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**SUBSTITUTE HOUSE BILL 2569**

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**State of Washington                      59th Legislature                      2006 Regular Session**

**By** House Committee on Finance (originally sponsored by Representatives Morrell, Roach, Campbell, Williams, Kilmer, Clibborn, Conway, Blake, Eickmeyer, Flannigan, Wallace, Roberts, Upthegrove, McCoy, McDonald, Green, Dickerson, Lantz and Springer)

READ FIRST TIME 01/27/06.

1            AN ACT Relating to the property tax deferral program; amending RCW  
2 84.38.100; and creating new sections.

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

4            **Sec. 1.** RCW 84.38.100 and 2000 c 103 s 26 are each amended to read  
5 as follows:

6            Whenever a person's special assessment and/or real property tax  
7 obligation is deferred under the provisions of this chapter, the amount  
8 deferred and required to be paid pursuant to RCW 84.38.120 shall become  
9 a lien in favor of the state upon his or her property and shall have  
10 priority as provided in chapters 35.50 and 84.60 RCW: PROVIDED, That  
11 the interest of a mortgage or purchase contract holder who is required  
12 to cosign a declaration of deferral under RCW 84.38.090, shall have  
13 priority to said deferred lien. This lien may accumulate up to eighty  
14 percent of the amount of the claimant's equity value in said property  
15 and shall bear interest at the rate of (~~eight~~) five percent per year  
16 from the time it could have been paid before delinquency until said  
17 obligation is paid: PROVIDED, That when taxes are deferred as provided  
18 in RCW 84.64.050, the amount shall bear interest at the rate of  
19 (~~eight~~) five percent per year from the date the declaration is filed

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

6 NEW SECTION. **Sec. 2.** This act only applies to property tax  
7 deferrals granted under RCW 84.38.040 after the effective date of this  
8 act for taxes levied for collection in 2007 and thereafter.

9 NEW SECTION. **Sec. 3.** The legislature finds that the intent of the  
10 property tax deferral program is to assist retired persons in  
11 maintaining their dignity and a reasonable standard of living by  
12 residing in their own homes, providing for their own needs, and  
13 managing their own affairs without requiring assistance from public  
14 welfare programs. The department of revenue shall review the adequacy  
15 and appropriateness of the interest rate provided in RCW 84.38.100 in  
16 relation to these objectives. The department shall report its findings  
17 to the finance committee of the house of representatives and the ways  
18 and means committee of the senate by December 1, 2012.

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