

**Chapter 84.37 RCW**  
**PROPERTY TAX DEFERRAL PROGRAM**

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**RCW 84.37.010 Findings—Intent.** (1) The legislature finds that there are an increasing number of economic and financial pressures causing hardships to many homeowners in the state of Washington. The legislature finds that the current housing crisis is a key barometer of the insecure economic situation facing working Washington families. The legislature finds that, among those hardships, increases in property taxes lead to undue stress on family budgets causing some homeowners to be at risk of losing their homes. The legislature finds that financial practices nationwide have led to an increasingly destabilized housing market across the country with impacts now being felt here in Washington. The legislature further finds that by establishing a property tax deferral program homeowners will be able to remain in their homes. The legislature further finds that acting now to stabilize the housing market is an important public purpose.

(2) It is the intent of the legislature to: (a) Provide a property tax safe harbor for families in economic crisis; and (b) prevent existing homeowners from being driven from their homes because of overly burdensome property taxes. [2007 sp.s. c 2 § 1.]

**RCW 84.37.020 Definitions.** The definitions in RCW 84.38.020 apply to this chapter. For purposes of this chapter, references to "this chapter" in any of the definitions in RCW 84.38.020 shall be interpreted to refer to chapter 84.37 RCW, unless the context clearly requires otherwise. [2007 sp.s. c 2 § 3.]

**RCW 84.37.030 Deferral program qualifications.** A claimant may defer payment of fifty percent of special assessments or real property taxes, or both, listed on the annual tax statement in any year in which all of the following conditions are met:

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

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

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

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

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

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

(7) The claimant may not defer taxes under both this chapter and chapter 84.38 RCW in the same tax year. [2010 c 106 § 309; 2007 sp.s. c 2 § 2.]

**Effective date—2010 c 106:** See note following RCW 35.102.145.

**RCW 84.37.040 Deferral program administration.** (1) Each claimant electing to defer payment of special assessments or real property tax obligations, or both, under this chapter must file with the county assessor, on forms prescribed by the department and supplied by the assessor, a written declaration thereof. The declaration to defer special assessments and/or real property taxes for any year must be filed no later than the first day of September of the year for which the deferral is sought; however, for good cause shown, the department may waive this requirement.

(2) The declaration must designate the property to which the deferral applies, and must include a statement setting forth (a) a list of all members of the claimant's household, (b) the claimant's equity value in his or her residence, (c) facts establishing the eligibility for the deferral under the provisions of this chapter, and (d) any other relevant information required by the rules of the department. The declaration must be signed by the claimant subject to the penalties as provided in chapter 9A.72 RCW for false swearing.

(3) The county assessor must determine if each claimant is granted a deferral for each year but the claimant has the right to appeal this determination to the county board of equalization, in accordance with the provisions of RCW 84.40.038, whose decision is final as to the deferral of that year. [2020 c 139 § 50; 2007 sp.s. c 2 § 4.]

**RCW 84.37.050 Renewals—Requirement to reside on property.** (1) The provisions of RCW 84.38.050(1)(b) apply to declarations to defer special assessments or property taxes, or both, for all years following the first year.

(2) The provisions of RCW 84.38.070 apply to claimants ceasing to reside permanently on the property for which the declaration to defer is made between the date of filing the declaration and December 15th of that year. [2007 sp.s. c 2 § 5.]

**RCW 84.37.060 Right to defer not reduced by contract or agreement.** A person's right to defer special assessments or property tax obligations, or both, under this chapter may not be reduced by contract or agreement. [2007 sp.s. c 2 § 6.]

**RCW 84.37.070 State lien on property.** Whenever a person's special assessment or real property tax obligation, or both, is deferred under this chapter, the amount deferred and required to be paid pursuant to RCW 84.38.120 becomes a lien in favor of the state upon his or her property and has priority as provided in chapters 35.49, 35.50, 36.35, and 84.60 RCW. However, the interest of a mortgage or purchase contract holder who requires an accumulation of reserves out of which real estate taxes are paid has priority to said deferred lien. This lien may accumulate up to forty percent of the amount of the claimant's equity value in the property and the rate of interest must be an average of the federal short-term rate as defined in 26 U.S.C. Sec. 1274(d) plus two percentage points. The rate set for each new year is computed by taking an arithmetical average to the nearest percentage point of the federal short-term rate, compounded annually. That average must be calculated using the rates from four months: January, April, and July of the calendar year immediately preceding the new year, and October of the previous preceding year. The interest is calculated from the time it could have been paid before delinquency until such obligation is paid or the date that the obligation is charged off as finally uncollectible. In the case of a mobile home, the department of licensing must show the state's lien on the certificate of title for the mobile home. In the case of all other property, the department of revenue must file a notice of the deferral with the county recorder or auditor. [2013 c 221 § 7; 2010 c 161 § 1167; 2007 sp.s. c 2 § 7.]

**Effective date—Intent—Legislation to reconcile chapter 161, Laws of 2010 and other amendments made during the 2010 legislative session—2010 c 161:** See notes following RCW 46.04.013.

**RCW 84.37.080 Conditions under which deferment ends.** Special assessments or real property tax obligations, or both, deferred under this chapter shall become payable together with interest as provided in RCW 84.37.070:

- (1) Upon the sale of property which has a deferred special assessment lien or real property tax lien, or both, upon it;
- (2) Upon the death of the claimant with an outstanding deferred special assessment lien or real property tax lien, or both, except a surviving spouse or surviving domestic partner who is qualified under this chapter may elect to incur the special assessment lien or real property tax lien, or both, which shall then be payable by that spouse or that domestic partner as provided in this section;
- (3) Upon the condemnation of property with a deferred special assessment lien or real property tax lien, or both, upon it by a public or private body exercising eminent domain power, except as otherwise provided in RCW 84.60.070; or
- (4) At such time as the claimant ceases to reside permanently in the residence upon which the deferral has been granted. [2008 c 6 § 710; 2007 sp.s. c 2 § 8.]

**Part headings not law—Severability—2008 c 6:** See RCW 26.60.900 and 26.60.901.

**RCW 84.37.090 Applicable statutory provisions.** The provisions of RCW 84.38.110, 84.38.120, 84.38.140, 84.38.150, 84.38.160, 84.38.170, and 84.38.180 apply to this chapter to the extent that they do not conflict with the provisions of this chapter. For purposes of this chapter, references to "this chapter" in any of the statutes listed in this section shall be interpreted to refer to chapter 84.37 RCW unless the context clearly requires otherwise. [2007 sp.s. c 2 § 9.]

**RCW 84.37.901 Application—2007 sp.s. c 2.** This act applies to taxes due and payable after April 30, 2008, and thereafter. [2007 sp.s. c 2 § 12.]

**RCW 84.37.903 Effective date—2007 sp.s. c 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [November 29, 2007]. [2007 sp.s. c 2 § 14.]