

CHAPTER 11

[Engrossed Substitute House Bill No. 496]

SENIOR CITIZEN PROPERTY TAX RELIEF—ASSESSED VALUE EXEMPTIONS
AND INCOME LEVELS—ADJUSTMENTS

AN ACT Relating to property tax relief; amending section 1, chapter 182, Laws of 1974 ex. sess. as last amended by section 4, chapter 185, Laws of 1980 and RCW 84.36.381; amending section 2, chapter 182, Laws of 1974 ex. sess. as last amended by section 5, chapter 185, Laws of 1980 and RCW 84.36.383; amending section 3, chapter 182, Laws of 1974 ex. sess. as last amended by section 3, chapter 214, Laws of 1979 ex. sess. and RCW 84.36.385; amending section 1, chapter 182, Laws of 1974 ex. sess. as last amended by section 2 of this 1983 act and RCW 84.36.381; amending section 3, chapter 182, Laws of 1974 ex. sess. as last amended by section 3 of this 1983 act and RCW 84.36.385; creating new sections; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that inflation has significant detrimental effects on the senior citizen property tax relief program. Inflation increases incomes without increasing real buying power. Inflation also raises the values of homes, and thus the taxes on those homes. This act addresses the problem of inflation in two ways. First, the assessed value exemption is tied to home value so it will increase as values rise. Secondly, though the income of most senior citizens does not keep pace with inflation, it is the legislature's intent that inflationary increases in incomes will not result in program disqualification. Therefore, the income levels are adjusted to reflect the forecasted increase in inflation. The legislature also recommends that similar adjustments be examined by future legislatures.

Sec. 2. Section 1, chapter 182, Laws of 1974 ex. sess. as last amended by section 4, chapter 185, Laws of 1980 and RCW 84.36.381 are each amended to read as follows:

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

(1) The property taxes must have been imposed upon a residence which was occupied by the person claiming the exemption as a principal place of residence as of January 1st of the year for which the claim is filed: **PROVIDED**, That any person who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant shall receive an exemption on more than one residence in any year: **PROVIDED FURTHER**, That confinement of the person to a hospital or nursing home shall not disqualify the claim of exemption if the residence is temporarily unoccupied or if the residence is occupied by a spouse and/or a person financially dependent on the claimant for support;

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

(3) The person claiming the exemption must have been sixty-one years of age or older on January 1st of the year in which the exemption claim is filed, or must have been, at the time of filing, retired from regular gainful employment by reason of physical disability: PROVIDED, That any surviving spouse of a person who was receiving an exemption at the time of the person's death shall qualify if the surviving spouse is fifty-seven years of age or older and otherwise meets the requirements of this section;

(4) The amount that the person shall be exempt from an obligation to pay shall be calculated on the basis of combined disposable income, as defined in RCW 84.36.383. If the person claiming the exemption was retired for two months or more of the preceding year, the combined disposable income of such person shall be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by twelve.

(5) ~~((a))~~ A person who otherwise qualifies under this section and has a combined disposable income of ~~((fourteen))~~ fifteen thousand dollars or less shall be exempt from all excess property taxes; and in addition

~~((b))~~ (a) For taxes first due in 1984, a person who otherwise qualifies under this section and has a combined disposable income of ~~((ten))~~ twelve thousand dollars or less shall be exempt from all regular property taxes on up to ~~((fifteen))~~ twenty thousand dollars of the valuation of his or her residence; and

(b) For taxes first due in 1985 and thereafter:

(i) A person who otherwise qualifies under this section and has a combined disposable income of twelve thousand dollars or less but greater than nine thousand dollars shall be exempt from all regular property taxes on the greater of twenty thousand dollars or thirty percent of the valuation of his or her residence, but not to exceed forty thousand dollars of the valuation of his or her residence; or

(ii) A person who otherwise qualifies under this section and has a combined disposable income of nine thousand dollars or less shall be exempt from all regular property taxes on the greater of twenty-five thousand dollars or fifty percent of the valuation of his or her residence.

Sec. 3. Section 3, chapter 182, Laws of 1974 ex. sess. as last amended by section 3, chapter 214, Laws of 1979 ex. sess. and RCW 84.36.385 are each amended to read as follows:

Claims for exemption or a renewal affidavit under RCW 84.36.381 as now or hereafter amended, shall be made annually and filed between January 2 and July 1 of the year in which the property tax levies are imposed and solely upon forms as prescribed and furnished by the department of revenue.

Claims under RCW 84.36.381 through 84.36.389, as now or hereafter amended, in ~~((1979))~~ 1983 shall be filed between January 2 and October 1, ~~((1979:))~~ 1983, but persons who filed claims after January 2, ~~((1979 and))~~ 1983, and before the effective date of this 1983 act who would have been eligible for an exemption in ~~((1980 under the law amended by chapter 214, Laws of 1979 ex. s.))~~ 1984 are eligible for an exemption under RCW 84.36.381 through 84.36.389 without necessity of reapplication.

In January of each year the county assessor shall mail renewal affidavits for exemption to each person approved for exemption during the previous year.

If the assessor finds that the applicant does not meet the qualifications as set forth in RCW 84.36.381, as now or hereafter amended, the claim shall be denied but such denial shall be subject to appeal under the provisions of RCW 84.48.010(5). If the applicant had received exemption in prior years based on erroneous information, the taxes shall be collected subject to penalties as provided in RCW 84.40.130 for a period of not to exceed three years.

The department and each local assessor is hereby directed to publicize the qualifications and manner of making claims under RCW 84.36.381 through 84.36.389, through communications media, including such paid advertisements or notices as it deems appropriate. Notice of the qualifications, method of making applications and availability of further information shall be included on or with property tax statements and revaluation notices for all residential property including mobile homes, except rental properties. For assessment year 1980 and thereafter, the notice shall also indicate that claim forms and renewal affidavits are available in January of the year in which the property tax levies are imposed.

Sec. 4. Section 2, chapter 182, Laws of 1974 ex. sess. as last amended by section 5, chapter 185, Laws of 1980 and RCW 84.36.383 are each amended to read as follows:

As used in RCW 84.36.381 through 84.36.389, except where the context clearly indicates a different meaning:

(1) The term "residence" shall mean a single family dwelling unit whether such unit be separate or part of a multiunit dwelling, including the land on which such dwelling stands not to exceed one acre. The term shall

also include a share ownership in a cooperative housing association, corporation, or partnership if the person claiming exemption can establish that his or her share represents the specific unit or portion of such structure in which he or she resides. The term shall also include a single family dwelling situated upon lands the fee of which is vested in the United States or any instrumentality thereof including an Indian tribe or in the state of Washington, and notwithstanding the provisions of RCW 84.04.080, 84.04-.090 or 84.40.250, such a residence shall be deemed real property.

(2) The term "real property" except for the purposes of chapters 84.56 and 84.60 RCW, shall also include a mobile home which has substantially lost its identity as a mobile unit by virtue of its being fixed in location upon land owned or leased by the owner of the mobile home and placed on a foundation (posts or blocks) with fixed pipe, connections with sewer, water, or other utilities.

(3) The term "preceding calendar year" shall mean the calendar year preceding the year in which the claim for exemption is to be made.

(4) "Department" shall mean the state department of revenue.

(5) "Combined disposable income" means the disposable income of the person claiming the exemption, plus the disposable income of his or her spouse, and the disposable income of each cotenant occupying the residence for the preceding calendar year, less amounts paid by the person claiming the exemption or his or her spouse during the previous year for the treatment or care of either person in a nursing home.

(6) "Disposable income" means adjusted gross income as defined in the federal internal revenue code, as amended prior to January 1, 1980, plus all of the following items to the extent they are not included in or have been deducted from adjusted gross income:

(a) Capital gains;

(b) Amounts deducted for loss;

(c) Amounts deducted for depreciation;

(d) Pension and annuity receipts;

(e) Military pay and benefits other than attendant-care and medical-aid payments;

(f) Veterans benefits other than attendant-care and medical-aid payments;

(g) Federal social security act and railroad retirement benefits;

(h) Dividend receipts; and

(i) Interest received on state and municipal bonds.

(7) "Cotenant" means a person who resides with the person claiming the exemption and who has an ownership interest in the residence.

Sec. 5. Section 1, chapter 182, Laws of 1974 ex. sess. as last amended by section 2 of this 1983 act and RCW 84.36.381 are each amended to read as follows:

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

(1) The property taxes must have been imposed upon a residence which was occupied by the person claiming the exemption as a principal place of residence as of January 1st of the year for which the ~~((claim is filed))~~ exemption is claimed: PROVIDED, That any person who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant shall receive an exemption on more than one residence in any year: PROVIDED FURTHER, That confinement of the person to a hospital or nursing home shall not disqualify the claim of exemption if the residence is temporarily unoccupied or if the residence is occupied by a spouse and/or a person financially dependent on the claimant for support;

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

(3) The person claiming the exemption must have been sixty-one years of age or older on January 1st of the year in which the exemption claim is filed, or must have been, at the time of filing, retired from regular gainful employment by reason of physical disability: PROVIDED, That any surviving spouse of a person who was receiving an exemption at the time of the person's death shall qualify if the surviving spouse is fifty-seven years of age or older and otherwise meets the requirements of this section;

(4) The amount that the person shall be exempt from an obligation to pay shall be calculated on the basis of combined disposable income, as defined in RCW 84.36.383. If the person claiming the exemption was retired for two months or more of the preceding year, the combined disposable income of such person shall be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by twelve.

(5) A person who otherwise qualifies under this section and has a combined disposable income of fifteen thousand dollars or less shall be exempt from all excess property taxes; and in addition

(a) For taxes first due in 1984, a person who otherwise qualifies under this section and has a combined disposable income of twelve thousand dollars or less shall be exempt from all regular property taxes on up to twenty thousand dollars of the valuation of his or her residence; and

(b) For taxes first due in 1985 and thereafter:

(i) A person who otherwise qualifies under this section and has a combined disposable income of twelve thousand dollars or less but greater than nine thousand dollars shall be exempt from all regular property taxes on the greater of twenty thousand dollars or thirty percent of the valuation of his or her residence, but not to exceed forty thousand dollars of the valuation of his or her residence; or

(ii) A person who otherwise qualifies under this section and has a combined disposable income of nine thousand dollars or less shall be exempt from all regular property taxes on the greater of twenty-five thousand dollars or fifty percent of the valuation of his or her residence.

Sec. 6. Section 3, chapter 182, Laws of 1974 ex. sess. as last amended by section 3 of this 1983 act and RCW 84.36.385 are each amended to read as follows:

A claim(s) for exemption ((or a renewal affidavit)) under RCW 84.36.381 as now or hereafter amended, shall be made ((annually)) and filed between January 2 and July 1 ((of the year in which the property tax levies are imposed)) for exemption from taxes payable the following year and thereafter and solely upon forms as prescribed and furnished by the department of revenue.

~~((Claims under RCW 84.36.381 through 84.36.389, as now or hereafter amended, in 1983 shall be filed between January 2 and October 1, 1983, but persons who filed claims after January 2, 1983, and before the effective date of this 1983 act who would have been eligible for an exemption in 1984 are eligible for an exemption under RCW 84.36.381 through 84.36.389 without necessity of reapplication.~~

In January of each year the county assessor shall mail renewal affidavits for exemption to each person approved for exemption during the previous year.) A person granted an exemption under RCW 84.36.381 shall inform the county assessor of any change in status affecting the person's entitlement to the exemption on forms prescribed and furnished by the department of revenue.

If the assessor finds that the applicant does not meet the qualifications as set forth in RCW 84.36.381, as now or hereafter amended, the claim or exemption shall be denied but such denial shall be subject to appeal under the provisions of RCW 84.48.010(5). If the applicant had received exemption in prior years based on erroneous information, the taxes shall be collected subject to penalties as provided in RCW 84.40.130 for a period of not to exceed three years.

The department and each local assessor is hereby directed to publicize the qualifications and manner of making claims under RCW 84.36.381 through 84.36.389, through communications media, including such paid advertisements or notices as it deems appropriate. Notice of the qualifications, method of making applications, the penalties for not reporting a change in status, and availability of further information shall be included on or with property tax statements and revaluation notices for all residential property including mobile homes, except rental properties. ((For assessment year 1980 and thereafter, the notice shall also indicate that claim forms and renewal affidavits are available in January of the year in which the property tax levies are imposed.))

NEW SECTION. Sec. 7. This act applies to taxes first due in 1984 and thereafter.

NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately, except sections 5 and 6 of this act shall take effect January 1, 1984.

Passed the House April 27, 1983.

Passed the Senate May 2, 1983.

Approved by the Governor May 11, 1983.

Filed in Office of Secretary of State May 11, 1983.

CHAPTER 12

[Engrossed House Bill No. 399]

TIMBER SALES ON STATE LANDS—BASE PRICE—MAJOR SPECIES

AN ACT Relating to state timber sales market indices; amending section 14, chapter 222, Laws of 1982 and RCW 79.01.126; amending section 15, chapter 222, Laws of 1982 (uncodified); declaring an emergency; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 14, chapter 222, Laws of 1982 and RCW 79.01.126 are each amended to read as follows:

(1) When timber situated on state-owned land((s)) under the jurisdiction of the department of natural resources having a minimum appraisal value over twenty thousand dollars is sold on a scale basis separately from the land, the timber sale contract shall include provisions for adjustments in the sale price to reflect changes in the market index subsequent to the time of sale. The price to be paid by a purchaser for major species of timber removed during a calendar quarter shall equal the sum of the contract bid price and the market index change amount for that quarter, except that the