

WSR 24-03-004

PERMANENT RULES

DEPARTMENT OF REVENUE

[Filed January 3, 2024, 4:04 p.m., effective February 3, 2024]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The department is amending this rule to incorporate the language in SHB 1355 (2023), which updates the income thresholds used in determining deferment eligibility. Updating this rule will provide accurate deferment requirements for applicants and individuals currently receiving the deferment.

Citation of Rules Affected by this Order: Amending WAC 458-18-010 Deferral of special assessments and/or property taxes—Definitions.

Statutory Authority for Adoption: RCW 84.38.180.

Adopted under notice filed as WSR 23-22-051 on October 25, 2023.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 1, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 0, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: January 3, 2024.

Atif Aziz  
Rules Coordinator

OTS-5041.1

AMENDATORY SECTION (Amending WSR 22-04-025, filed 1/24/22, effective 2/24/22)

**WAC 458-18-010 Deferral of special assessments and/or property taxes—Definitions.** (1) **Introduction.** This rule provides definitions of the terms used to administer the deferral program in chapter 84.38 RCW and this section through WAC 458-18-100 for special assessments and/or property taxes on residential housing.

(2) **"Boarding house"** means a residence in which lodging and meals are provided. Each resident of a boarding house is charged a lump sum to cover the costs of lodging and meals with no separate accounting for the fair selling price of the meals.

(3) **"Claimant"** means a person who either elects under chapter 84.38 RCW or is required under RCW 84.64.050, to defer payment of special assessments and/or real property taxes accrued on their residence by filing a declaration to defer as allowed under chapter 84.38 RCW. Only one individual per household may file a declaration to defer.

(4) **"Cooperative housing"** means any existing structure, including surrounding land and improvements, which contains one or more dwelling units and is owned by:

(a) An association with resident shareholders who are granted renewable leasehold interests in dwelling units in the building. Unlike owners of a condominium, the resident shareholders who hold a renewable leasehold interest do not own their dwelling units; or

(b) An association organized under the Cooperative Association Act (chapter 23.86 RCW).

(5) **"Department"** means the state department of revenue.

(6) **"Devisee"** has the same meaning as provided in RCW 21.35.005: Any person designated in a will to receive a disposition of real or personal property.

(7) **"Domestic partner"** means a person registered under chapter 26.60 RCW or a partner in a legal union of two persons, other than a marriage, that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under chapter 26.60 RCW.

(8) **"Domestic partnership"** means a partnership registered under chapter 26.60 RCW or a legal union of two persons, other than a marriage, that was validly formed in another jurisdiction, and that is substantially equivalent to a domestic partnership under chapter 26.60 RCW.

(9) **"Equity value"** means the amount by which the true and fair value of a residence exceeds the total amount of all liens, obligations, and encumbrances against the property, excluding deferral liens. As used in this context, the "true and fair value" of a residence is the value shown on the county tax rolls maintained by the assessor for the assessment year in which the deferral claim is made.

(10) **"Fire and casualty insurance"** means a policy with an insurer that is authorized by the state insurance commission to insure property in this state.

(11) **"Heir"** has the same meaning as provided in RCW 21.35.005: Any person, including the surviving spouse, who is entitled under the statutes of intestate succession to the property of a decedent.

(12) **"Income threshold"** means:

(a) For taxes levied for collection in calendar years prior to 2020, a combined disposable income equal to \$45,000; and

(b) For taxes levied for collection in calendar year 2020 and thereafter, a combined disposable income equal to the greater of the income threshold for the previous year, or 75 percent of the county median household income, adjusted every ~~((five))~~ three years beginning August 1, ~~((2019, and by March 1st every fifth year thereafter))~~ 2023, as provided in RCW 84.36.385(8).

(i) Beginning with the adjustment made by ~~((March 1, 2024, and every second adjustment thereafter))~~ August 1, 2023, as provided in RCW 84.36.385(8), if the income threshold in a county is not adjusted based on percentage of county median income, then the income threshold must be adjusted based on the growth of the ~~((seasonally adjusted))~~ consumer price index for all urban consumers (CPI-U) for the prior 12-month period as published by the United States Bureau of Labor Statistics.

(ii) In no case may the adjustment be greater than one percent and if the income threshold adjustment is negative, the income threshold for the prior year continues to apply. The adjusted threshold must be rounded to the nearest one dollar.

(13) **"Irrevocable trust"** means a trust that may not be revoked after its creation by the trustor.

(14) **"Lease for life"** means a lease that terminates upon the death of the lessee.

(15) **"Lien"** means any interest in property given to secure payment of a debt or performance of an obligation, including a deed of trust. A lien includes the total amount of special assessments and/or property taxes deferred and the interest. It also may include any other outstanding balances owed to local governments for special assessments.

(16) **"Life estate"** means an estate that consists of total rights to use, occupy, and control real property but is limited to the lifetime of a designated party; this party is often called a "life tenant."

(17) **"Local government"** means any city, town, county, water-sewer district, public utility district, port district, irrigation district, flood control district, or any other municipal corporation, quasi municipal corporation, or other political subdivision authorized to levy special assessments.

(18) **"Perjury"** means the willful assertion as to a matter of fact, opinion, belief, or knowledge made by a claimant upon the declaration to defer that the claimant knows to be false.

(19) **"Real property taxes"** means ad valorem property taxes levied on a residence in this state. The term includes foreclosure costs, interest, and penalties accrued as of the date the declaration to defer is filed.

(20) **"Residence"** has the same definition in RCW 84.36.383 and is defined as:

(a) A single-family dwelling unit whether the unit is separate or part of a multiunit dwelling and includes up to one acre of the parcel of land on which the dwelling stands. Residence also includes any additional property up to a total of five acres that comprises the residential parcel if local land use regulations require this larger parcel size; ((~~or~~))

(b) A share ownership in a cooperative housing association, corporation, or partnership if the person claiming exemption can establish that their share represents the specific unit or portion of such structure in which they reside; or

(c) A single-family dwelling situated upon lands the fee of which is vested in the United States or any instrumentality of the United States, including an Indian tribe, or in the state of Washington, notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a residence is deemed real property.

(21) **"Revocable trust"** means an agreement that entitles the trustor to have the full right to use the real property and to revoke the trust and retake complete ownership of the property at any time during their lifetime. The trustee of a revocable trust holds only bare legal title to the real property. Full equitable title to the property remains with the trustor; the original property owner.

(22) **"Rooming house"** means a residence where persons may rent rooms.

(23) **"Special assessment"** means the charge or obligation imposed by a local government upon real property specially benefited by improvements.