
SENATE BILL 6300

State of Washington

65th Legislature

2018 Regular Session

By Senator O'Ban

Read first time 01/11/18. Referred to Committee on Ways & Means.

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 2018 (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 (4) It is intended that the tax preference in section 2,
4 chapter . . . , Laws of 2018 (section 2 of this act) be permanent.

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

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

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

20 (a) The residence is temporarily unoccupied;

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

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

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

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

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

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

4 (c) "Real property" has the same meaning as provided in RCW
5 84.36.383.

6 (d) "Residence" has the same meaning as provided in RCW
7 84.36.383.

8 (e) "Spousal survivor" means:

9 (i)(A) A spouse or domestic partner currently receiving
10 dependency and indemnity compensation; or

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

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

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

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

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

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

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

36 (3) Each person exempt from taxes under RCW 84.36.381 or section
37 2 of this act in 1993 and thereafter((7)) must file with the county
38 assessor a renewal application not later than December 31 of the year
39 the assessor notifies such person of the requirement to file the

1 renewal application. Renewal applications must be on forms prescribed
2 and furnished by the department of revenue.

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

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

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

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

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

1 be made and signed by the person entitled to the exemption and by the
2 authorized agent of such cooperative.

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

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

11 (4) Any person signing a false claim with the intent to defraud
12 or evade the payment of any tax is guilty of perjury under chapter
13 9A.72 RCW.

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

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

30 NEW SECTION. **Sec. 5.** This act applies to taxes levied for
31 collection in 2019 and thereafter.

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

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