
SENATE BILL 5049

State of Washington

66th Legislature

2019 Regular Session

By Senator O'Ban

Prefiled 12/24/18.

1 AN ACT Relating to the creation of a property tax exemption for
2 spouses of military members or first responders killed in the line of
3 duty; amending RCW 84.36.385 and 84.36.387; adding a new section to
4 chapter 84.36 RCW; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** (1) This section is the tax preference
7 performance statement for the tax preference in section 2,
8 chapter . . ., Laws of 2019 (section 2 of this act). This performance
9 statement is only intended to be used for subsequent evaluation of
10 the tax preference. It is not intended to create a private right of
11 action by any party or be used to determine eligibility for
12 preferential tax treatment.

13 (2) The legislature categorizes this tax preference as one
14 intended to provide tax relief for certain businesses or individuals,
15 as indicated in RCW 82.32.808(2)(e).

16 (3) The legislature finds that military or first responders
17 killed in the line of duty have made the ultimate sacrifice for their
18 community and country; therefore, it is the legislature's specific
19 public policy objective to ensure that these individuals' families
20 can continue to reside in their homes. To that end, the legislature

1 proposes to provide a property tax exemption for spousal survivors of
2 military or first responders killed in the line of duty.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.36
4 RCW to read as follows:

5 (1) A spousal survivor's residence is exempt from excess and
6 regular real property taxes due and payable in the year following the
7 year in which a claim is filed, and thereafter, in accordance with
8 the provisions of this section.

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

18 (a) The residence is temporarily unoccupied;

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

21 (c) The residence is rented for the purpose of paying nursing
22 home, hospital, assisted living facility, or adult family home costs.

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

34 (4) The definitions in this subsection apply throughout this
35 section unless the context clearly requires otherwise.

36 (a) "Cotenant" has the same meaning as provided in RCW 84.36.383.

37 (b) "Dependency and indemnity compensation" has the same meaning
38 as provided in Title 38, Part 3, Sec. 3.5, of the code of federal
39 regulations, as existing on January 1, 2008.

1 (c) "Real property" has the same meaning as provided in RCW
2 84.36.383.

3 (d) "Residence" has the same meaning as provided in RCW
4 84.36.383.

5 (e) "Spousal survivor" means:

6 (i) (A) A spouse or domestic partner currently receiving
7 dependency and indemnity compensation; or

8 (B) A spouse or domestic partner who had received dependency and
9 indemnity compensation, but for whom such compensation was
10 discontinued as a result of remarriage;

11 (ii) A spousal or domestic partner recipient of a duty-related
12 death benefit from the Washington state law enforcement officers' and
13 firefighters' retirement system, as defined in RCW 41.26.048;

14 (iii) A spousal or domestic partner recipient of a death benefit
15 from the volunteer firefighters' and reserve officers' relief and
16 pensions system, as defined in RCW 41.24.160; or

17 (iv) A spousal or domestic partner recipient of a death benefit
18 from the Washington state patrol, as defined in RCW 43.43.285.

19 **Sec. 3.** RCW 84.36.385 and 2011 c 174 s 106 are each amended to
20 read as follows:

21 (1) A claim for exemption under RCW 84.36.381 or section 2 of
22 this act as now or hereafter amended, may be made and filed at any
23 time during the year for exemption from taxes payable the following
24 year and thereafter and solely upon forms as prescribed and furnished
25 by the department of revenue. However, an exemption from tax under
26 RCW 84.36.381 or section 2 of this act continues for no more than six
27 years unless a renewal application is filed as provided in subsection
28 (3) of this section.

29 (2) A person granted an exemption under RCW 84.36.381 or section
30 2 of this act must inform the county assessor of any change in status
31 affecting the person's entitlement to the exemption on forms
32 prescribed and furnished by the department of revenue.

33 (3) Each person exempt from taxes under RCW 84.36.381 or section
34 2 of this act in 1993 and thereafter((7)) must file with the county
35 assessor a renewal application not later than December 31 of the year
36 the assessor notifies such person of the requirement to file the
37 renewal application. Renewal applications must be on forms prescribed
38 and furnished by the department of revenue.

1 (4) At least once every six years, the county assessor must
2 notify those persons receiving an exemption from taxes under RCW
3 84.36.381 of the requirement to file a renewal application. The
4 county assessor may also require a renewal application following an
5 amendment of the income requirements set forth in RCW 84.36.381 or
6 section 2 of this act.

7 (5) If the assessor finds that the applicant does not meet the
8 qualifications as set forth in RCW 84.36.381 or section 2 of this
9 act, as now or hereafter amended, the claim or exemption must be
10 denied but such denial is subject to appeal under the provisions of
11 RCW 84.48.010 and in accordance with the provisions of RCW 84.40.038.
12 If the applicant had received exemption in prior years based on
13 erroneous information, the taxes must be collected subject to
14 penalties as provided in RCW 84.40.130 for a period of not to exceed
15 five years.

16 (6) The department and each local assessor is hereby directed to
17 publicize the qualifications and manner of making claims under RCW
18 84.36.381 through 84.36.389 and section 2 of this act, through
19 communications media, including such paid advertisements or notices
20 as it deems appropriate. Notice of the qualifications, method of
21 making applications, the penalties for not reporting a change in
22 status, and availability of further information must be included on
23 or with property tax statements and revaluation notices for all
24 residential property including mobile homes, except rental
25 properties.

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

28 (1) All claims for exemption (~~shall~~) must be made and signed by
29 the person entitled to the exemption, by his or her attorney-in-fact
30 or in the event the residence of such person is under mortgage or
31 purchase contract requiring accumulation of reserves out of which the
32 holder of the mortgage or contract is required to pay real estate
33 taxes, by such holder or by the owner, either before two witnesses or
34 the county assessor or his or her deputy in the county where the real
35 property is located(~~(: PROVIDED, That)~~). However, if a claim for
36 exemption is made by a person living in a cooperative housing
37 association, corporation, or partnership, such claim (~~shall~~) must
38 be made and signed by the person entitled to the exemption and by the
39 authorized agent of such cooperative.

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

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

9 (4) Any person signing a false claim with the intent to defraud
10 or evade the payment of any tax is guilty of perjury under chapter
11 9A.72 RCW.

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

19 (6) A remainderman or other person who would have otherwise paid
20 the tax on real property that is the subject of an exemption granted
21 under RCW 84.36.381 or section 2 of this act for an estate for life
22 (~~shall~~) must reduce the amount (~~which~~) that would have been
23 payable by the life tenant to the remainderman or other person to the
24 extent of the exemption. If no amount is owed or separately stated as
25 an obligation between these persons, the remainderman or other person
26 (~~shall~~) must make payment to the life tenant in the exact amount of
27 the exemption.

28 NEW SECTION. **Sec. 5.** This act applies to taxes levied for
29 collection in 2020 and thereafter.

30 NEW SECTION. **Sec. 6.** The provisions of RCW 82.32.805(1)(a) do
31 not apply to section 2 of this act.

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