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**HOUSE BILL 1494**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representatives Harris-Talley, Berg, Davis, Wicks, Peterson, Ortiz-Self, Orwall, Gregerson, Chapman, Ramel, Simmons, Berry, Lekanoff, Frame, Hackney, Slatter, Duerr, Kirby, Thai, Valdez, Ormsby, and Morgan

Read first time 02/05/21. Referred to Committee on Finance.

1 AN ACT Relating to providing housing safety, security, and  
2 protection for Washington families by creating the antidisplacement  
3 property tax exemption; amending RCW 84.48.010, 84.48.110, and  
4 84.69.020; adding new sections to chapter 84.36 RCW; adding a new  
5 section to chapter 84.52 RCW; creating new sections; and providing a  
6 contingent effective date.

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

8 NEW SECTION. **Sec. 1.** (1) The legislature finds that home and  
9 housing security is more important to Washingtonians than ever  
10 before. The COVID-19 pandemic prompted Washington governor Jay Inslee  
11 to institute a stay-at-home order in March 2020, obliging millions of  
12 nonessential employees to remain at home. Governor Inslee also  
13 declared a statewide emergency in September 2020, when west coast  
14 wildfires destroyed 181 homes in Washington state and made outdoor  
15 air unbreathable for many weeks, leading millions to seek refuge  
16 indoors and in their homes.

17 (2) The legislature further finds that: Homeownership is the main  
18 mechanism for building wealth for individuals and families in the  
19 middle class; owning a home is a way to create wealth and pass it on  
20 generationally; and institutional class and racial biases limits  
21 access to home ownership for many Washingtonians.

1 (3) The legislature further finds that middle class families have  
2 disproportionate tax responsibility due, in part, to property tax  
3 liability.

4 (4) The legislature further finds that our paramount duty to fund  
5 common schools and increase equity in education relies on tax revenue  
6 that is disproportionately reliant on taxes paid by middle class  
7 property and homeowners, and that the inequities in our tax code  
8 limits access and sustainability of homeownership for working  
9 families, black, indigenous, and people of color homeowners, and  
10 elders, who are those age 65 and older, due, in part, to this over  
11 reliance on property taxes pricing them out of their homes.

12 (5) The legislature further finds that we are living through a  
13 new civil rights moment, a moment of reflection and remedy of racial  
14 disparity in policing, employment, schools, and housing, and  
15 recognizes the link to racial and class bias in economic systems of  
16 capitalism. In 2018, the national assessment of education and  
17 progress found that Washington state ranked last among all fifty  
18 states in closing the white-black achievement gap among eighth  
19 graders between 2003 and 2017. In Washington state, black Americans  
20 earn 76 cents on the dollar of their white counterparts.

21 (6) The legislature recognizes that working families, black,  
22 indigenous, and people of color communities, and elders in Washington  
23 state are subject to more displacement and gentrification than other  
24 homeowners, and that racial justice cannot be realized without  
25 economic justice and access to housing and land, and that the  
26 enforcement of property tax laws has a socioeconomic and racial  
27 disparity impact generationally.

28 (7) The legislature further finds a loss of homeownership for  
29 working families has been extraordinary, particularly homeownership  
30 rates in black, indigenous, and people of color communities,  
31 including in King county, which has the largest concentration of  
32 black families in the state. Black family homeownership in King  
33 county since 1970, when the rate of black homeownership was at 49  
34 percent, versus 64.2 percent for white families, has fallen by 2015  
35 to 28 percent versus 63 percent for white families, as reported in  
36 the Seattle Times.

37 (8) The legislature further finds that working families, black,  
38 indigenous, and people of color families, and elders experience more  
39 home foreclosure and forfeiture than other homeowners in Washington

1 state, and that many home foreclosures are due to owing back property  
2 taxes.

3 (9) The legislature further finds that many Washingtonians are  
4 vulnerable to foreclosure by mortgage holders and other secured  
5 creditors, despite the homestead exemption limited in bankruptcy  
6 statute, RCW 6.13.030, which is a tool to protect the head of  
7 household from having their homes confiscated and sold to satisfy  
8 debts from unsecured creditors.

9 (10) Therefore, it is the intent of the legislature to prevent  
10 more loss of real property and the displacement of working families,  
11 black, indigenous, and people of color communities, and elders. By  
12 exempting a portion of tax of one's primary residence, we can lower  
13 the inequities of cost of homeownership and responsibility of  
14 taxation, with the goal of making sure individuals can reside, raise  
15 their families, age in place, and stay in the communities they call  
16 home, without fear of displacement due to crises and/or increase in  
17 land and home value assessment. This is a means of providing equity  
18 in the tax code and serves as an antidisplacement tool for land  
19 trusts, cooperative owners, and homeowners across Washington.

20 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.36  
21 RCW to read as follows:

22 (1) Subject to the conditions in this section, a portion of the  
23 assessed value of a residence is exempt from the state levy but not  
24 from property taxes levied by any local taxing district. Subject to  
25 the adjustments and limitations in subsection (2) of this section,  
26 the antidisplacement property exemption from the state levy is equal  
27 to:

28 (a) For taxes levied for collection in 2024 and thereafter:

29 (i) Up to the first \$250,000 of assessed valuation, or the amount  
30 calculated pursuant to section 3 of this act, of each residential tax  
31 parcel consisting of fewer than three residences; and

32 (ii) Up to the first \$250,000 of assessed valuation, or the  
33 amount calculated pursuant to section 3 of this act, of each  
34 residence within a multiunit residential dwelling wherein each  
35 residence is owned and taxed separately or is owned by members of a  
36 cooperative housing association, corporation, or partnership; and

37 (b) For taxes levied for collection in each subsequent year, the  
38 maximum amount of antidisplacement property tax exemption may be  
39 increased from the prior year's exemption amount. The amount of such

1 increase for a year is equal to the percentage growth in the state  
2 levy between the state levy for collection in the preceding year as  
3 compared to the state levy for collection two years ago. The  
4 department is responsible for making a determination of any increase  
5 in the amount of the antidisplacement property tax exemption and may  
6 round the dollar amount of the exemption to the nearest \$1,000.

7 (2) (a) The county assessor must multiply the amount of the  
8 antidisplacement property tax exemption for a tax year by the  
9 combined indicated ratio fixed by the department for the county in  
10 which the residence is located and used by the department to  
11 determine the equalized state levy for that county for that tax year.

12 (b) The amount of the antidisplacement property tax exemption for  
13 a residence may not result in a tax reduction that exceeds the amount  
14 of state property taxes that would otherwise be levied on that  
15 residence.

16 (3) The antidisplacement property tax exemption is in addition to  
17 the exemption provided in RCW 84.36.379 through 84.36.389.

18 (4) (a) (i) The antidisplacement property tax exemption must be  
19 claimed on declaration forms developed by the department by June 30th  
20 of the calendar year prior to the year for which the exemption will  
21 be claimed. The department shall provide the means for claimants to  
22 annually claim the antidisplacement property tax exemption for their  
23 primary residence online. The department shall verify that claimants  
24 have a single residence claimed for the applicable calendar year. The  
25 department shall provide the county assessor a list of claimants,  
26 parcels, associated exemptions, and other necessary information by  
27 August 1st each year.

28 (ii) Each county assessor must make declaration forms available  
29 at the assessor's office, on the assessor's official website, and by  
30 mail or email upon request.

31 (b) The claimant or his or her designated agent or legal guardian  
32 must sign the declaration declaring that the property for which the  
33 antidisplacement property tax exemption is sought is the claimant's  
34 principal residence within the meaning of subsection (5) (a) and (b)  
35 of this section. If the claimant resides in a cooperative housing  
36 association, corporation, or partnership, the declaration or renewal  
37 declaration must also be signed by the authorized agent of such  
38 cooperative. If the claimant holds a life estate in the residence for  
39 which the antidisplacement property tax exemption is claimed and the  
40 claimant is not shown on the tax rolls as the taxpayer for that

1 residence, the remainderman or other person shown on the tax rolls as  
2 the taxpayer must also sign the declaration. All signatures on a  
3 declaration must be made under penalty of perjury as provided in RCW  
4 9A.72.085.

5 (c) Notice of the antidisplacement property tax exemption and  
6 where to obtain further information about the exemption must be  
7 included on or with property tax statements and revaluation notices  
8 for residential property. The department and each county assessor are  
9 required to publicize the qualifications and manner of making claims  
10 for the antidisplacement property tax exemption, including such paid  
11 advertisements or notices as deemed appropriate in the sole  
12 discretion of the department and county assessors. The department and  
13 county assessors must make the antidisplacement property tax  
14 exemption information available in all languages required for voter  
15 ballot outreach at the state level.

16 (5) The following conditions apply to the antidisplacement  
17 property tax exemption:

18 (a) The residence must be occupied by the claimant as his or her  
19 principal place of residence as of the date of the signed declaration  
20 under subsection (4) of this section. A claimant who sells,  
21 transfers, or is displaced from his or her residence may transfer his  
22 or her exemption status to a replacement residence, but no claimant  
23 may receive the antidisplacement property tax exemption on more than  
24 one residence in any calendar year. However, the confinement of the  
25 claimant to a hospital, nursing home, assisted living facility, or  
26 adult family home will not disqualify the claim of exemption if:

27 (i) The residence is temporarily unoccupied;

28 (ii) The residence is occupied by either a spouse, state  
29 registered domestic partner, or a person financially dependent on the  
30 claimant for support, or both; or

31 (iii) The residence is rented for the purpose of paying the  
32 claimant's costs of a nursing home, hospital, assisted living  
33 facility, or adult family home.

34 (b) At the time of signing the declaration or renewal  
35 declaration:

36 (i) The claimant must have owned, in fee or by contract purchase,  
37 or have held a life estate in, the residence for which the  
38 antidisplacement property tax exemption is claimed; or

39 (ii) If the claimant resides in a cooperative housing  
40 association, corporation, or partnership, including a mobile home

1 park cooperative or manufactured housing cooperative, the claimant  
2 must own a share in the cooperative representing the unit or dwelling  
3 in which he or she resides or the lot on which his or her  
4 manufactured/mobile home or park model is situated.

5 (c) For purposes of this section, a residence owned by a marital  
6 community, state registered domestic partners, or cotenants is deemed  
7 to be owned by each spouse, domestic partner, or cotenant, and any  
8 lease for life or 99 years of a single-family dwelling unit or the  
9 land upon which it stands is deemed a life estate in the residence.

10 (d) (i) The assessed value of a dwelling owned by a cooperative  
11 housing association, corporation, or partnership must be reduced, for  
12 purposes of state property taxes levied on the dwelling, by the  
13 amount of the antidisplacement property tax exemption to which a  
14 claimant residing in that dwelling is entitled. The cooperative must  
15 pass the full amount of its property tax savings under this section  
16 to its members in proportion to each member's antidisplacement  
17 property tax exemption. The cooperative may meet its obligation under  
18 this subsection (5) (d) (i) by reducing the amount owed by the members  
19 to the cooperative or, if no amount be owed, by making payment to the  
20 members.

21 (ii) A mobile home park cooperative or manufactured housing  
22 cooperative is entitled to any unused portion of the antidisplacement  
23 property tax exemption of its members. A mobile home park cooperative  
24 or manufactured housing cooperative receiving the unused portion of  
25 the antidisplacement property tax exemption of its members must pass  
26 the full amount of its property tax savings to its members in  
27 proportion to each member's unused antidisplacement property tax  
28 exemption. The cooperative may meet its obligation under this  
29 subsection (5) (d) (ii) by reducing the amount owed by the members to  
30 the cooperative or, if no amount be owed, by making payment to the  
31 members. For purposes of this subsection (5) (d) (ii), "unused portion  
32 of the antidisplacement property tax exemption" means the amount by  
33 which the maximum allowable primary residence exemption exceeds the  
34 assessed value of the manufactured/mobile home or park model owned by  
35 a member of the mobile home park cooperative or manufactured housing  
36 cooperative.

37 (e) A claimant granted an antidisplacement property tax exemption  
38 must immediately inform the county assessor, on forms created or  
39 approved by the department, of any change in status affecting the  
40 claimant's entitlement to a primary residence exemption.

1 (f)(i) Where a claimant has a life estate in the single-family  
2 dwelling unit, the land upon which it sits, or both, which comprise  
3 his or her residence, and a remainderman or other person would have  
4 otherwise paid the state property tax exempted on the residence, or  
5 portion of the residence, as a result of the claimant's  
6 antidisplacement property tax exemption, such remainderman or other  
7 person must reduce the amount owed by the claimant to the  
8 remainderman or other person by the amount of the tax savings from  
9 the claimant's antidisplacement property tax exemption. If no amount  
10 is owed by the claimant to the remainderman or other person, the  
11 remainderman or other person must make payment to the claimant in the  
12 full amount of the tax savings from the claimant's antidisplacement  
13 property tax exemption.

14 (ii) Where a claimant has a life estate in a cooperative  
15 ownership or a community land trust, which comprise his or her  
16 residence, and a remainderman or other person would have otherwise  
17 paid the state property tax exempted on the residence, or portion of  
18 the residence, as a result of the claimant's antidisplacement  
19 property tax exemption, such remainderman or other person must reduce  
20 the amount owed by the claimant to the remainderman or other person  
21 by the amount of the tax savings from the claimant's antidisplacement  
22 property tax exemption. If no amount is owed by the claimant to the  
23 remainderman or other person, the remainderman or other person must  
24 make payment to the claimant in the full amount of the tax savings  
25 from the claimant's the antidisplacement property tax exemption.

26 (6)(a)(i) If the assessor finds that the claimant's residence  
27 does not meet the qualifications for the antidisplacement property  
28 tax exemption, the assessor must deny or cancel the antidisplacement  
29 property tax exemption.

30 (ii) If the assessor receives a notice of declaration from the  
31 department or declaration after the deadline in subsection (4) of  
32 this section, the assessor must deny the antidisplacement property  
33 tax exemption unless the assessor determines that the claimant  
34 qualifies for the antidisplacement property tax exemption and that  
35 good cause exists to excuse the late filing. A claimant whose  
36 antidisplacement property tax exemption was denied because the  
37 declaration was filed after the deadline in subsection (4) of this  
38 section may seek a refund of state property taxes paid as a result of  
39 the denial as provided in RCW 84.69.020. For purposes of this

1 subsection (6)(a)(ii), good cause may be shown by one or more of the  
2 following circumstances:

3 (A) Death or serious illness of the claimant or a member of the  
4 claimant's immediate family, as defined in RCW 42.17A.005, within two  
5 weeks of the due date of the declaration;

6 (B) The claimant received incorrect, ambiguous, or misleading  
7 written advice regarding the qualifications or filing requirements  
8 for the primary residence exemption from the county assessor's staff;

9 (C) Natural disaster, such as flood or earthquake, occurring  
10 within two weeks of the due date of the declaration or renewal  
11 declaration; or

12 (D) Other circumstances as the department may provide by rule.

13 (b) A denial under this subsection (6)(a)(ii) is subject to  
14 appeal under the provisions of RCW 84.48.010 and in accordance with  
15 the provisions of RCW 84.40.038.

16 (c) If the assessor determines that the claimant had received the  
17 antidisplacement property tax exemption in error in prior years, the  
18 county treasurer must collect all state property taxes that would  
19 have been paid on the claimant's residence for the prior years had  
20 the antidisplacement property tax exemption not been claimed, not to  
21 exceed six years. Interest, but not penalties, applies to such taxes  
22 and is computed at the same rates and in the same way as interest is  
23 computed on delinquent taxes. Taxes and interest imposed under this  
24 subsection (6)(c): (i) Must be extended on the tax roll; (ii) are due  
25 within 30 days after the date of the treasurer's billing for such  
26 taxes and interest; and (iii) constitute a lien on the real property  
27 to which the tax and interest applies as provided in chapter 84.60  
28 RCW.

29 (7) The department may conduct audits of the administration of  
30 this section and claims filed for the antidisplacement property tax  
31 exemption as the department considers necessary. The powers of the  
32 department under chapter 84.08 RCW apply to these audits.

33 (8) The department may adopt such rules in accordance with  
34 chapter 34.05 RCW, and prescribe such forms, as the department deems  
35 necessary and appropriate to implement and administer this section.

36 (9) For the purposes of this section:

37 (a) "Antidisplacement property tax exemption" means a tax  
38 exemption from the state property tax levy for a primary residence  
39 that meets the requirements of this act.



1 (b) "Claimant" means an individual who has applied for or is  
2 receiving a primary residence exemption.

3 (c) "Community land trust" means a private, nonprofit  
4 organization created to acquire and hold land for the benefit of a  
5 community and provide secure affordable access to land and housing  
6 for community residents.

7 (d) "Cooperative ownership" means a type of residential housing  
8 where the corporation owns the housing units and each resident is a  
9 shareholder in the corporation based in part on the relative size of  
10 the unit in which they reside.

11 (e) "Manufactured/mobile home," "manufactured housing  
12 cooperative," "mobile home park cooperative," and "park model" have  
13 the same meaning as in RCW 59.20.030.

14 (f) "Residence" means a single-family dwelling unit whether such  
15 unit is separate or part of a multiunit dwelling, including the land  
16 on which such dwelling stands, regardless of whether ownership of the  
17 single-family dwelling unit and the land on which the dwelling unit  
18 stands is vested in the same person. "Residence" includes:

19 (i) A single-family dwelling unit situated upon lands the fee of  
20 which is vested in or held in trust by the United States or any of  
21 its instrumentalities, a federally recognized Indian tribe, the state  
22 of Washington or any of its political subdivisions, or a municipal  
23 corporation;

24 (ii) A single-family dwelling unit consisting of a manufactured/  
25 mobile home or park model that has substantially lost its identity as  
26 a mobile unit by virtue of its being fixed in location and placed on  
27 a foundation with fixed pipe connections with sewer, water, or other  
28 utilities; and

29 (iii) A single-family dwelling unit consisting of a floating home  
30 as defined in RCW 82.45.032.

31 (g) "State levy" means property taxes levied by the state under  
32 RCW 84.52.065.

33 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.36  
34 RCW to read as follows:

35 (1) By December 10th of each year, the department must determine  
36 the revenue deposited during the previous 12 months through November  
37 30th of the current year into the Washington tax justice and equity  
38 fund created in section 4 of this act.

1 (2) By December 31st of each year, the department must estimate  
2 the amount needed to fund the full amount of the antidisplacement  
3 property tax exemption for the upcoming calendar year. By December  
4 1st of each year, each county assessor must submit any necessary data  
5 to the department in order to complete this estimate.

6 (3) By December 31st of each year, the department must determine  
7 if the full antidisplacement property tax exemption can be funded. If  
8 the department determines that there is not sufficient funds  
9 available to provide the full amount of the antidisplacement property  
10 tax exemption established in section 2 of this act for the upcoming  
11 calendar year, it must calculate a new exemption amount for that  
12 upcoming year based on the funds available.

13 (4) Any moneys in excess of what is needed to fully fund the  
14 antidisplacement property tax exemption established in section 2 of  
15 this act for the calendar year shall remain in the Washington tax  
16 justice and equity fund.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 84.36  
18 RCW to read as follows:

19 The Washington tax justice and equity fund is created in the  
20 state treasury. Moneys in the account may be spent only after  
21 appropriation. Expenditures from the account may only be used for  
22 ensuring that the general fund moneys for the common schools is not  
23 adversely impacted by the application of the antidisplacement  
24 property tax exemption for any calendar year.

25 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.52  
26 RCW to read as follows:

27 (1) Pursuant to the provisions of Article VII, section . . .  
28 (House Joint Resolution No. . . . (H-0756/21)), the state levy must  
29 be reduced as necessary to prevent the value exempted under the  
30 antidisplacement property tax exemption in section 2 of this act from  
31 resulting in a higher tax rate than would have occurred in the  
32 absence of the primary residence exemption.

33 (2) Transfers from the Washington tax justice and equity fund  
34 must be made to ensure that any deficit to the general fund resulting  
35 from the application of subsection (1) of this section will be  
36 eliminated.

1       **Sec. 6.** RCW 84.48.010 and 2017 c 155 s 1 are each amended to  
2 read as follows:

3       (1) Prior to July 15th, the county legislative authority must  
4 form a board for the equalization of the assessment of the property  
5 of the county. The members of the board must receive a per diem  
6 amount as set by the county legislative authority for each day of  
7 actual attendance of the meeting of the board of equalization to be  
8 paid out of the current expense fund of the county. However, when the  
9 county legislative authority constitutes the board they may only  
10 receive their compensation as members of the county legislative  
11 authority. The board of equalization must meet in open session for  
12 this purpose annually on the 15th day of July or within fourteen days  
13 of certification of the county assessment rolls, whichever is later,  
14 and, having each taken an oath fairly and impartially to perform  
15 their duties as members of such board, they must examine and compare  
16 the returns of the assessment of the property of the county and  
17 proceed to equalize the same, so that each tract or lot of real  
18 property and each article or class of personal property must be  
19 entered on the assessment list at its true and fair value, according  
20 to the measure of value used by the county assessor in such  
21 assessment year, which is presumed to be correct under RCW  
22 84.40.0301, and subject to the following rules:

23       (a) They must raise the valuation of each tract or lot or item of  
24 real property which is returned below its true and fair value to such  
25 price or sum as to be the true and fair value thereof, after at least  
26 five days' notice must have been given in writing to the owner or  
27 agent.

28       (b) They must reduce the valuation of each tract or lot or item  
29 which is returned above its true and fair value to such price or sum  
30 as to be the true and fair value thereof.

31       (c) They must raise the valuation of each class of personal  
32 property which is returned below its true and fair value to such  
33 price or sum as to be the true and fair value thereof, and they must  
34 raise the aggregate value of the personal property of each individual  
35 whenever the aggregate value is less than the true valuation of the  
36 taxable personal property possessed by such individual, to such sum  
37 or amount as to be the true value thereof, after at least five days'  
38 notice must have been given in writing to the owner or agent thereof.

39       (d) They must reduce the valuation of each class of personal  
40 property enumerated on the detail and assessment list of the current

1 year, which is returned above its true and fair value, to such price  
2 or sum as to be the true and fair value thereof; and they must reduce  
3 the aggregate valuation of the personal property of such individual  
4 who has been assessed at too large a sum to such sum or amount as was  
5 the true and fair value of the personal property.

6 (e) The board may review all claims for either real or personal  
7 property tax exemption, including the antidisplacement property tax  
8 exemption under section 2 of this act, as determined by the county  
9 assessor, and must consider any taxpayer appeals from the decision of  
10 the assessor thereon to determine (i) if the taxpayer is entitled to  
11 an exemption, and (ii) if so, the amount thereof.

12 (2) The board must notify the taxpayer and assessor of the  
13 board's decision within forty-five days of any hearing on the  
14 taxpayer's appeal of the assessor's valuation of real or personal  
15 property.

16 (3) The clerk of the board must keep an accurate journal or  
17 record of the proceedings and orders of the board showing the facts  
18 and evidence upon which their action is based, and the record must be  
19 published the same as other proceedings of county legislative  
20 authority, and must make a true record of the changes of the  
21 descriptions and assessed values ordered by the county board of  
22 equalization. The assessor must correct the real and personal  
23 assessment rolls in accordance with the changes made by the county  
24 board of equalization.

25 (4) The county board of equalization must meet on the 15th day of  
26 July or within fourteen days of certification of the county  
27 assessment rolls, whichever is later, and may continue in session and  
28 adjourn from time to time during a period not to exceed four weeks,  
29 but must remain in session not less than three days. However, the  
30 county board of equalization with the approval of the county  
31 legislative authority may convene at any time when petitions filed  
32 exceed twenty-five, or ten percent of the number of appeals filed in  
33 the preceding year, whichever is greater.

34 (5) No taxes, except special taxes, may be extended upon the tax  
35 rolls until the property valuations are equalized by the department  
36 of revenue for the purpose of raising the state revenue.

37 (6) County legislative authorities as such have at no time any  
38 authority to change the valuation of the property of any person or to  
39 release or commute in whole or in part the taxes due on the property  
40 of any person.

1       **Sec. 7.** RCW 84.48.110 and 2017 3rd sp.s. c 13 s 306 are each  
2 amended to read as follows:

3       After certifying the record of the proceedings of the department  
4 in accordance with RCW 84.48.080, the department shall transmit to  
5 each county assessor a copy of the record of the proceedings of the  
6 department, specifying the amount to be levied and collected for  
7 state purposes for such year, and in addition thereto it shall  
8 certify to each county assessor the amount due to each state fund and  
9 unpaid from such county for the fifth preceding year, not including  
10 amounts exempted under section 2 of this act, and such delinquent  
11 state taxes shall be added to the amount levied for the current year.  
12 The department shall close the account of each county for the fifth  
13 preceding year and charge the amount of such delinquency to the tax  
14 levies of the current year. These delinquent taxes are not subject to  
15 chapter 84.55 RCW. All taxes collected on and after the first day of  
16 July last preceding such certificate, on account of delinquent state  
17 taxes for the fifth preceding year shall belong to the county and by  
18 the county treasurer be credited to the current expense fund of the  
19 county in which collected.

20       **Sec. 8.** RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each  
21 amended to read as follows:

22       On the order of the county treasurer, ad valorem taxes paid  
23 before or after delinquency must be refunded if they were:

- 24       (1) Paid more than once;
- 25       (2) Paid as a result of manifest error in description;
- 26       (3) Paid as a result of a clerical error in extending the tax  
27 rolls;
- 28       (4) Paid as a result of other clerical errors in listing  
29 property;
- 30       (5) Paid with respect to improvements which did not exist on  
31 assessment date;
- 32       (6) Paid under levies or statutes adjudicated to be illegal or  
33 unconstitutional;
- 34       (7) Paid as a result of mistake, inadvertence, or lack of  
35 knowledge by any person exempted from paying real property taxes or a  
36 portion thereof pursuant to section 2 of this act or RCW 84.36.381  
37 through 84.36.389, as now or hereafter amended;
- 38       (8) Paid as a result of mistake, inadvertence, or lack of  
39 knowledge by either a public official or employee or by any person

1 with respect to real property in which the person paying the same has  
2 no legal interest;

3 (9) Paid on the basis of an assessed valuation which was appealed  
4 to the county board of equalization and ordered reduced by the board;

5 (10) Paid on the basis of an assessed valuation which was  
6 appealed to the state board of tax appeals and ordered reduced by the  
7 board: PROVIDED, That the amount refunded under subsections (9) and  
8 (10) of this section shall only be for the difference between the tax  
9 paid on the basis of the appealed valuation and the tax payable on  
10 the valuation adjusted in accordance with the board's order;

11 (11) Paid as a state property tax levied upon property, the  
12 assessed value of which has been established by the state board of  
13 tax appeals for the year of such levy: PROVIDED, HOWEVER, That the  
14 amount refunded shall only be for the difference between the state  
15 property tax paid and the amount of state property tax which would,  
16 when added to all other property taxes within the one percent  
17 limitation of Article VII, section 2 of the state Constitution equal  
18 one percent of the assessed value established by the board;

19 (12) Paid on the basis of an assessed valuation which was  
20 adjudicated to be unlawful or excessive: PROVIDED, That the amount  
21 refunded shall be for the difference between the amount of tax which  
22 was paid on the basis of the valuation adjudged unlawful or excessive  
23 and the amount of tax payable on the basis of the assessed valuation  
24 determined as a result of the proceeding;

25 (13) Paid on property acquired under RCW 84.60.050, and canceled  
26 under RCW 84.60.050(2);

27 (14) Paid on the basis of an assessed valuation that was reduced  
28 under RCW 84.48.065;

29 (15) Paid on the basis of an assessed valuation that was reduced  
30 under RCW 84.40.039; or

31 (16) Abated under RCW 84.70.010.

32 No refunds under the provisions of this section shall be made  
33 because of any error in determining the valuation of property, except  
34 as authorized in subsections (9), (10), (11), and (12) of this  
35 section nor may any refunds be made if a bona fide purchaser has  
36 acquired rights that would preclude the assessment and collection of  
37 the refunded tax from the property that should properly have been  
38 charged with the tax. Any refunds made on delinquent taxes must  
39 include the proportionate amount of interest and penalties paid.  
40 However, no refunds as a result of an incorrect payment authorized

1 under subsection (8) of this section made by a third party payee  
2 shall be granted. The county treasurer may deduct from moneys  
3 collected for the benefit of the state's levies, refunds of the  
4 state's levies including interest on the levies as provided by this  
5 section and chapter 84.68 RCW.

6 The county treasurer of each county must make all refunds  
7 determined to be authorized by this section, and by the first Monday  
8 in February of each year, report to the county legislative authority  
9 a list of all refunds made under this section during the previous  
10 year. The list is to include the name of the person receiving the  
11 refund, the amount of the refund, and the reason for the refund.

12 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act take  
13 effect August 1, 2022, if the proposed amendment to Article VII of  
14 the state Constitution (House Joint Resolution No. . . . .  
15 (H-0756/21)), providing for the residential real property tax  
16 exemption, is validly submitted to and is approved and ratified by  
17 the voters at the next general election. If the proposed amendment is  
18 not approved and ratified, sections 1 through 8 of this act are void  
19 in their entirety.

20 NEW SECTION. **Sec. 10.** This act does not affect any existing  
21 right acquired or liability or obligation incurred under the sections  
22 amended or repealed or under any rule or order adopted under those  
23 sections, nor does it affect any proceeding instituted under those  
24 sections.

25 NEW SECTION. **Sec. 11.** This act applies to taxes levied for  
26 collection in 2023 and thereafter.

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