
SENATE BILL 5398

State of Washington

69th Legislature

2025 Regular Session

By Senators Conway, Schoesler, Chapman, Dozier, Nobles, and Warnick

Read first time 01/21/25. Referred to Committee on Ways & Means.

1 AN ACT Relating to property tax exemptions for veterans with
2 disabilities; amending RCW 84.36.381, 84.36.379, 35.13.256,
3 52.18.090, 52.26.270, 82.29A.120, 84.36.385, 84.36.387, 84.39.010,
4 84.40.178, and 84.55.050; adding a new section to chapter 84.36 RCW;
5 and creating new sections.

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

7 **PART I**

8 **Sec. 101.** RCW 84.36.381 and 2023 c 147 s 1 are each amended to
9 read as follows:

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

14 (1)(a) The property taxes must have been imposed upon a residence
15 which was occupied by the person claiming the exemption as a
16 principal place of residence as of the time of filing. However, any
17 person who sells, transfers, or is displaced from his or her
18 residence may transfer his or her exemption status to a replacement
19 residence, but no claimant may receive an exemption on more than one
20 residence in any year. Moreover, confinement of the person to a

1 hospital, nursing home, assisted living facility, adult family home,
2 or home of a relative for the purpose of long-term care does not
3 disqualify the claim of exemption if:

4 (i) The residence is temporarily unoccupied;

5 (ii) The residence is occupied by a spouse or a domestic partner
6 and/or a person financially dependent on the claimant for support; or

7 (iii) The residence is rented for the purpose of paying nursing
8 home, hospital, assisted living facility, or adult family home costs.

9 (b) For the purpose of this subsection (1), "relative" means any
10 individual related to the claimant by blood, marriage, or adoption;

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

22 (3) (a) The person claiming the exemption must be (~~(~~

23 ~~(i) Sixty-one~~) 61 years of age or older on December 31st of the
24 year in which the exemption claim is filed, or must have been, at the
25 time of filing, retired from regular gainful employment by reason of
26 disability (~~(; or~~

27 ~~(ii) A veteran of the armed forces of the United States entitled~~
28 ~~to and receiving compensation from the United States department of~~
29 ~~veterans affairs at:~~

30 ~~(A) A combined service-connected evaluation rating of 80 percent~~
31 ~~or higher; or~~

32 ~~(B) A total disability rating for a service-connected disability~~
33 ~~without regard to evaluation percent)) .~~

34 (b) However, any surviving spouse or surviving domestic partner
35 of a person who was receiving an exemption at the time of the
36 person's death will qualify if the surviving spouse or surviving
37 domestic partner is 57 years of age or older and otherwise meets the
38 requirements of this section;

1 (4) (a) The amount that the person is exempt from an obligation to
2 pay is calculated on the basis of combined disposable income, as
3 defined in RCW 84.36.383.

4 (b) If the person claiming the exemption was retired for two
5 months or more of the assessment year, the combined disposable income
6 of such person must be calculated by multiplying the average monthly
7 combined disposable income of such person during the months such
8 person was retired by 12.

9 (c) If the income of the person claiming exemption is reduced for
10 two or more months of the assessment year by reason of the death of
11 the person's spouse or the person's domestic partner, or when other
12 substantial changes occur in disposable income that are likely to
13 continue for an indefinite period of time, the combined disposable
14 income of such person must be calculated by multiplying the average
15 monthly combined disposable income of such person after such
16 occurrences by 12.

17 (d) (i) If the income of the person claiming the exemption
18 increases as a result of a cost-of-living adjustment to social
19 security benefits or supplemental security income in an amount that
20 would disqualify the applicant from eligibility, the applicant is not
21 disqualified but instead maintains eligibility.

22 (ii) The continued eligibility under this subsection applies to
23 applications for property taxes levied for collection in calendar
24 year 2024.

25 (e) If it is necessary to estimate income to comply with this
26 subsection (4), the assessor may require confirming documentation of
27 such income prior to May 31st of the year following application;

28 (5) (a) A person who otherwise qualifies under this section and
29 has a combined disposable income equal to or less than income
30 threshold 3 is exempt from all excess property taxes, the additional
31 state property tax imposed under RCW 84.52.065(2), and the portion of
32 the regular property taxes authorized pursuant to RCW 84.55.050 and
33 approved by the voters, if the legislative authority of the county or
34 city imposing the additional regular property taxes identified this
35 exemption in the ordinance placing the RCW 84.55.050 measure on the
36 ballot; and

37 (b) (i) A person who otherwise qualifies under this section and
38 has a combined disposable income equal to or less than income
39 threshold 2 but greater than income threshold 1 is exempt from all
40 regular property taxes on the greater of \$50,000 or 35 percent of the

1 valuation of his or her residence, but not to exceed \$70,000 of the
2 valuation of his or her residence; or

3 (ii) A person who otherwise qualifies under this section and has
4 a combined disposable income equal to or less than income threshold 1
5 is exempt from all regular property taxes on the greater of \$60,000
6 or 60 percent of the valuation of his or her residence;

7 (6) (a) For a person who otherwise qualifies under this section
8 and has a combined disposable income equal to or less than income
9 threshold 3, the valuation of the residence is the assessed value of
10 the residence on the later of January 1, 1995, or January 1st of the
11 assessment year the person first qualifies under this section. If the
12 person subsequently fails to qualify under this section only for one
13 year because of high income, this same valuation must be used upon
14 requalification. If the person fails to qualify for more than one
15 year in succession because of high income or fails to qualify for any
16 other reason, the valuation upon requalification is the assessed
17 value on January 1st of the assessment year in which the person
18 requalifies. If the person transfers the exemption under this section
19 to a different residence, the valuation of the different residence is
20 the assessed value of the different residence on January 1st of the
21 assessment year in which the person transfers the exemption.

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

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

30 NEW SECTION. **Sec. 102.** A new section is added to chapter 84.36
31 RCW to be codified between RCW 84.36.381 and 84.36.389 to read as
32 follows:

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

37 (1) (a) The property taxes must have been imposed upon a residence
38 which was occupied by the person claiming the exemption as a
39 principal place of residence as of the time of filing. However, any

1 person who sells, transfers, or is displaced from his or her
2 residence may transfer his or her exemption status to a replacement
3 residence, but no claimant may receive an exemption on more than one
4 residence in any year. Moreover, confinement of the person to a
5 hospital, nursing home, assisted living facility, adult family home,
6 or home of a relative for the purpose of long-term care does not
7 disqualify the claim of exemption if:

8 (i) The residence is temporarily unoccupied;

9 (ii) The residence is occupied by a spouse or a domestic partner
10 and/or a person financially dependent on the claimant for support; or

11 (iii) The residence is rented for the purpose of paying nursing
12 home, hospital, assisted living facility, or adult family home costs.

13 (b) For the purpose of this subsection (1), "relative" means any
14 individual related to the claimant by blood, marriage, or adoption.

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

26 (3) (a) The person claiming the exemption must be a veteran of the
27 armed forces of the United States entitled to and receiving
28 compensation from the United States department of veterans affairs.

29 (b) However, any surviving spouse or surviving domestic partner
30 of a person who was receiving an exemption at the time of the
31 person's death will qualify if the surviving spouse or surviving
32 domestic partner is 57 years of age or older and otherwise meets the
33 requirements of this section.

34 (4) (a) This section provides partial exemptions for any property
35 owned by veterans with disabilities and surviving spouses of deceased
36 veterans with disabilities. The exemption amount that a qualified
37 disabled veteran receives depends on the veteran's disability rating
38 from the United States department of veterans affairs or the branch
39 of the armed services in which the veteran served. A disability
40 rating from 10 percent through 29 percent may receive an exemption of

1 up to \$5,000 from the property's value, 30 percent through 49 percent
2 may receive up to \$7,500, 50 percent through 69 percent may receive
3 up to \$10,000, and 70 percent through 100 percent may receive up to
4 \$12,000.

5 (b) The amount that the person is exempt from an obligation to
6 pay is calculated according to the table in this subsection, based on
7 the veteran's disability rating from the United States department of
8 veterans affairs or the branch of the armed services in which the
9 veteran served.

11 Disability Rating	Exemption Amount Up To
12 10% - 29%	\$5,000
13 30% - 49%	\$7,500
14 50% - 69%	\$10,000
15 70% - 100%	\$12,000

16 A disabled veteran awarded 100 percent disability compensation
17 due to a service-connected disability and a rating of 100 percent
18 disabled or individual unemployability from the United States
19 department of veterans affairs may receive an exemption from taxation
20 of the total appraised value of the veteran's residence homestead. If
21 a veteran qualifies for the exemption after January 1st of a tax
22 year, the veteran must receive an exemption for the applicable
23 portion of that year immediately upon qualifying for the exemption.
24 If the property no longer qualifies in a year, the exemption is
25 removed for that portion of the year.

26 (5) The department of revenue must adjust the amounts in
27 subsection (4) of this section for inflation every year beginning
28 January 1, 2026, based upon changes in the consumer price index that
29 are published by November 15th of the previous year for the most
30 recent 12-month period. The amounts must be rounded to the nearest
31 \$5. For purposes of this subsection, "consumer price index" means,
32 for any 12-month period, the average consumer price index for that
33 12-month period for the Seattle, Washington area for urban wage
34 earners and clerical workers, all items, compiled by the bureau of
35 labor statistics, United States department of labor.

36 (6) A person who qualifies under this section is exempt from
37 excess property taxes, the additional state property tax imposed
38 under RCW 84.52.065(2), and the portion of the regular property taxes

1 authorized under RCW 84.55.050 and approved by the voters, if the
2 legislative authority of the county or city imposing the additional
3 regular property taxes identified this exemption in the ordinance
4 placing the RCW 84.55.050 measure on the ballot.

5 **Sec. 103.** RCW 84.36.379 and 2005 c 248 s 1 are each amended to
6 read as follows:

7 The legislature finds that the property tax exemption authorized
8 by Article VII, section 10 of the state Constitution should be made
9 available on the basis of a retired person's ability to pay property
10 taxes and that the best measure of a retired person's ability to pay
11 taxes is that person's disposable income as defined in RCW 84.36.383.
12 (~~The legislature further finds that veterans with one hundred~~
13 ~~percent service-connected disabilities have given so much to our~~
14 ~~country that they deserve property tax relief.))~~

15 NEW SECTION. **Sec. 104.** The legislature finds that veterans with
16 service-connected disabilities have given so much to our country that
17 they deserve property tax relief.

18 **PART II**

19 **Conforming Amendments**

20 **Sec. 201.** RCW 35.13.256 and 2012 c 47 s 1 are each amended to
21 read as follows:

22 (1) A city or town that has annexed since 2006 or is conducting
23 annexations of all or a part of a fire protection district or fire
24 protection districts may by resolution, for the enhancement of fire
25 protection services, fix and impose a benefit charge on personal
26 property and improvements to real property that are located in the
27 city or town, to be paid by the owners of the properties: PROVIDED,
28 That a benefit charge shall not apply to personal property and
29 improvements to real property owned or used by: (a) Any recognized
30 religious denomination or religious organization as, or including, a
31 sanctuary or for purposes related to the bona fide religious
32 ministries of the denomination or religious organization, including
33 schools and educational facilities used for kindergarten, primary, or
34 secondary educational purposes or for institutions of higher
35 education and all grounds and buildings related thereto, but not
36 including personal property and improvements to real property owned

1 or used by any recognized religious denomination or religious
2 organization for business operations, profit-making enterprises, or
3 activities not including use of a sanctuary or related to
4 kindergarten, primary, or secondary educational purposes or for
5 institutions of higher education; or (b) any entity exempt from
6 taxation under RCW 35.82.210, 84.36.030(3), or 84.36.560.

7 (2) A benefit charge imposed shall be reasonably proportioned to
8 the measurable benefits to property resulting from the enhancement of
9 services afforded by the city or town fire department. It is
10 acceptable to apportion the benefit charge to the values of the
11 properties as found by the county assessor or assessors modified
12 generally in the proportion that fire insurance rates are reduced or
13 entitled to be reduced as the result of providing the services. Any
14 other method that reasonably apportions the benefit charges to the
15 actual benefits resulting from the degree of protection, which may
16 include but is not limited to the distance from regularly maintained
17 fire protection equipment, the level of fire prevention services
18 provided to the properties, or the need of the properties for
19 specialized services, may be specified in the resolution and shall be
20 subject to contest on the ground of unreasonable or capricious action
21 or action in excess of the measurable benefits to the property
22 resulting from services afforded by the city or town fire department.
23 The city or town may determine that certain properties or types or
24 classes of properties are not receiving measurable benefits based on
25 criteria they establish by resolution. A benefit charge authorized by
26 this section shall not be applicable to the personal property or
27 improvements to real property of any individual, corporation,
28 partnership, firm, organization, or association maintaining a fire
29 department and whose fire protection and training system has been
30 accepted by a fire insurance underwriter maintaining a fire
31 protection engineering and inspection service authorized by the state
32 insurance commissioner to do business in this state, but such
33 property may be protected by the city or town under a contractual
34 agreement. For administrative purposes, the benefit charge imposed on
35 any individual property may be compiled into a single charge,
36 provided that the city or town, upon request of the property owner,
37 provide an itemized list of charges for each measurable benefit
38 included in the charge.

39 (3) The resolution establishing benefit charges shall specify, by
40 legal geographical areas or other specific designations, the charge

1 to apply to each property by location, type, or other designation, or
2 other information that is necessary to the proper computation of the
3 benefit charge to be charged to each property owner subject to the
4 resolution. The county assessor of each county shall determine and
5 identify the personal properties and improvements to real property
6 which are subject to a benefit charge in each city or town and shall
7 furnish and deliver to the county treasurer of that county a listing
8 of the properties with information describing the location, legal
9 description, and address of the person to whom the statement of
10 benefit charges is to be mailed, the name of the owner, and the value
11 of the property and improvements, together with the benefit charge to
12 apply to each. These benefit charges shall be certified to the county
13 treasurer for collection in the same manner that is used for the
14 collection of fire protection assessments for forestlands protected
15 by the department of natural resources under RCW 76.04.610 and the
16 same penalties and provisions for collection shall apply.

17 (4) Each city and town shall contract, prior to the imposition of
18 a benefit charge, for the administration and collection of the
19 benefit charge by each county treasurer, who shall deduct a percent,
20 as provided by contract to reimburse the county for expenses incurred
21 by the county assessor and county treasurer in the administration of
22 the resolution and this section. The county treasurer shall make
23 distributions each year, as the charges are collected, in the amount
24 of the benefit charges imposed on behalf of the city or town, less
25 the deduction provided for in the contract.

26 (5) Any benefit charge authorized by this section shall not be
27 effective unless a proposition to impose the benefit charge is
28 approved by a sixty percent majority of the voters of the city or
29 town voting at a general election or at a special election called by
30 the city or town for that purpose, held within the city or town. An
31 election held pursuant to this section shall be held not more than
32 twelve months prior to the date on which the first such charge is to
33 be assessed: PROVIDED, That a benefit charge approved at an election
34 shall not remain in effect for a period of more than six years nor
35 more than the number of years authorized by the voters if fewer than
36 six years unless subsequently reapproved by the voters.

37 (6) The ballot shall be submitted so as to enable the voters
38 favoring the authorization of a benefit charge to vote "Yes" and
39 those opposed thereto to vote "No," and the ballot shall be:

1 "Shall be authorized to impose benefit
2 charges each year for (insert number of years not to
3 exceed six) years, not to exceed an amount equal to
4 (insert percentage amount not to exceed sixty) percent of its
5 fire department operating budget?

6 YES NO
7

8 (7) A city or town renewing the benefit charge may elect to use
9 the following alternative ballot:

10 "Shall be authorized to continue voter-
11 authorized benefit charges each year for (insert
12 number of years not to exceed six) years, not to exceed an
13 amount equal to (insert percentage amount not to
14 exceed sixty) percent of its fire department operating
15 budget?

16 YES NO
17

18 (8) Not less than ten days nor more than six months before the
19 election at which the proposition to impose the benefit charge is
20 submitted as provided in this section, the city or town shall hold a
21 public hearing specifically setting forth its proposal to impose
22 benefit charges for the support of its legally authorized activities
23 which will maintain or improve the services afforded in the city or
24 town. A report of the public hearing shall be filed with the county
25 treasurer of each county in which the property is located and be
26 available for public inspection.

27 (9) (a) Prior to November 15th of each year the city or town shall
28 hold a public hearing to review and establish the benefit charges for
29 the subsequent year.

30 (b) All resolutions imposing or changing the benefit charges
31 shall be filed with the county treasurer for each county in which the
32 property is located, together with the record of each public hearing,
33 before November 30th immediately preceding the year in which the
34 benefit charges are to be collected on behalf of the city or town
35 fire department.

1 (c) After the benefit charges have been established, the owners
2 of the property subject to the charge shall be notified of the amount
3 of the charge.

4 (10) After notice has been given to the property owners of the
5 amount of the charge, the city or town imposing a benefit charge
6 under this section shall form a review board for at least a two-week
7 period and shall, upon complaint in writing of a party aggrieved
8 owning property in the city or town, reduce the charge of a person
9 who, in their opinion, has been charged too large a sum, to a sum or
10 amount as they believe to be the true, fair, and just amount.

11 (11) A person who is receiving the exemption contained in RCW
12 84.36.381 through 84.36.389 shall be exempt from any legal obligation
13 to pay a portion of the charge imposed by this section according to
14 the following:

15 (a) A person who meets the income limitation contained in RCW
16 84.36.381(5)(a) and does not meet the income limitation contained in
17 RCW 84.36.381(5)(b) (i) or (ii) shall be exempt from twenty-five
18 percent of the charge.

19 (b) A person who meets the income limitation contained in RCW
20 84.36.381(5)(b) (i) shall be exempt from fifty percent of the charge.

21 (c) A person who meets the income limitation contained in RCW
22 84.36.381(5)(b) (ii) or is eligible for the exemption in section 102
23 of this act shall be exempt from seventy-five percent of the charge.

24 (12) For the purposes of this section:

25 (a) "Personal property" includes every form of tangible personal
26 property(~~(r)~~) including, but not limited to, all goods, chattels,
27 stock in trade, estates, or crops, except that the term "personal
28 property" does not include any personal property used for farming,
29 field crops, farm equipment, or livestock; and

30 (b) "Improvements to real property" does not include permanent
31 growing crops, field improvements installed for the purpose of aiding
32 the growth of permanent crops, or other field improvements normally
33 not subject to damage by fire.

34 **Sec. 202.** RCW 52.18.090 and 1990 c 294 s 10 are each amended to
35 read as follows:

36 A person who is receiving the exemption contained in RCW
37 84.36.381 through 84.36.389 shall be exempt from any legal obligation
38 to pay a portion of the charge imposed by this chapter according to
39 the following.

1 (1) A person who meets the income limitation contained in RCW
2 84.36.381(5)(a) and does not meet the income limitation contained in
3 RCW 84.36.381(5)(b)(i) or (ii) shall be exempt from twenty-five
4 percent of the charge.

5 (2) A person who meets the income limitation contained in RCW
6 84.36.381(5)(b)(i) shall be exempt from fifty percent of the charge.

7 (3) A person who meets the income limitation contained in RCW
8 84.36.381(5)(b)(ii) or is eligible for the exemption under section
9 102 of this act shall be exempt from seventy-five percent of the
10 charge.

11 **Sec. 203.** RCW 52.26.270 and 2004 c 129 s 33 are each amended to
12 read as follows:

13 A person who is receiving the exemption contained in RCW
14 84.36.381 through 84.36.389 is exempt from any legal obligation to
15 pay a portion of the benefit charge imposed under this chapter as
16 follows:

17 (1) A person who meets the income limitation contained in RCW
18 84.36.381(5)(a) and does not meet the income limitation contained in
19 RCW 84.36.381(5)(b)(i) or (ii) is exempt from twenty-five percent of
20 the charge;

21 (2) A person who meets the income limitation contained in RCW
22 84.36.381(5)(b)(i) is exempt from fifty percent of the charge; and

23 (3) A person who meets the income limitation contained in RCW
24 84.36.381(5)(b)(ii) or is eligible for the exemption under section
25 102 of this act shall be exempt from seventy-five percent of the
26 charge.

27 **Sec. 204.** RCW 82.29A.120 and 2020 c 139 s 37 are each amended to
28 read as follows:

29 (1)(a) After computation of the taxes imposed pursuant to RCW
30 82.29A.030 and 82.29A.040, the following credits are allowed in
31 determining the tax payable:

32 (i) For lessees and sublessees who would qualify for a property
33 tax exemption under RCW 84.36.381 or section 102 of this act if the
34 property were privately owned, the tax otherwise due after this
35 credit must be reduced by a percentage equal to the percentage
36 reduction in property tax that would result from the property tax
37 exemption under RCW 84.36.381 or section 102 of this act; and

1 (ii) A credit of thirty-three percent of the tax otherwise due is
2 allowed with respect to a product lease.

3 (b) (i) For a leasehold interest in real property owned by a state
4 university, a credit is allowed equal to the amount that the tax
5 under this chapter exceeds the property tax that would apply if the
6 real property were privately owned by the taxpayer.

7 (ii) The credit under this subsection (1)(b) is available only if
8 the tax parcel that is subject to the leasehold interest has a market
9 value in excess of ten million dollars. If the leasehold interest
10 attaches to two or more parcels, the credit is available if at least
11 one of the tax parcels has a market value in excess of ten million
12 dollars. In either case, the market value must be determined as of
13 January 1st of the year prior to the year for which the credit is
14 claimed.

15 (iii) For purposes of calculating the credit under this
16 subsection (1)(b):

17 (A) If a tax parcel does not have current assessed value in
18 accordance with RCW 84.40.020, a market value appraisal performed by
19 a Washington state-certified general real estate appraiser, as
20 defined in RCW 18.140.010, is sufficient to establish the market
21 value. If the underlying real property that is the subject of the
22 leasehold interest consists of a part of one or more tax parcels,
23 this appraisal must include the market value of the part of the
24 parcel or parcels to which the leasehold interest applies; and

25 (B) The property tax that would otherwise apply to the real
26 property that is the subject of the leasehold interest is calculated
27 using the existing consolidated levy rate for the property's tax code
28 area.

29 (iv) The definitions in this subsection apply throughout this
30 subsection (1)(b) unless the context clearly requires otherwise.

31 (A) "Market value" means the true and fair value of the property
32 as that term is used in RCW 84.40.030, based on the property's
33 highest and best use and determined by any reasonable means approved
34 by the department.

35 (B) "Real property" has the same meaning as in RCW 84.04.090 and
36 also includes all improvements upon the land the fee of which is
37 still vested in the public owner.

38 (C) "State university" has the same meaning as "state
39 universities" as provided in RCW 28B.10.016.

1 (v) The credit provided under this subsection (1)(b) may not be
2 claimed for tax reporting periods beginning on or after January 1,
3 2032.

4 (2) No credit under subsection (1)(b) of this section may be
5 claimed or approved on or after January 1, 2032.

6 **Sec. 205.** RCW 84.36.385 and 2023 c 147 s 3 are each amended to
7 read as follows:

8 (1) A claim for exemption under RCW 84.36.381 or section 102 of
9 this act as now or hereafter amended, may be made and filed at any
10 time during the year for exemption from taxes payable the following
11 year and thereafter and solely upon forms as prescribed and furnished
12 by the department of revenue. However, an exemption from tax under
13 RCW 84.36.381 or section 102 of this act continues for no more than
14 six years unless a renewal application is filed as provided in
15 subsection (3) of this section.

16 (2) A person granted an exemption under RCW 84.36.381 or section
17 102 of this act must inform the county assessor of any change in
18 status affecting the person's entitlement to the exemption on forms
19 prescribed and furnished by the department of revenue.

20 (3) Each person exempt from taxes under RCW 84.36.381 or section
21 102 of this act in 1993 and thereafter must file with the county
22 assessor a renewal application not later than December 31st of the
23 year the assessor notifies such person of the requirement to file the
24 renewal application. Renewal applications must be on forms prescribed
25 and furnished by the department of revenue.

26 (4) At least once every six years, the county assessor must
27 notify those persons receiving an exemption from taxes under RCW
28 84.36.381 or section 102 of this act of the requirement to file a
29 renewal application. The county assessor may also require a renewal
30 application following an amendment of the income requirements set
31 forth in RCW 84.36.381 or section 102 of this act.

32 (5) If the assessor finds that the applicant does not meet the
33 qualifications as set forth in RCW 84.36.381 or section 102 of this
34 act, as now or hereafter amended, the claim or exemption must be
35 denied but such denial is subject to appeal under the provisions of
36 RCW 84.48.010 and in accordance with the provisions of RCW 84.40.038.
37 If the applicant had received exemption in prior years based on
38 erroneous information, the taxes must be collected subject to

1 penalties as provided in RCW 84.40.130 for a period of not to exceed
2 five years.

3 (6) The department and each local assessor is hereby directed to
4 publicize the qualifications and manner of making claims under RCW
5 84.36.381 through 84.36.389, through communications media, including
6 such paid advertisements or notices as it deems appropriate. Notice
7 of the qualifications, method of making applications, the penalties
8 for not reporting a change in status, and availability of further
9 information must be included on or with property tax statements and
10 revaluation notices for all residential property including mobile
11 homes, except rental properties.

12 (7) The department must authorize an option for electronic filing
13 of applications and renewal applications for the exemption under RCW
14 84.36.381 or section 102 of this act.

15 (8) Beginning August 1, 2023, and by March 1st every third year
16 thereafter, the department must publish updated income thresholds.
17 The adjusted thresholds must be rounded up to the nearest one
18 thousand dollars. If the income threshold adjustment is negative, the
19 income threshold for the prior year continues to apply. The
20 department must adjust income thresholds for each county to reflect
21 the most recent year available of estimated county median household
22 incomes, including preliminary estimates or projections, as published
23 by the office of financial management. For the purposes of this
24 subsection, "county median household income" has the same meaning as
25 provided in RCW 84.36.383.

26 (9) Beginning with the adjustment made by August 1, 2023, as
27 provided in subsection (8) of this section, and every adjustment
28 thereafter, if an income threshold in a county is not adjusted based
29 on percentage of county median income, then the income threshold must
30 be adjusted based on the growth of the seasonally adjusted consumer
31 price index for all urban consumers (CPI-U) for the prior twelve
32 month period as published by the United States bureau of labor
33 statistics. In no case may the adjustment be greater than one
34 percent. The adjusted thresholds must be rounded to the nearest one
35 dollar. If the income threshold adjustment is negative, the income
36 threshold for the prior year continues to apply.

37 **Sec. 206.** RCW 84.36.387 and 2020 c 209 s 1 are each amended to
38 read as follows:

1 (1) Except as provided in subsection (3) of this section, all
2 claims for exemption shall be made and signed under oath by the
3 person entitled to the exemption, by his or her attorney-in-fact or
4 in the event the residence of such person is under mortgage or
5 purchase contract requiring accumulation of reserves out of which the
6 holder of the mortgage or contract is required to pay real estate
7 taxes, by such holder or by the owner: PROVIDED, That if a claim for
8 exemption is made by a person living in a cooperative housing
9 association, corporation, or partnership, such claim shall be made
10 and signed by the person entitled to the exemption and by the
11 authorized agent of such cooperative.

12 (2) If the taxpayer is unable to submit his or her own claim, the
13 claim shall be submitted by a duly authorized agent or by a guardian
14 or other person charged with the care of the person or property of
15 such taxpayer.

16 (3) All claims for exemption and renewal applications shall be
17 accompanied by such documented verification of income as shall be
18 prescribed by rule adopted by the department of revenue.

19 (4) Any person signing a false claim with the intent to defraud
20 or evade the payment of any tax is guilty of perjury under chapter
21 9A.72 RCW.

22 (5) The tax liability of a cooperative housing association,
23 corporation, or partnership shall be reduced by the amount of tax
24 exemption to which a claimant residing therein is entitled and such
25 cooperative shall reduce any amount owed by the claimant to the
26 cooperative by such exact amount of tax exemption or, if no amount be
27 owed, the cooperative shall make payment to the claimant of such
28 exact amount of exemption.

29 (6) A remainderman or other person who would have otherwise paid
30 the tax on real property that is the subject of an exemption granted
31 under RCW 84.36.381 or section 102 of this act for an estate for life
32 shall reduce the amount which would have been payable by the life
33 tenant to the remainderman or other person to the extent of the
34 exemption. If no amount is owed or separately stated as an obligation
35 between these persons, the remainderman or other person shall make
36 payment to the life tenant in the exact amount of the exemption.

37 **Sec. 207.** RCW 84.39.010 and 2024 c 334 s 1 are each amended to
38 read as follows:

1 A person is entitled to a property tax exemption in the form of a
2 grant as provided in this chapter. The person is entitled to
3 assistance for the payment of all or a portion of the amount of
4 excess and regular real property taxes imposed on the person's
5 residence in the year in which a claim is filed in accordance with
6 the following:

7 (1) The claimant must meet all requirements for an exemption for
8 the residence under ~~((RCW 84.36.381))~~ section 102 of this act.

9 (2) (a) The person making the claim must be:

10 (i) 62 years of age or older on December 31st of the year in
11 which the claim is filed, or must have been, at the time of filing,
12 retired from regular gainful employment by reason of disability; and

13 (ii) A widow or widower of a veteran who:

14 (A) Died as a result of a service-connected disability;

15 (B) Was rated as 100 percent disabled by the United States
16 veterans' administration for the 10 years prior to his or her death;

17 (C) Was a former prisoner of war as substantiated by the United
18 States veterans' administration and was rated as 100 percent disabled
19 by the United States veterans' administration for one or more years
20 prior to his or her death; or

21 (D) Died on active duty or in active training status as a member
22 of the United States uniformed services, reserves, or national guard;
23 and

24 (b) The person making the claim must not have remarried.

25 ~~(3) ((The claimant must have a combined disposable income of
26 equal to or less than income threshold 3.~~

27 ~~(4))~~ (4) The claimant must have owned, at the time of filing, the
28 residence on which the real property taxes have been imposed. For
29 purposes of this subsection, a residence owned by cotenants is deemed
30 to be owned by each cotenant. A claimant who has only a share
31 ownership in cooperative housing, a life estate, a lease for life, or
32 a revocable trust does not satisfy the ownership requirement.

33 ~~((5))~~ (4) A person who otherwise qualifies under this section
34 is entitled to assistance in an amount equal to regular and excess
35 property taxes imposed on the difference between the value of the
36 residence eligible for exemption under ~~((RCW 84.36.381(5))~~ section
37 102 of this act and ~~((÷~~

38 ~~(a) The))~~ the first \$200,000 of assessed value of the residence
39 ~~((for a person who has a combined disposable income of equal to or
40 less than income threshold 1;~~

1 ~~(b) The first \$150,000 of assessed value of the residence for a~~
2 ~~person who has a combined disposable income equal to or less than~~
3 ~~income threshold 2 but greater than income threshold 1; or~~

4 ~~(c) The first \$100,000 of assessed value of the residence for a~~
5 ~~person who has a combined disposable income equal to or less than~~
6 ~~income threshold 3 but greater than income threshold 2)).~~

7 ((+6)) (5) As used in this section:

8 (a) "Veteran" has the same meaning as provided under RCW
9 41.04.005.

10 (b) The meanings attributed in RCW 84.36.383 to the terms
11 "residence(~~(, " "combined disposable income," "disposable income,)~~)"
12 and "disability(~~(, " "income threshold 1," "income threshold 2," and~~
13 ~~"income threshold 3))"~~ apply throughout this section.

14 **Sec. 208.** RCW 84.40.178 and 1995 1st sp.s. c 8 s 3 are each
15 amended to read as follows:

16 The assessor shall maintain an assessed valuation in accordance
17 with the approved revaluation cycle for a residence owned by a person
18 qualifying for exemption under RCW 84.36.381 or section 102 of this
19 act in addition to the valuation required under RCW 84.36.381(6).
20 Upon a change in the true and fair value of the residence, the
21 assessor shall notify the person qualifying for exemption under RCW
22 84.36.381 or section 102 of this act of the new true and fair value
23 and that the new true and fair value will be used to compute property
24 taxes if the property fails to qualify for exemption under RCW
25 84.36.381 or section 102 of this act.

26 **Sec. 209.** RCW 84.55.050 and 2024 c 114 s 1 are each amended to
27 read as follows:

28 (1) Subject to any otherwise applicable statutory dollar rate
29 limitations, regular property taxes may be levied by or for a taxing
30 district in an amount exceeding the limitations provided for in this
31 chapter if such levy is authorized by a proposition approved by a
32 majority of the voters of the taxing district voting on the
33 proposition at a general election held within the district or at a
34 special election within the taxing district called by the district
35 for the purpose of submitting such proposition to the voters. Any
36 election held pursuant to this section shall be held not more than 12
37 months prior to the date on which the proposed levy is to be made,
38 except as provided in subsection (2) of this section. The ballot of

1 the proposition shall state the dollar rate proposed and shall
2 clearly state the conditions, if any, which are applicable under
3 subsection (4) of this section.

4 (2) Subject to statutory dollar limitations, a proposition placed
5 before the voters under this section may authorize annual increases
6 in levies for multiple consecutive years, up to six consecutive
7 years, during which period each year's authorized maximum legal levy
8 shall be used as the base upon which an increased levy limit for the
9 succeeding year is computed, but the ballot proposition must state
10 the dollar rate proposed only for the first year of the consecutive
11 years and must state the limit factor, or a specified index to be
12 used for determining a limit factor, such as the consumer price
13 index, which need not be the same for all years, by which the regular
14 tax levy for the district may be increased in each of the subsequent
15 consecutive years. Elections for this purpose must be held at a
16 primary or general election. The title of each ballot measure must
17 state the limited purposes for which the proposed annual increases
18 during the specified period of up to six consecutive years shall be
19 used.

20 (3) After a levy authorized pursuant to this section is made, the
21 dollar amount of such levy may not be used for the purpose of
22 computing the limitations for subsequent levies provided for in this
23 chapter, unless the ballot proposition expressly states that the levy
24 made under this section will be used for this purpose.

25 (4) If expressly stated, a proposition placed before the voters
26 under subsection (1) or (2) of this section may:

27 (a) Use the dollar amount of a levy under subsection (1) of this
28 section, or the dollar amount of the final levy under subsection (2)
29 of this section, for the purpose of computing the limitations for
30 subsequent levies provided for in this chapter;

31 (b) Limit the period for which the increased levy is to be made
32 under (a) of this subsection;

33 (c) Limit the purpose for which the increased levy is to be made
34 under (a) of this subsection, but if the limited purpose includes
35 making redemption payments on bonds;

36 (i) For the county in which the state capitol is located, the
37 period for which the increased levies are made may not exceed 25
38 years; and

1 (ii) For districts other than a district under (c)(i) of this
2 subsection, the period for which the increased levies are made may
3 not exceed nine years;

4 (d) Set the levy or levies at a rate less than the maximum rate
5 allowed for the district;

6 (e) Provide that the exemption authorized by RCW 84.36.381 or
7 section 102 of this act will apply to the levy of any additional
8 regular property taxes authorized by voters; or

9 (f) Include any combination of the conditions in this subsection.

10 (5) Except as otherwise expressly stated in an approved ballot
11 measure under this section, subsequent levies shall be computed as
12 if:

13 (a) The proposition under this section had not been approved; and

14 (b) The taxing district had made levies at the maximum rates
15 which would otherwise have been allowed under this chapter during the
16 years levies were made under the proposition.

17 NEW SECTION. **Sec. 210.** RCW 82.32.805 and 82.32.808 do not apply
18 to this act.

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