29 which he or she resides. For purposes of this subsection, a residence
30 owned by a marital community or state registered domestic partnership
31 or owned by cotenants is deemed to be owned by each spouse or each

1 domestic partner or each cotenant, and any lease for life is deemed a
2 life estate;

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

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

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

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

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

35 (5)(a) A person who otherwise qualifies under this section and
36 has a combined disposable income of forty thousand dollars or less is
37 exempt from all excess property taxes and the additional state
38 property tax imposed under RCW 84.52.065(2); and

39 (b)(i) A person who otherwise qualifies under this section and
40 has a combined disposable income of thirty-five thousand dollars or

1 less but greater than thirty thousand dollars is exempt from all
2 regular property taxes on the greater of fifty thousand dollars or
3 thirty-five percent of the valuation of his or her residence, but not
4 to exceed seventy thousand dollars of the valuation of his or her
5 residence; or

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

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

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

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

34 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
35 collection in 2019 and thereafter.

1 NEW SECTION. **Sec. 3.** The legislature intends for the tax
2 preference in this act to be permanent; therefore, this act is not
3 subject to the provisions of RCW 82.32.805 and 82.32.808."

4 Correct the title.

EFFECT: Applies the expanded eligibility to taxes levied for collection beginning in 2019. Modifies the application and refund provisions. Provides an exemption from the tax preference performance statement and 10-year expiration requirements for new tax preferences.

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