
SENATE BILL 5913

State of Washington

67th Legislature

2022 Regular Session

By Senator Sefzik

1 AN ACT Relating to property tax relief for senior citizens and
2 service-connected disabled veterans; amending RCW 84.36.383 and
3 84.36.385; and creating new sections.

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

5 **Sec. 1.** RCW 84.36.383 and 2021 c 220 s 1 are each amended to
6 read as follows:

7 As used in RCW 84.36.381 through 84.36.389, unless the context
8 clearly requires otherwise:

9 (1) "Combined disposable income" means the disposable income of
10 the person claiming the exemption, plus the disposable income of his
11 or her spouse or domestic partner, and the disposable income of each
12 cotenant occupying the residence for the assessment year, less
13 amounts paid by the person claiming the exemption or his or her
14 spouse or domestic partner during the assessment year for:

15 (a) Drugs supplied by prescription of a medical practitioner
16 authorized by the laws of this state or another jurisdiction to issue
17 prescriptions;

18 (b) The treatment or care of either person received in the home
19 or in a nursing home, assisted living facility, or adult family home;

20 (c) Health care insurance premiums for medicare under Title XVIII
21 of the social security act;

1 (d) Costs related to medicare supplemental policies as defined in
2 Title 42 U.S.C. Sec. 1395ss;

3 (e) Durable medical equipment, mobility enhancing equipment,
4 medically prescribed oxygen, and prosthetic devices as defined in RCW
5 82.08.0283;

6 (f) Long-term care insurance as defined in RCW 48.84.020;

7 (g) Cost-sharing amounts as defined in RCW 48.43.005;

8 (h) Nebulizers as defined in RCW 82.08.803;

9 (i) Medicines of mineral, animal, and botanical origin
10 prescribed, administered, dispensed, or used in the treatment of an
11 individual by a person licensed under chapter 18.36A RCW;

12 (j) Ostomic items as defined in RCW 82.08.804;

13 (k) Insulin for human use;

14 (l) Kidney dialysis devices; and

15 (m) Disposable devices used to deliver drugs for human use as
16 defined in RCW 82.08.935.

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

20 (3) "County median household income" means the median household
21 income estimates for the state of Washington by county of the legal
22 address of the principal place of residence, as published by the
23 office of financial management.

24 (4) "Department" means the state department of revenue.

25 (5) "Disability" has the same meaning as provided in 42 U.S.C.
26 Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such
27 subsequent date as the department may provide by rule consistent with
28 the purpose of this section.

29 (6) "Disposable income" means adjusted gross income as defined in
30 the federal internal revenue code, as amended prior to January 1,
31 1989, or such subsequent date as the director may provide by rule
32 consistent with the purpose of this section, plus all of the
33 following items to the extent they are not included in or have been
34 deducted from adjusted gross income:

35 (a) Capital gains, other than gain excluded from income under
36 section 121 of the federal internal revenue code to the extent it is
37 reinvested in a new principal residence;

38 (b) Amounts deducted for loss;

39 (c) Amounts deducted for depreciation;

40 (d) Pension and annuity receipts;

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

3 (f) Veterans benefits, other than:

4 (i) Attendant-care payments;

5 (ii) Medical-aid payments;

6 (iii) Disability compensation, as defined in Title 38, part 3,
7 section 3.4 of the Code of Federal Regulations, as of January 1,
8 2008; and

9 (iv) Dependency and indemnity compensation, as defined in Title
10 38, part 3, section 3.5 of the Code of Federal Regulations, as of
11 January 1, 2008;

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

13 (h) Dividend receipts; and

14 (i) Interest received on state and municipal bonds.

15 (7) "Income threshold 1" means ((÷

16 ~~(a) For taxes levied for collection in calendar years prior to~~
17 ~~2020, a combined disposable income equal to thirty thousand dollars;~~
18 ~~and~~

19 ~~(b) For taxes levied for collection in calendar year 2020 and~~
20 ~~thereafter,)) a combined disposable income equal to the greater of~~
21 ~~(("income threshold 1" for the previous year or forty-five))~~ \$35,000
22 or 45 percent of the county median household income, adjusted every
23 five years beginning August 1, ((2019)) 2022, as provided in RCW
24 84.36.385(8).

25 (8) "Income threshold 2" means ((÷

26 ~~(a) For taxes levied for collection in calendar years prior to~~
27 ~~2020, a combined disposable income equal to thirty-five thousand~~
28 ~~dollars; and~~

29 ~~(b) For taxes levied for collection in calendar year 2020 and~~
30 ~~thereafter,)) a combined disposable income equal to the greater of~~
31 ~~(("income threshold 2" for the previous year or fifty-five))~~ \$40,000
32 or 55 percent of the county median household income, adjusted every
33 five years beginning August 1, ((2019)) 2022, as provided in RCW
34 84.36.385(8).

35 (9) "Income threshold 3" means ((÷

36 ~~(a) For taxes levied for collection in calendar years prior to~~
37 ~~2020, a combined disposable income equal to forty thousand dollars;~~
38 ~~and~~

39 ~~(b) For taxes levied for collection in calendar year 2020 and~~
40 ~~thereafter,)) a combined disposable income equal to the greater of~~

1 (~~"income threshold 3" for the previous year or sixty-five~~) \$45,000
2 or 65 percent of the county median household income, adjusted every
3 five years beginning August 1, (~~(2019)~~) 2022, as provided in RCW
4 84.36.385(8).

5 (10) "Principal place of residence" means a residence occupied
6 for more than six months each calendar year by a person claiming an
7 exemption under RCW 84.36.381.

8 (11) The term "real property" also includes a mobile home which
9 has substantially lost its identity as a mobile unit by virtue of its
10 being fixed in location upon land owned or leased by the owner of the
11 mobile home and placed on a foundation (posts or blocks) with fixed
12 pipe, connections with sewer, water, or other utilities. A mobile
13 home located on land leased by the owner of the mobile home is
14 subject, for tax billing, payment, and collection purposes, only to
15 the personal property provisions of chapter 84.56 RCW and RCW
16 84.60.040.

17 (12) The term "residence" means a single-family dwelling unit
18 whether such unit be separate or part of a multiunit dwelling,
19 including the land on which such dwelling stands not to exceed one
20 acre, except that a residence includes any additional property up to
21 a total of five acres that comprises the residential parcel if this
22 larger parcel size is required under land use regulations. The term
23 also includes a share ownership in a cooperative housing association,
24 corporation, or partnership if the person claiming exemption can
25 establish that his or her share represents the specific unit or
26 portion of such structure in which he or she resides. The term also
27 includes a single-family dwelling situated upon lands the fee of
28 which is vested in the United States or any instrumentality thereof
29 including an Indian tribe or in the state of Washington, and
30 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
31 residence is deemed real property.

32 **Sec. 2.** RCW 84.36.385 and 2021 c 145 s 24 are each amended to
33 read as follows:

34 (1) A claim for exemption under RCW 84.36.381 as now or hereafter
35 amended, may be made and filed at any time during the year for
36 exemption from taxes payable the following year and thereafter and
37 solely upon forms as prescribed and furnished by the department of
38 revenue. However, an exemption from tax under RCW 84.36.381 continues

1 for no more than six years unless a renewal application is filed as
2 provided in subsection (3) of this section.

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

7 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and
8 thereafter must file with the county assessor a renewal application
9 not later than December 31st of the year the assessor notifies such
10 person of the requirement to file the renewal application. Renewal
11 applications must be on forms prescribed and furnished by the
12 department of revenue.

13 (4) At least once every six years, the county assessor must
14 notify those persons receiving an exemption from taxes under RCW
15 84.36.381 of the requirement to file a renewal application. The
16 county assessor may also require a renewal application following an
17 amendment of the income requirements set forth in RCW 84.36.381.

18 (5) If the assessor finds that the applicant does not meet the
19 qualifications as set forth in RCW 84.36.381, as now or hereafter
20 amended, the claim or exemption must be denied but such denial is
21 subject to appeal under the provisions of RCW 84.48.010 and in
22 accordance with the provisions of RCW 84.40.038. If the applicant had
23 received exemption in prior years based on erroneous information, the
24 taxes must be collected subject to penalties as provided in RCW
25 84.40.130 for a period of not to exceed five years.

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

35 (7) The department must authorize an option for electronic filing
36 of applications and renewal applications for the exemption under RCW
37 84.36.381.

38 (8) Beginning August 1, (~~2019~~) 2022, and by March 1st every
39 fifth year thereafter, the department must publish updated income
40 thresholds. The adjusted thresholds must be rounded up to the nearest

1 one thousand dollars. If the income threshold adjustment is negative,
2 the income threshold for the prior year continues to apply. The
3 department must adjust income thresholds for each county to reflect
4 the most recent year available of estimated county median household
5 incomes, including preliminary estimates or projections, as published
6 by the office of financial management. For the purposes of this
7 subsection, "county median household income" has the same meaning as
8 provided in RCW 84.36.383.

9 (9) Beginning with the adjustment made August 1, 2022, and by
10 March 1(~~(, 2024)~~)st every fifth year thereafter, as provided in
11 subsection (8) of this section, (~~and every second adjustment~~
12 ~~thereafter,~~) if an income threshold in a county is not adjusted
13 based on percentage of county median income, then the income
14 threshold must be adjusted based on the growth of the seasonally
15 adjusted consumer price index for all urban consumers (CPI-U) for the
16 prior twelve month period as published by the United States bureau of
17 labor statistics. In no case may the adjustment be greater than one
18 percent. The adjusted thresholds must be rounded to the nearest one
19 dollar. If the income threshold adjustment is negative, the income
20 threshold for the prior year continues to apply.

21 NEW SECTION. **Sec. 3.** RCW 82.32.805 and 82.32.808 do not apply
22 to this act.

23 NEW SECTION. **Sec. 4.** This act applies to taxes levied for
24 collection in calendar year 2023 and thereafter.

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