
SENATE BILL 6949

State of Washington

60th Legislature

2008 Regular Session

By Senators Brown, Hargrove, and Kauffman

1 AN ACT Relating to simplifying the administration of the low-income
2 homeowner deferral program; amending RCW 84.37.020, 84.37.030,
3 84.37.040, 84.37.050, 84.37.070, 84.37.090, and 82.03.130; and adding
4 a new section to chapter 84.37 RCW.

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

6 **Sec. 1.** RCW 84.37.020 and 2007 sp.s. c 2 s 3 are each amended to
7 read as follows:

8 (1) Except for the definition of "residence" in RCW 84.38.020, the
9 definitions in RCW 84.38.020 apply to this chapter. For purposes of
10 this chapter, references to "this chapter" in any of the definitions in
11 RCW 84.38.020 shall be interpreted to refer to chapter 84.37 RCW,
12 unless the context clearly requires otherwise.

13 (2) The term "residence" means a single-family dwelling unit,
14 whether such unit is separate or part of a multiunit dwelling,
15 including the parcel of land on which it stands. The term also
16 includes: (a) A share ownership in a cooperative housing association,
17 corporation, or partnership, if the person claiming the deferral can
18 establish that his or her share represents a specific unit or portion
19 of the structure in which he or she resides; and (b) a single-family

1 dwelling situated upon lands the fee of which is vested in the United
2 States or any of its instrumentalities, including an Indian tribe, or
3 in the state of Washington, and notwithstanding the provisions of RCW
4 84.04.080 and 84.04.090, such a residence shall be deemed real
5 property.

6 **Sec. 2.** RCW 84.37.030 and 2007 sp.s. c 2 s 2 are each amended to
7 read as follows:

8 A claimant may defer payment of fifty percent of special
9 assessments or real property taxes, or both, listed on the annual tax
10 statement in any year in which all of the following conditions are met:

11 (1) The special assessments or property taxes must be imposed upon
12 a residence that was occupied by the claimant as a principal place of
13 residence as of January 1st of the year in which the assessments and
14 taxes are due, subject to the exceptions allowed under RCW
15 84.36.381(1);

16 (2) The claimant must have combined disposable income, as defined
17 in RCW 84.36.383, of fifty-seven thousand dollars or less in the
18 calendar year preceding the filing of the declaration;

19 (3) The claimant must have paid one-half of the total amount of
20 special assessments and property taxes listed on the annual tax
21 statement for the year in which the deferral claim is made;

22 (4) A deferral is not allowed for special assessments ~~((or))~~,
23 property taxes, or both, levied for collection in the first five
24 calendar years in which the person owns the residence;

25 (5) The claimant who defers payment of special assessments or real
26 property taxes, or both, listed on the annual tax statement under this
27 section must also meet the conditions of RCW 84.38.030 (4) and (5);

28 (6) The total amount deferred by a claimant under this chapter must
29 not exceed forty percent of the amount of the claimant's equity value
30 in the claimant's residence; and

31 (7) The claimant may not defer taxes under both this chapter and
32 chapter 84.38 RCW ~~((; and~~

33 ~~((8) In the case of deferred special assessments, the claimant must~~
34 ~~have opted for payment of the assessments on the installment method if~~
35 ~~this method was available)) in the same tax year.~~

1 **Sec. 3.** RCW 84.37.040 and 2007 sp.s. c 2 s 4 are each amended to
2 read as follows:

3 (1)(a) Each claimant electing to defer payment of special
4 assessments or real property tax obligations, or both, under this
5 chapter shall file ~~((with the county assessor,))~~ an initial declaration
6 with the department in a format required by the department and on forms
7 prescribed and furnished by the department ~~((and supplied by the~~
8 ~~assessor, a written declaration thereof))~~. The declaration to defer
9 special assessments and/or real property taxes for any year shall be
10 filed no later than the first day of September of the year for which
11 the deferral is sought~~((: PROVIDED, That))~~. However, for good cause
12 shown, the department may waive this requirement.

13 **(b)** If the claimant is unable to submit his or her own declaration,
14 the declaration may be submitted by an authorized agent, guardian, or
15 designee.

16 (2)(a) The declaration shall designate the property to which the
17 deferral applies, and shall include a statement setting forth ~~((a))~~
18 (i) a list of all members of the claimant's household, ~~((b))~~ (ii) the
19 claimant's equity value in his or her residence, ~~((c))~~ (iii) facts
20 establishing the eligibility for the deferral under the provisions of
21 this chapter, and ~~((d))~~ (iv) any other relevant information required
22 by the rules of the department.

23 **(b)** Each copy shall be signed by the claimant either in writing or
24 by electronic signature subject to the penalties as provided in chapter
25 9A.72 RCW for false swearing.

26 (3) The ~~((county assessor))~~ department shall determine if each
27 claimant shall be granted a deferral for each year but the claimant
28 shall have the right to appeal this determination to the ~~((county board~~
29 ~~of equalization, in accordance with the provisions of RCW 84.40.038,~~
30 ~~whose decision shall be final as to the deferral of that year))~~ state
31 board of tax appeals as provided in RCW 82.03.130.

32 (4) The department may verify the information provided in any
33 deferral declaration and any supporting documentation at the time of
34 filing the declaration or through a subsequent audit.

35 **Sec. 4.** RCW 84.37.050 and 2007 sp.s. c 2 s 5 are each amended to
36 read as follows:

37 (1) ~~((The provisions of RCW 84.38.050(1)(b) apply to declarations~~

1 ~~to defer special assessments or property taxes, or both, for all years~~
2 ~~following the first year)) (a) Elections to defer property taxes for~~
3 ~~all years following the first year may be made by filing with the~~
4 ~~department a renewal declaration in a form and format, and containing~~
5 ~~such information, as required by the department, affirming the~~
6 ~~continued eligibility of the claimant. The provisions of RCW 84.37.040~~
7 ~~(1)(a) and (b), (2)(b), (3), and (4) apply to renewal declarations.~~

8 (b) Each year, the department must provide every person receiving
9 a deferral under this chapter in the previous year notice of the
10 opportunity to renew the deferral.

11 (2) The provisions of RCW 84.38.070 apply to claimants ceasing to
12 reside permanently on the property for which the declaration to defer
13 is made between the date of filing the declaration and December 15th of
14 that year.

15 **Sec. 5.** RCW 84.37.070 and 2007 sp.s. c 2 s 7 are each amended to
16 read as follows:

17 Whenever a person's special assessment or real property tax
18 obligation, or both, is deferred under the provisions of this chapter,
19 the amount deferred and required to be paid pursuant to ((RCW
20 84.38.120)) section 7 of this act shall become a lien in favor of the
21 state upon his or her property and shall have priority as provided in
22 chapters 35.50 and 84.60 RCW((~~PROVIDED, That~~)). However, the
23 interest of a mortgage or purchase contract holder who requires an
24 accumulation of reserves out of which real estate taxes are paid shall
25 have priority to said deferred lien. This lien may accumulate up to
26 forty percent of the amount of the claimant's equity value in ((said))
27 the property and ((~~the rate of interest shall be an average of the~~
28 ~~federal short term rate as defined in 26 U.S.C. Sec. 1274(d) plus two~~
29 ~~percentage points. The rate set for each new year shall be computed by~~
30 ~~taking an arithmetical average to the nearest percentage point of the~~
31 ~~federal short term rate, compounded annually. That average shall be~~
32 ~~calculated using the rates from four months: January, April, and July~~
33 ~~of the calendar year immediately preceding the new year, and October of~~
34 ~~the previous preceding year. The interest shall be calculated~~)) shall
35 bear interest at the rate of five percent per year from the time it
36 could have been paid before delinquency until said obligation is paid.
37 In the case of a mobile home, the department of licensing shall show

1 the state's lien on the certificate of ownership for the mobile home.
2 In the case of all other property, the department of revenue shall file
3 a notice of the deferral with the county recorder or auditor.

4 **Sec. 6.** RCW 84.37.090 and 2007 sp.s. c 2 s 9 are each amended to
5 read as follows:

6 The provisions of RCW ((~~84.38.110, 84.38.120,~~) 84.38.140,
7 84.38.150, 84.38.160, 84.38.170, and 84.38.180 apply to this chapter to
8 the extent that they do not conflict with the provisions of this
9 chapter. For purposes of this chapter, references to "this chapter" in
10 any of the statutes listed in this section shall be interpreted to
11 refer to chapter 84.37 RCW unless the context clearly requires
12 otherwise.

13 NEW SECTION. **Sec. 7.** A new section is added to chapter 84.37 RCW
14 to read as follows:

15 After the department has approved an initial or renewal declaration
16 for deferred special assessments or real property taxes, or both, the
17 department must pay to the appropriate county treasurer, from amounts
18 appropriated for this purpose, the amount of either the deferred
19 special assessments or real property taxes, or both, to be distributed
20 to the local improvement or taxing districts that levied the taxes and
21 assessments deferred under this chapter.

22 **Sec. 8.** RCW 82.03.130 and 2005 c 253 s 7 are each amended to read
23 as follows:

24 (1) The board shall have jurisdiction to decide the following types
25 of appeals:

- 26 (a) Appeals taken pursuant to RCW 82.03.190.
- 27 (b) Appeals from a county board of equalization pursuant to RCW
28 84.08.130.

29 (c) Appeals by an assessor or landowner from an order of the
30 director of revenue made pursuant to RCW 84.08.010 and 84.08.060, if
31 filed with the board of tax appeals within thirty days after the
32 mailing of the order, the right to such an appeal being hereby
33 established.

34 (d) Appeals by an assessor or owner of an intercounty public
35 utility or private car company from determinations by the director of

1 revenue of equalized assessed valuation of property and the
2 apportionment thereof to a county made pursuant to chapter 84.12 and
3 84.16 RCW, if filed with the board of tax appeals within thirty days
4 after mailing of the determination, the right to such appeal being
5 hereby established.

6 (e) Appeals by an assessor, landowner, or owner of an intercounty
7 public utility or private car company from a determination of any
8 county indicated ratio for such county compiled by the department of
9 revenue pursuant to RCW 84.48.075: PROVIDED, That

10 (i) Said appeal be filed after review of the ratio under RCW
11 84.48.075(3) and not later than fifteen days after the mailing of the
12 certification; and

13 (ii) The hearing before the board shall be expeditiously held in
14 accordance with rules prescribed by the board and shall take precedence
15 over all matters of the same character.

16 (f) Appeals from the decisions of sale price of second-class
17 shorelands on navigable lakes by the department of natural resources
18 pursuant to RCW ((79.94.210)) 79.125.450.

19 (g) Appeals from urban redevelopment property tax apportionment
20 district proposals established by governmental ordinances pursuant to
21 RCW 39.88.060.

22 (h) Appeals from interest rates as determined by the department of
23 revenue for use in valuing farmland under current use assessment
24 pursuant to RCW 84.34.065.

25 (i) Appeals from revisions to stumpage value tables used to
26 determine value by the department of revenue pursuant to RCW 84.33.091.

27 (j) Appeals from denial of tax exemption application by the
28 department of revenue pursuant to RCW 84.36.850.

29 (k) Appeals pursuant to RCW 84.40.038(3).

30 (l) Appeals pursuant to RCW 84.39.020.

31 (m) Appeals of a denial of an initial or renewal declaration for
32 deferral under chapter 84.37 RCW, if filed with the board of tax
33 appeals within thirty days after the department of revenue provides
34 notification of its determination to the applicant.

35 (2) Except as otherwise specifically provided by law hereafter, the
36 provisions of RCW 1.12.070 shall apply to all notices of appeal filed

1 with the board of tax appeals.

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