

# SENATE BILL REPORT

## SB 5104

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As Reported by Senate Committee On:  
Ways & Means, February 24, 2017

**Title:** An act relating to the creation of a property tax exemption for spouses of military members or first responders killed in the line of duty.

**Brief Description:** Concerning the creation of a property tax exemption for spouses of military members or first responders killed in the line of duty.

**Sponsors:** Senators O'Ban and Wellman.

**Brief History:**

**Committee Activity:** Ways & Means: 2/24/17, 2/24/17 [DPS, DNP, w/oRec].

**Brief Summary of Substitute Bill**

- Creates a lifetime property tax exemption for residences owned by persons whose spouses were killed in the line of duty, either in the military or as a first responder.
- Continues exemption even if surviving spouse remarries.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5104 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Rolfes, Assistant Ranking Minority Member, Operating Budget; Bailey, Becker, Conway, Fain, Miloscia, Rivers, Schoesler, Warnick and Zeiger.

**Minority Report:** Do not pass.

Signed by Senator Hasegawa.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Ranker, Ranking Minority Member; Frockt, Assistant Ranking Minority Member, Capital Budget; Billig, Darneille, Keiser and Pedersen.

**Staff:** Carrie Graf (786-7708)

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** Property Tax. All real and personal property in Washington State is subject to the property tax each year based on its value, unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

Dependency and Indemnity Compensation (DIC). DIC, administered by the Department of Veterans Affairs, is a monetary benefit paid to eligible survivors, such as spouses, of military service members who died in the line of duty, or eligible survivors of Veterans whose death resulted from a service-related injury or disease. DIC ends upon remarriage unless the surviving spouse remarries after 2003 and is at least 57 years old.

Duty-Related Death Benefit. A duty-related death benefit is a one-time payment to designated survivors, such as spouses, of members of the Washington State Law Enforcement Officer's and Firefighters' Retirement System who die as the result of injuries sustained during the course of employment or an occupational disease or infection that arose from employment. Members of the retirement system include firefighters, law enforcement officers, and emergency medical technicians.

Death Benefit for Volunteer Firefighters and Reserve Officers. A death benefit for volunteer firefighters and reserve officers is a one-time payment to the widows or widowers of members of the Washington Volunteer Firefighters' and Reserve Officers' Relief and Pensions System who die as the result of injuries or sickness resulting from the performance of their duties. Members of the system include emergency medical technicians, volunteer firefighters, and reserve officers not covered under other state retirement systems.

Special Death Benefit for Washington State Patrol. A special death benefit for Washington State Patrol is a one-time payment to designated survivors, such as spouses, of Washington State Patrol members who die as the result of injuries sustained during the course of employment or an occupational disease or infection that arose from employment.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (First Substitute):** Spousal Survivors. This bill provides a property tax exemption for the primary residence owned by people—spousal survivors—whose spouses were killed in the line of duty. Spousal survivors are defined as recipients of DIC, a benefit for surviving family members of military persons killed in the line of duty, or the recipients of Washington state duty-related benefits for firefighters, volunteer firefighters, law enforcement, and Washington State Patrol members. Eligibility is limited to spousal recipients of these benefits. Eligibility continues after remarriage.

Residence. The property tax exemption only applies to the spousal survivor's primary residence, and only to a residence owned in fee, as a life estate, by contract purchase, or as a share in cooperative housing. The property tax exemption may be transferred to a new residence. Confinement to a nursing home does not disqualify the spousal survivor from continuing to claim the property tax exemption so long as the residence is either temporarily unoccupied, occupied by a spouse or someone financially dependent on the spousal survivor, or rented for the purpose of paying for the nursing home.

Though the property tax exemption is permanent, recipients must renew their application at least once every six years.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** This act applies to taxes levied for collection in 2018 and thereafter.

**Staff Summary of Public Testimony on First Substitute:** PRO: First responders play a central role in our lives. This bill provides a little bit of relief for people dealing with tragic circumstances.

**Persons Testifying:** PRO: Brad Tower, Hidden River Middle School Class (Capitol Classroom program).

**Persons Signed In To Testify But Not Testifying:** No one.