
SENATE BILL 5535

State of Washington

65th Legislature

2017 Regular Session

By Senator Fortunato

Read first time 01/27/17. Referred to Committee on Ways & Means.

1 AN ACT Relating to a property tax exemption for residents eighty
2 years and older; amending RCW 84.36.381; and creating new sections.

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

4 **Sec. 1.** RCW 84.36.381 and 2015 3rd sp.s. c 30 s 2 are each
5 amended to read as follows:

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

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

19 (a) The residence is temporarily unoccupied;

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

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

3 (2) The person claiming the exemption must have owned, at the
4 time of filing, in fee, as a life estate, or by contract purchase,
5 the residence on which the property taxes have been imposed or if the
6 person claiming the exemption lives in a cooperative housing
7 association, corporation, or partnership, such person must own a
8 share therein representing the unit or portion of the structure in
9 which he or she resides. For purposes of this subsection, a residence
10 owned by a marital community or state registered domestic partnership
11 or owned by cotenants is deemed to be owned by each spouse or each
12 domestic partner or each cotenant, and any lease for life is deemed a
13 life estate;

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

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

19 (ii) A veteran of the armed forces of the United States entitled
20 to and receiving compensation from the United States department of
21 veterans affairs at a total disability rating for a service-connected
22 disability; or

23 (iii) Eighty years of age or older on December 31st of the year
24 in which the exemption claim is filed.

25 (b) However, any surviving spouse or surviving domestic partner
26 of a person who was receiving an exemption under (a)(i) or (ii) of
27 this subsection at the time of the person's death will qualify if the
28 surviving spouse or surviving domestic partner is fifty-seven years
29 of age or older and otherwise meets the requirements of this section;

30 (4) ~~((The amount that the person))~~ A person who qualifies under
31 subsection (3)(a)(iii) of this section is exempt from all regular and
32 excess property taxes on a residence that meets the requirements of
33 subsections (1) and (2) of this section;

34 (5) The amount that a person qualifying under subsection
35 (3)(a)(i) and (ii) of this section is exempt from an obligation to
36 pay is calculated on the basis of combined disposable income, as
37 defined in RCW 84.36.383. If the person claiming the exemption was
38 retired for two months or more of the assessment year, the combined
39 disposable income of such person must be calculated by multiplying
40 the average monthly combined disposable income of such person during

1 the months such person was retired by twelve. If the income of the
2 person claiming exemption is reduced for two or more months of the
3 assessment year by reason of the death of the person's spouse or the
4 person's domestic partner, or when other substantial changes occur in
5 disposable income that are likely to continue for an indefinite
6 period of time, the combined disposable income of such person must be
7 calculated by multiplying the average monthly combined disposable
8 income of such person after such occurrences by twelve. If it is
9 necessary to estimate income to comply with this subsection, the
10 assessor may require confirming documentation of such income prior to
11 May 31 of the year following application;

12 ~~((5)(a) A person))~~ (6)(a) A person under subsection (3)(a)(i)
13 and (ii) of this section who otherwise qualifies under this section
14 and has a combined disposable income of forty thousand dollars or
15 less is exempt from all excess property taxes; and

16 (b)(i) A person under subsection (3)(a)(i) and (ii) of this
17 section who otherwise qualifies under this section and has a combined
18 disposable income of thirty-five thousand dollars or less but greater
19 than thirty thousand dollars is exempt from all regular property
20 taxes on the greater of fifty thousand dollars or thirty-five percent
21 of the valuation of his or her residence, but not to exceed seventy
22 thousand dollars of the valuation of his or her residence; or

23 (ii) A person under subsection (3)(a)(i) and (ii) of this section
24 who otherwise qualifies under this section and has a combined
25 disposable income of thirty thousand dollars or less is exempt from
26 all regular property taxes on the greater of sixty thousand dollars
27 or sixty percent of the valuation of his or her residence;

28 ~~((6))~~ (7)(a) For a person under subsection (3)(a)(i) and (ii)
29 of this section who otherwise qualifies under this section and has a
30 combined disposable income of forty thousand dollars or less, the
31 valuation of the residence is the assessed value of the residence on
32 the later of January 1, 1995, or January 1st of the assessment year
33 the person first qualifies under this section. If the person
34 subsequently fails to qualify under this section only for one year
35 because of high income, this same valuation must be used upon
36 requalification. If the person fails to qualify for more than one
37 year in succession because of high income or fails to qualify for any
38 other reason, the valuation upon requalification is the assessed
39 value on January 1st of the assessment year in which the person
40 requalifies. If the person transfers the exemption under this section

1 to a different residence, the valuation of the different residence is
2 the assessed value of the different residence on January 1st of the
3 assessment year in which the person transfers the exemption.

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

7 (c) This subsection does not apply to subsequent improvements to
8 the property in the year in which the improvements are made.
9 Subsequent improvements to the property must be added to the value
10 otherwise determined under this subsection at their true and fair
11 value in the year in which they are made.

12 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
13 collection in 2018 and thereafter.

14 NEW SECTION. **Sec. 3.** The tax preference created in this act is
15 intended to be permanent. The expiration date provisions of RCW
16 82.32.805(1) do not apply.

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