
HOUSE BILL 1494

State of Washington 57th Legislature 2001 Regular Session

By Representatives Carrell, Lambert and Cairnes

Read first time 01/26/2001. Referred to Committee on Finance.

1 AN ACT Relating to deferral of large property tax increases;
2 amending RCW 84.38.010 and 84.38.050; adding new sections to chapter
3 84.38 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.38 RCW
6 to read as follows:

7 The legislature finds that it has become increasingly difficult for
8 many homeowners to pay the increased taxes resulting from rapid
9 increases in valuation. The legislature intends to allow low-income
10 homeowners to defer payment of property taxes on their principal
11 residences to the extent that tax increases exceed fifteen percent.
12 The deferral program created in section 2 of this act is intended to
13 assist persons in maintaining their homes by easing the increases in
14 tax.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.38 RCW
16 to read as follows:

17 (1) A claimant may defer that portion of the increase in real
18 property taxes on the claimant's principal residence that exceeds

1 fifteen percent of the taxes due the previous year. In determining the
2 amount of taxes that are eligible for deferral under this chapter, any
3 increase in tax due to physical improvements made to the property since
4 the previous assessment shall not be considered in the year in which
5 improvements are made.

6 (2) Deferral of taxes under this chapter is subject to the
7 following conditions:

8 (a) The claimant must have owned, at the time of filing, the
9 residence on which the real property taxes have been imposed. For
10 purposes of this subsection, a residence owned by a marital community
11 or owned by cotenants shall be deemed to be owned by each spouse or
12 cotenant. A claimant who has only a share ownership in cooperative
13 housing, a life estate, a lease for life, or a revocable trust does not
14 satisfy the ownership requirement.

15 (b) The property taxes must have been imposed upon a residence that
16 was occupied by the claimant as a principal place of residence.

17 (c) The claimant must have a combined disposable income, as defined
18 in RCW 84.36.383, less than the median household income as estimated
19 for the previous year by the office of financial management for the
20 county where the residence is located.

21 (d) A deferral is not allowed for taxes levied in the first full
22 calendar year in which the person owns the residence.

23 (e) The claimant must have and keep in force fire and casualty
24 insurance in sufficient amount to protect the interest of the state in
25 the claimant's equity value. If the claimant fails to keep fire and
26 casualty insurance in force to the extent of the state's interest in
27 the claimant's equity value, the amount deferred shall not exceed one
28 hundred percent of the claimant's equity value in the land or lot only.

29 (f) The total amount of taxes deferred, including interest thereon,
30 must not exceed eighty percent of the claimant's equity value in the
31 residence.

32 **Sec. 3.** RCW 84.38.010 and 1975 1st ex.s. c 291 s 26 are each
33 amended to read as follows:

34 The legislature finds that savings once deemed adequate for
35 retirement living have been rendered inadequate by increased tax rates,
36 increased property values, and the failure of pension systems to
37 adequately reflect such factors. It is therefore deemed necessary that
38 the legislature, in addition to that tax exemption as provided for in

1 RCW 84.36.381 through 84.36.389 as now or hereafter amended, allow
2 retired persons to defer payment of special assessments on their
3 residences, and to defer their real property tax obligations on their
4 residences, an amount of up to eighty percent of their equity in said
5 property. ((This deferral program)) The deferral provided under RCW
6 84.38.030 is intended to assist retired persons in maintaining their
7 dignity and a reasonable standard of living by residing in their own
8 homes, providing for their own needs, and managing their own affairs
9 without requiring assistance from public welfare programs.

10 **Sec. 4.** RCW 84.38.050 and 1979 ex.s. c 214 s 8 are each amended to
11 read as follows:

12 (1)(a) Declarations to defer property taxes for all years following
13 the first year under RCW 84.38.030 may be made by filing with the
14 county assessor no later than thirty days before the tax is due a
15 renewal form in duplicate, prescribed by the department of revenue and
16 supplied by the county assessor, which affirms the continued
17 eligibility of the claimant.

18 (b) In January of each year, the county assessor shall send to each
19 claimant who has been granted deferral of ad valorem taxes for the
20 previous year under RCW 84.38.030 renewal forms and notice to renew.

21 (2) Declarations to defer special assessments shall be made by
22 filing with the assessor no later than thirty days before the special
23 assessment is due on a form to be prescribed by the department of
24 revenue and supplied by the county assessor. Upon approval, the full
25 amount of special assessments upon such claimant's residence shall be
26 deferred but not to exceed an amount equal to eighty percent of the
27 claimant's equity value in said property.

28 NEW SECTION. **Sec. 5.** This act is effective for taxes levied for
29 collection in 2002 and thereafter.

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