
HOUSE BILL 2500

State of Washington

66th Legislature

2020 Regular Session

By Representatives Ryu and Leavitt

1 AN ACT Relating to administration of the senior property tax
2 exemption program; and amending RCW 84.36.387 and 84.36.385.

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

4 **Sec. 1.** RCW 84.36.387 and 2003 c 53 s 408 are each amended to
5 read as follows:

6 (1) ((All)) Except as provided in subsection (3) of this section,
7 all claims for exemption shall be made and signed under oath by the
8 person entitled to the exemption, by his or her attorney-in-fact or
9 in the event the residence of such person is under mortgage or
10 purchase contract requiring accumulation of reserves out of which the
11 holder of the mortgage or contract is required to pay real estate
12 taxes, by such holder or by the owner(~~(, either before two witnesses~~
13 ~~or the county assessor or his or her deputy in the county where the~~
14 ~~real property is located))~~): PROVIDED, That if a claim for exemption
15 is made by a person living in a cooperative housing association,
16 corporation, or partnership, such claim shall be made and signed by
17 the person entitled to the exemption and by the authorized agent of
18 such cooperative.

19 (2) If the taxpayer is unable to submit his or her own claim, the
20 claim shall be submitted by a duly authorized agent or by a guardian

1 or other person charged with the care of the person or property of
2 such taxpayer.

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

6 (4) Any person signing a false claim with the intent to defraud
7 or evade the payment of any tax is guilty of perjury under chapter
8 9A.72 RCW.

9 (5) The tax liability of a cooperative housing association,
10 corporation, or partnership shall be reduced by the amount of tax
11 exemption to which a claimant residing therein is entitled and such
12 cooperative shall reduce any amount owed by the claimant to the
13 cooperative by such exact amount of tax exemption or, if no amount be
14 owed, the cooperative shall make payment to the claimant of such
15 exact amount of exemption.

16 (6) A remainderman or other person who would have otherwise paid
17 the tax on real property that is the subject of an exemption granted
18 under RCW 84.36.381 for an estate for life shall reduce the amount
19 which would have been payable by the life tenant to the remainderman
20 or other person to the extent of the exemption. If no amount is owed
21 or separately stated as an obligation between these persons, the
22 remainderman or other person shall make payment to the life tenant in
23 the exact amount of the exemption.

24 **Sec. 2.** RCW 84.36.385 and 2019 c 453 s 3 are each amended to
25 read as follows:

26 (1) A claim for exemption under RCW 84.36.381 as now or hereafter
27 amended, may be made and filed at any time during the year for
28 exemption from taxes payable the following year and thereafter and
29 solely upon forms as prescribed and furnished by the department of
30 revenue. However, an exemption from tax under RCW 84.36.381 continues
31 for no more than six years unless a renewal application is filed as
32 provided in subsection (3) of this section.

33 (2) A person granted an exemption under RCW 84.36.381 must inform
34 the county assessor of any change in status affecting the person's
35 entitlement to the exemption on forms prescribed and furnished by the
36 department of revenue.

37 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and
38 thereafter must file with the county assessor a renewal application
39 not later than December 31 of the year the assessor notifies such

1 person of the requirement to file the renewal application. Renewal
2 applications must be on forms prescribed and furnished by the
3 department of revenue.

4 (4) At least once every six years, the county assessor must
5 notify those persons receiving an exemption from taxes under RCW
6 84.36.381 of the requirement to file a renewal application. The
7 county assessor may also require a renewal application following an
8 amendment of the income requirements set forth in RCW 84.36.381.

9 (5) If the assessor finds that the applicant does not meet the
10 qualifications as set forth in RCW 84.36.381, as now or hereafter
11 amended, the claim or exemption must be denied but such denial is
12 subject to appeal under the provisions of RCW 84.48.010 and in
13 accordance with the provisions of RCW 84.40.038. If the applicant had
14 received exemption in prior years based on erroneous information, the
15 taxes must be collected subject to penalties as provided in RCW
16 84.40.130 for a period of not to exceed five years, except that the
17 repayment period must be for up to two years where the error occurred
18 prior to 2025 and is based on the applicant occupying the property as
19 the applicant's principal residence for more than six months, but
20 less than nine months, of the year.

21 (6) The department and each local assessor is hereby directed to
22 publicize the qualifications and manner of making claims under RCW
23 84.36.381 through 84.36.389, through communications media, including
24 such paid advertisements or notices as it deems appropriate. Notice
25 of the qualifications, method of making applications, the penalties
26 for not reporting a change in status, and availability of further
27 information must be included on or with property tax statements and
28 revaluation notices for all residential property including mobile
29 homes, except rental properties.

30 (7) The department must authorize an option for electronic filing
31 of applications and renewal applications for the exemption under RCW
32 84.36.381.

33 (8) Beginning August 1, 2019, and by March 1st every fifth year
34 thereafter, the department must publish updated income thresholds.
35 The adjusted thresholds must be rounded up to the nearest one
36 thousand dollars. If the income threshold adjustment is negative, the
37 income threshold for the prior year continues to apply. The
38 department must adjust income thresholds for each county to reflect
39 the most recent year available of estimated county median household
40 incomes, including preliminary estimates or projections, as published

1 by the office of financial management. For the purposes of this
2 subsection, "county median household income" has the same meaning as
3 provided in RCW 84.36.383.

4 (9) Beginning with the adjustment made by March 1, 2024, as
5 provided in subsection (8) of this section, and every second
6 adjustment thereafter, if an income threshold in a county is not
7 adjusted based on percentage of county median income, then the income
8 threshold must be adjusted based on the growth of the consumer price
9 index for all urban consumers (CPI-U) for the prior twelve month
10 period as published by the United States bureau of labor statistics.
11 In no case may the adjustment be greater than one percent. The
12 adjusted thresholds must be rounded to the nearest one dollar. If the
13 income threshold adjustment is negative, the income threshold for the
14 prior year continues to apply.

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