

Chapter 84.70 RCW
DESTROYED PROPERTY—ABATEMENT OR REFUND

Sections

- 84.70.010 Reduction in value—Abatement—Formulas—Appeal—Physical improvements to qualifying single-family dwellings.
- 84.70.040 Arson destroyed property.

RCW 84.70.010 Reduction in value—Abatement—Formulas—Appeal—Physical improvements to qualifying single-family dwellings. (1) If, on or before December 31 in any calendar year, any real or personal property placed upon the assessment roll of that year is destroyed in whole or in part, or is in an area that has been declared a disaster area by the governor or the county legislative authority and has been reduced in value by more than twenty percent as a result of a natural disaster, the true and fair value of such property shall be reduced for that assessment year by an amount determined by taking the true and fair value of such taxable property before destruction or reduction in value and deduct therefrom the true and fair value of the remaining property after destruction or reduction in value.

(2) Taxes levied for collection in the year in which the true and fair value has been reduced under subsection (1) of this section shall be abated in whole or in part as provided in this subsection. The amount of taxes to be abated shall be determined by first multiplying the amount deducted from the true and fair value under subsection (1) of this section by the rate of levy applicable to the property in the tax year. Then divide the product by the number of days in the year and multiply the quotient by the number of days remaining in the calendar year after the date of the destruction or reduction in value of the property. If taxes abated under this section have been paid, the amount paid shall be refunded under RCW 84.69.020. The tax relief provided for in this section for the tax year in which the damage or destruction occurred does not apply to property damaged or destroyed voluntarily.

(3) No reduction in the true and fair value or abatements shall be made more than three years after the date of destruction or reduction in value.

(4) The assessor shall make such reduction on his or her own motion; however, the taxpayer may make application for reduction on forms prepared by the department and provided by the assessor. The assessor shall notify the taxpayer of the amount of reduction.

(5) If destroyed property is replaced prior to the valuation dates contained in RCW 36.21.080 and 36.21.090, the total taxable value for that assessment year shall not exceed the value as of the appropriate valuation date in RCW 36.21.080 or 36.21.090, whichever is appropriate.

(6) The taxpayer may appeal the amount of reduction to the county board of equalization in accordance with the provisions of RCW 84.40.038. The board shall reconvene, if necessary, to hear the appeal.

(7) (a) Physical improvements to qualifying single-family dwellings are exempt from taxation for three assessment years subsequent to the completion of the improvement, subject to the conditions and limitations in this subsection (7).

(b) The amount of the exemption provided in this subsection (7) is limited to the amount of the reduction in value determined in subsection (1) of this section with respect to the qualifying single-family dwelling.

(c) (i) A taxpayer desiring to obtain the exemption provided in this subsection (7) must file an application with the county assessor on forms prescribed or approved by the department and made available to the taxpayer by the county assessor. Except as provided in (c) (ii) of this subsection (7), the application must be submitted by the taxpayer before initiating construction of the improvement. County assessors may not approve any application for exemption received after June 30, 2026.

(ii) If a taxpayer has, before July 25, 2021, initiated construction of physical improvements to a qualifying single-family dwelling, the taxpayer may apply for the exemption under this subsection (7) by October 1, 2021.

(d) The value of the improvements must be considered as new construction for the purposes of chapters 36.21 and 84.55 RCW as though the property was not exempt under this chapter.

(e) The department may adopt any rules necessary to administer this section.

(f) For purposes of this subsection (7), the following definitions apply:

(i) "Improvement" means any actual, material, and permanent change to a qualifying single-family dwelling damaged as a result of a natural disaster that increases the value of the dwelling. "Improvement" also includes the construction of a new single-family dwelling that replaces a qualifying single-family dwelling totally destroyed as a result of a natural disaster.

(ii) "Qualifying single-family dwelling" means a single-family dwelling:

(A) Upon real property located in an area that has been declared a disaster area by the governor or the county legislative authority and has been reduced in value by more than 20 percent as a result of a natural disaster that occurred on or after August 31, 2020;

(B) That has received a reduction in the true and fair value under subsection (1) of this section; and

(C) In which the legal or beneficial ownership is held by the same individual or individuals who owned the property at the time that it was reduced in value as a result of a natural disaster, or their relatives. For the purpose of this subsection (7) (f) (ii), "relative" means any individual related to another individual by blood, marriage, or adoption.

(8) For purposes of this section, an area that has been declared a disaster area by the governor includes areas within the scope of the governor's request to the president of the United States for a major disaster declaration. [2021 c 192 § 1; 2005 c 56 § 1; 2001 c 187 § 26; 1999 sp.s. c 8 § 1; 1997 c 3 § 126 (Referendum Bill No. 47, approved November 4, 1997); 1994 c 301 § 56; 1987 c 319 § 6; 1981 c 274 § 1; 1975 1st ex.s. c 120 § 2; 1974 ex.s. c 196 § 3.]

Automatic expiration date and tax preference performance statement exemption—2021 c 192: "The provisions of RCW 82.32.805 and 82.32.808 do not apply to this act." [2021 c 192 § 2.]

Application—2021 c 192: "This act applies for taxes levied for collection in 2022 and thereafter." [2021 c 192 § 3.]

Contingent effective date—2001 c 187: "Sections 29, 30, and 31 of this act take effect for taxes levied in 2001 for collection in 2002 and thereafter if the proposed amendment to Article VII, section 1 of the state Constitution providing for valuation increases to be phased in over a period of four years is validly submitted to and is approved and ratified by voters at the next general election. If the proposed amendment is not approved and ratified, sections 29, 30, and 31 of this act are null and void. If such proposed amendment is approved and ratified, sections 2 through 13, 16 through 19, and 21 through 28 of this act are null and void." [2001 c 187 § 32.]

Reviser's note: No proposed amendment to Article VII, section 1 of the state Constitution was submitted to the voters.

Application—2001 c 187: See note following RCW 84.40.020.

Severability—1999 sp.s. c 8: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1999 sp.s. c 8 § 3.]

Effective date—1999 sp.s. c 8: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [June 7, 1999]." [1999 sp.s. c 8 § 4.]

Application—Severability—Part headings not law—Referral to electorate—1997 c 3: See notes following RCW 84.40.030.

Severability—1974 ex.s. c 196: See note following RCW 84.56.020.

Refund of property taxes: Chapter 84.69 RCW.

RCW 84.70.040 Arson destroyed property. No relief under this chapter shall be given to any person who is convicted of arson with regard to the property for which relief is sought. [1987 c 319 § 7; 1974 ex.s. c 196 § 6.]

Severability—1974 ex.s. c 196: See note following RCW 84.56.020.