
HOUSE BILL 1629

State of Washington

66th Legislature

2019 Regular Session

By Representatives Reeves, Walen, Ryu, Kirby, Barkis, Leavitt, Kilduff, Stanford, Appleton, Lovick, Ortiz-Self, Frame, Shea, and Bergquist

Read first time 01/25/19. Referred to Committee on Finance.

1 AN ACT Relating to providing property tax relief for disabled
2 veterans; amending RCW 36.21.100, 84.36.381, and 84.36.389; and
3 creating a new section.

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

5 **Sec. 1.** RCW 36.21.100 and 1991 c 218 s 4 are each amended to
6 read as follows:

7 (1) Every county assessor (~~shall~~) must report to the department
8 of revenue on the property tax levies and related matters within the
9 county annually at a date and in a form prescribed by the department
10 of revenue. The report (~~shall~~) must include, but need not be
11 limited to, the results of sales-assessment ratio studies performed
12 by the assessor. The ratio studies (~~shall~~) must be based on use
13 classes of real property and (~~shall~~) must be performed under a plan
14 approved by the department of revenue.

15 (2) Every county assessor must collect annual data on the number
16 of property tax owners in the county who are veterans, the disability
17 ranking of all veterans within deciles, and on participation rates in
18 the property tax exemption program provided in RCW 84.36.381 and
19 submit this data to the department of revenue. Assessors may consult
20 with the department of veterans affairs to facilitate collection of
21 this data.

1 **Sec. 2.** RCW 84.36.381 and 2018 c 46 s 2 are each amended to read
2 as follows:

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

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

16 (a) The residence is temporarily unoccupied;

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

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

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

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

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

37 (ii) A veteran of the armed forces of the United States entitled
38 to and receiving compensation from the United States department of
39 veterans affairs at a (~~total~~) disability rating of fifty percent or
40 higher for a service-connected disability.

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

6 (4) The amount that the person is exempt from an obligation to
7 pay is calculated on the basis of combined disposable income, as
8 defined in RCW 84.36.383. If the person claiming the exemption was
9 retired for two months or more of the assessment year, the combined
10 disposable income of such person must be calculated by multiplying
11 the average monthly combined disposable income of such person during
12 the months such person was retired by twelve. If the income of the
13 person claiming exemption is reduced for two or more months of the
14 assessment year by reason of the death of the person's spouse or the
15 person's domestic partner, or when other substantial changes occur in
16 disposable income that are likely to continue for an indefinite
17 period of time, the combined disposable income of such person must be
18 calculated by multiplying the average monthly combined disposable
19 income of such person after such occurrences by twelve. If it is
20 necessary to estimate income to comply with this subsection, the
21 assessor may require confirming documentation of such income prior to
22 May 31 of the year following application;

23 (5)(a) A person who otherwise qualifies under this section and
24 has a combined disposable income of forty thousand dollars or less is
25 exempt from all excess property taxes, the additional state property
26 tax imposed under RCW 84.52.065(2), and the portion of the regular
27 property taxes authorized pursuant to RCW 84.55.050 and approved by
28 the voters, if the legislative authority of the county or city
29 imposing the additional regular property taxes identified this
30 exemption in the ordinance placing the RCW 84.55.050 measure on the
31 ballot; and

32 (b)(i) A person who otherwise qualifies under this section and
33 has a combined disposable income of thirty-five thousand dollars or
34 less but greater than thirty thousand dollars is exempt from all
35 regular property taxes on the greater of fifty thousand dollars or
36 thirty-five percent of the valuation of his or her residence, but not
37 to exceed seventy thousand dollars of the valuation of his or her
38 residence; or

39 (ii) A person who otherwise qualifies under this section and has
40 a combined disposable income of thirty thousand dollars or less is

1 exempt from all regular property taxes on the greater of sixty
2 thousand dollars or sixty percent of the valuation of his or her
3 residence;

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

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

22 (c) This subsection does not apply to subsequent improvements to
23 the property in the year in which the improvements are made.
24 Subsequent improvements to the property must be added to the value
25 otherwise determined under this subsection at their true and fair
26 value in the year in which they are made.

27 **Sec. 3.** RCW 84.36.389 and 1979 ex.s. c 214 s 4 are each amended
28 to read as follows:

29 (1) The director of the department of revenue (~~shall~~) must
30 adopt such rules and regulations and prescribe such forms as may be
31 necessary and appropriate for implementation and administration of
32 this chapter subject to chapter 34.05 RCW, the administrative
33 procedure act.

34 (2) The department may conduct such audits of the administration
35 of RCW 84.36.381 through 84.36.389 and the claims for exemption filed
36 thereunder as it considers necessary. The powers of the department
37 under chapter 84.08 RCW apply to these audits.

38 (3) Any information or facts concerning confidential income data
39 obtained by the assessor or the department, or their agents or

1 employees, under subsection (2) of this section (~~shall~~) may be used
2 only to administer RCW 84.36.381 through 84.36.389. Notwithstanding
3 any provision of law to the contrary, absent written consent by the
4 person about whom the information or facts have been obtained, the
5 confidential income data (~~shall~~) may not be disclosed by the
6 assessor or the assessor's agents or employees to anyone other than
7 the department or the department's agents or employees nor by the
8 department or the department's agents or employees to anyone other
9 than the assessor or the assessor's agents or employees except in a
10 judicial proceeding pertaining to the taxpayer's entitlement to the
11 tax exemption under RCW 84.36.381 through 84.36.389. Any violation of
12 this subsection is a misdemeanor.

13 (4) Beginning in 2020, the department must submit an annual
14 report to the legislature, in compliance with RCW 43.01.036,
15 describing demographic information about veteran utilization of the
16 property tax exemption program provided in RCW 84.36.381. The report
17 must summarize program participation, identifying any gaps in service
18 or application hurdles that may need to be addressed.

19 NEW SECTION. Sec. 4. This act applies to taxes levied for
20 collection in 2020 and thereafter.

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