AN ACT Relating to property tax relief; adding new sections to chapter 84.36 RCW; and creating new sections.

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

LEGISLATIVE INTENT

NEW SECTION. Sec. 1. The legislature finds and declares that it is in the public interest of the people of the state of Washington to encourage home ownership. To achieve this purpose, this act provides a property tax homestead exemption to help offset the tax impact of rising property values, and thus make home ownership more affordable to low-income and middle-income households. It is the clear and unambiguous intent of the legislature that such property as described within this measure be exempt from taxation, as authorized by Article VII, section 1 of the Washington state Constitution.

DEFINITIONS

NEW SECTION. Sec. 2. A new section is added to chapter 84.36 RCW to read as follows:
For the purposes of this section and section 2 of this act, the following definitions apply unless the context clearly requires otherwise:

(1) The term "residence" means a single-family dwelling unit whether the unit is separate or part of a multiunit dwelling, including the land on which the dwelling stands not to exceed one acre. The term also includes 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 the structure in which he or she resides. The term also includes 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 and 84.04.090, this residence shall be deemed real property.

(2) The term "real property" also includes 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. A mobile home located on land leased by the owner of the mobile home is subject, for tax billing, payment, and collection purposes, only to the personal property provisions of chapter 84.56 RCW and RCW 84.60.040.

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

QUALIFICATIONS

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

A person is exempt from any legal obligation to pay 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 the time of filing: 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:
(a) The residence is temporarily unoccupied;
(b) The residence is occupied by a spouse or a person financially
dependent on the claimant for support; or
(c) The residence is rented for the purpose of paying nursing home
or hospital costs.
(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, the 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) A qualifying residence under this section is exempt from all
excess property taxes on a value equal to twenty percent of the local
county's median property value, as of January 1st of the assessment
year. For each local taxing district, a qualifying residence is exempt
from regular property taxes on a value equal to the lower of twenty
percent of the local county's median property value as of January 1st
of the assessment year, or the maximum exemption that can be applied
uniformly within the district without resulting in a loss of revenues
due to the aggregate limits imposed by RCW 84.52.043 or other statute.
For the state levy, a qualifying residence is exempt from regular
property taxes on a value equal to twenty percent of the state's median
property value, as of January 1st of the assessment year.
(4) The department of revenue shall adopt rules that are necessary
and convenient to properly administer the provisions of this section.

NEW SECTION. Sec. 4. Part headings used in this act are not any
part of the law.

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