

---

**SUBSTITUTE HOUSE BILL 1175**

---

**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** House Finance (originally sponsored by Representatives J. Johnson, Caldier, Callan, Young, Griffey, Sutherland, Harris-Talley, Ormsby, and Fitzgibbon)

READ FIRST TIME 02/07/22.

1 AN ACT Relating to providing a property tax exemption for real  
2 property used as a host home associated with a host home program;  
3 amending RCW 74.15.020 and 84.69.020; adding a new section to chapter  
4 84.36 RCW; creating new sections; and providing an effective date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that youth who are  
7 Black and identify as LGBTQIA+ are most likely to be homeless in King  
8 county and across Washington state, where one-third of all homeless  
9 youth identify as LGBTQIA+ and one-third identify as Black. The  
10 legislature also finds that in addition to being the overwhelming  
11 majority of unhoused youth, they are also more likely to experience  
12 housing instability and remain most excluded from services, due to  
13 structural inequity and underlying race disparities. Further, the  
14 legislature finds that when they are offered shelter and housing  
15 placements, the placements do not reflect the cultural background or  
16 community experience of the young person.

17 The legislature, therefore, finds that providing a tax incentive  
18 to private homeowners to host a homeless youth, unaccompanied minor,  
19 and systems-impacted young adults will provide safe, transitional  
20 placement options to vulnerable young people. Moreover, this will  
21 assist in housing retention among communities of color while

1 strengthening youth placement options and in-community housing  
2 diversity.

3 **Sec. 2.** RCW 74.15.020 and 2021 c 176 s 5239 are each amended to  
4 read as follows:

5 The definitions in this section apply throughout this chapter and  
6 RCW 74.13.031 unless the context clearly requires otherwise.

7 (1) "Agency" means any person, firm, partnership, association,  
8 corporation, or facility which receives children, expectant mothers,  
9 or persons with developmental disabilities for control, care, or  
10 maintenance outside their own homes, or which places, arranges the  
11 placement of, or assists in the placement of children, expectant  
12 mothers, or persons with developmental disabilities for foster care  
13 or placement of children for adoption, and shall include the  
14 following irrespective of whether there is compensation to the agency  
15 or to the children, expectant mothers, or persons with developmental  
16 disabilities for services rendered:

17 (a) "Child-placing agency" means an agency which places a child  
18 or children for temporary care, continued care, or for adoption;

19 (b) "Community facility" means a group care facility operated for  
20 the care of juveniles committed to the department under RCW  
21 13.40.185. A county detention facility that houses juveniles  
22 committed to the department under RCW 13.40.185 pursuant to a  
23 contract with the department is not a community facility;

24 (c) "Crisis residential center" means an agency which is a  
25 temporary protective residential facility operated to perform the  
26 duties specified in chapter 13.32A RCW, in the manner provided in RCW  
27 43.185C.295 through 43.185C.310;

28 (d) "Emergency respite center" is an agency that may be commonly  
29 known as a crisis nursery, that provides emergency and crisis care  
30 for up to seventy-two hours to children who have been admitted by  
31 their parents or guardians to prevent abuse or neglect. Emergency  
32 respite centers may operate for up to twenty-four hours a day, and  
33 for up to seven days a week. Emergency respite centers may provide  
34 care for children ages birth through seventeen, and for persons  
35 eighteen through twenty with developmental disabilities who are  
36 admitted with a sibling or siblings through age seventeen. Emergency  
37 respite centers may not substitute for crisis residential centers or  
38 HOPE centers, or any other services defined under this section, and

1 may not substitute for services which are required under chapter  
2 13.32A or 13.34 RCW;

3 (e) "Foster family home" means an agency which regularly provides  
4 care on a twenty-four hour basis to one or more children, expectant  
5 mothers, or persons with developmental disabilities in the family  
6 abode of the person or persons under whose direct care and  
7 supervision the child, expectant mother, or person with a  
8 developmental disability is placed;

9 (f) "Group-care facility" means an agency, other than a foster  
10 family home, which is maintained and operated for the care of a group  
11 of children on a twenty-four hour basis. "Group care facility"  
12 includes but is not limited to:

13 (i) Qualified residential treatment programs as defined in RCW  
14 13.34.030;

15 (ii) Facilities specializing in providing prenatal, postpartum,  
16 or parenting supports for youth; and

17 (iii) Facilities providing high quality residential care and  
18 supportive services to children who are, or who are at risk of  
19 becoming, victims of sex trafficking;

20 (g) "HOPE center" means an agency licensed by the secretary to  
21 provide temporary residential placement and other services to street  
22 youth. A street youth may remain in a HOPE center for thirty days  
23 while services are arranged and permanent placement is coordinated.  
24 No street youth may stay longer than thirty days unless approved by  
25 the department and any additional days approved by the department  
26 must be based on the unavailability of a long-term placement option.  
27 A street youth whose parent wants him or her returned to home may  
28 remain in a HOPE center until his or her parent arranges return of  
29 the youth, not longer. All other street youth must have court  
30 approval under chapter 13.34 or 13.32A RCW to remain in a HOPE center  
31 up to thirty days;

32 (h) "Maternity service" means an agency which provides or  
33 arranges for care or services to expectant mothers, before or during  
34 confinement, or which provides care as needed to mothers and their  
35 infants after confinement;

36 (i) "Resource and assessment center" means an agency that  
37 provides short-term emergency and crisis care for a period up to  
38 seventy-two hours, excluding Saturdays, Sundays, and holidays to  
39 children who have been removed from their parent's or guardian's care  
40 by child protective services or law enforcement;

1 (j) "Responsible living skills program" means an agency licensed  
2 by the secretary that provides residential and transitional living  
3 services to persons ages sixteen to eighteen who are dependent under  
4 chapter 13.34 RCW and who have been unable to live in his or her  
5 legally authorized residence and, as a result, the minor lived  
6 outdoors or in another unsafe location not intended for occupancy by  
7 the minor. Dependent minors ages fourteen and fifteen may be eligible  
8 if no other placement alternative is available and the department  
9 approves the placement;

10 (k) "Service provider" means the entity that operates a community  
11 facility.

12 (2) "Agency" shall not include the following:

13 (a) Persons related to the child, expectant mother, or person  
14 with developmental disability in the following ways:

15 (i) Any blood relative, including those of half-blood, and  
16 including first cousins, second cousins, nephews or nieces, and  
17 persons of preceding generations as denoted by prefixes of grand,  
18 great, or great-great;

19 (ii) Stepfather, stepmother, stepbrother, and stepsister;

20 (iii) A person who legally adopts a child or the child's parent  
21 as well as the natural and other legally adopted children of such  
22 persons, and other relatives of the adoptive parents in accordance  
23 with state law;

24 (iv) Spouses of any persons named in (a)(i), (ii), or (iii) of  
25 this subsection (2), even after the marriage is terminated;

26 (v) Relatives, as named in (a)(i), (ii), (iii), or (iv) of this  
27 subsection (2), of any half sibling of the child; or

28 (vi) Extended family members, as defined by the law or custom of  
29 the Indian child's tribe or, in the absence of such law or custom, a  
30 person who has reached the age of eighteen and who is the Indian  
31 child's grandparent, aunt or uncle, brother or sister, brother-in-law  
32 or sister-in-law, niece or nephew, first or second cousin, or  
33 stepparent who provides care in the family abode on a twenty-four-  
34 hour basis to an Indian child as defined in 25 U.S.C. Sec. 1903(4);

35 (b) Persons who are legal guardians of the child, expectant  
36 mother, or persons with developmental disabilities;

37 (c) Persons who care for a neighbor's or friend's child or  
38 children, with or without compensation, where the parent and person  
39 providing care on a twenty-four-hour basis have agreed to the

1 placement in writing and the state is not providing any payment for  
2 the care;

3 (d) A person, partnership, corporation, or other entity that  
4 provides placement or similar services to exchange students or  
5 international student exchange visitors or persons who have the care  
6 of an exchange student in their home;

7 (e) A person, partnership, corporation, or other entity that  
8 provides placement or similar services to international children who  
9 have entered the country by obtaining visas that meet the criteria  
10 for medical care as established by the United States citizenship and  
11 immigration services, or persons who have the care of such an  
12 international child in their home;

13 (f) Schools, including boarding schools, which are engaged  
14 primarily in education, operate on a definite school year schedule,  
15 follow a stated academic curriculum, accept only school-age children  
16 and do not accept custody of children;

17 (g) Hospitals licensed pursuant to chapter 70.41 RCW when  
18 performing functions defined in chapter 70.41 RCW, nursing homes  
19 licensed under chapter 18.51 RCW and assisted living facilities  
20 licensed under chapter 18.20 RCW;

21 (h) Licensed physicians or lawyers;

22 (i) Facilities approved and certified under chapter 71A.22 RCW;

23 (j) Any agency having been in operation in this state ten years  
24 prior to June 8, 1967, and not seeking or accepting moneys or  
25 assistance from any state or federal agency, and is supported in part  
26 by an endowment or trust fund;

27 (k) Persons who have a child in their home for purposes of  
28 adoption, if the child was placed in such home by a licensed child-  
29 placing agency, an authorized public or tribal agency or court or if  
30 a replacement report has been filed under chapter 26.33 RCW and the  
31 placement has been approved by the court;

32 (l) An agency operated by any unit of local, state, or federal  
33 government or an agency licensed by an Indian tribe pursuant to RCW  
34 74.15.190;

35 (m) A maximum or medium security program for juvenile offenders  
36 operated by or under contract with the department;

37 (n) An agency located on a federal military reservation, except  
38 where the military authorities request that such agency be subject to  
39 the licensing requirements of this chapter;

1 (o) (i) A host home program, and host home, operated by a tax  
2 exempt organization for youth not in the care of or receiving  
3 services from the department, if that program: (A) Recruits and  
4 screens potential homes in the program, including performing  
5 background checks on individuals over the age of eighteen residing in  
6 the home through the Washington state patrol or equivalent law  
7 enforcement agency and performing physical inspections of the home;  
8 (B) screens and provides case management services to youth in the  
9 program; (C) obtains a notarized permission slip or limited power of  
10 attorney from the parent or legal guardian of the youth authorizing  
11 the youth to participate in the program and the authorization is  
12 updated every six months when a youth remains in a host home longer  
13 than six months; (D) obtains insurance for the program through an  
14 insurance provider authorized under Title 48 RCW; (E) provides  
15 mandatory reporter and confidentiality training; and (F) registers  
16 with the secretary of state under RCW 74.15.315.

17 (ii) For purposes of this section, a "host home" is a private  
18 home that volunteers to host youth in need of temporary placement  
19 that is associated with a host home program. "Private home" means a  
20 single-family dwelling unit. The unit may be separate or part of a  
21 multiunit dwelling and includes the land of the dwelling unit if the  
22 land does not exceed one acre or does not exceed five acres that  
23 comprise the residential property if the larger parcel size is  
24 required under land use regulations.

25 (iii) For purposes of this section, a "host home program" is a  
26 program that provides support to individual host homes and meets the  
27 requirements of (o) (i) of this subsection.

28 (iv) Any host home program that receives local, state, or  
29 government funding shall report the following information to the  
30 office of homeless youth prevention and protection programs annually  
31 by December 1st of each year: The number of children the program  
32 served, why the child was placed with a host home, and where the  
33 child went after leaving the host home, including but not limited to  
34 returning to the parents, running away, reaching the age of majority,  
35 or becoming a dependent of the state;

36 (p) Receiving centers as defined in RCW 7.68.380.

37 (3) "Department" means the department of children, youth, and  
38 families.

1 (4) "Juvenile" means a person under the age of twenty-one who has  
2 been sentenced to a term of confinement under the supervision of the  
3 department under RCW 13.40.185.

4 (5) "Performance-based contracts" or "contracting" means the  
5 structuring of all aspects of the procurement of services around the  
6 purpose of the work to be performed and the desired results with the  
7 contract requirements set forth in clear, specific, and objective  
8 terms with measurable outcomes. Contracts may also include provisions  
9 that link the performance of the contractor to the level and timing  
10 of the reimbursement.

11 (6) "Probationary license" means a license issued as a  
12 disciplinary measure to an agency that has previously been issued a  
13 full license but is out of compliance with licensing standards.

14 (7) "Requirement" means any rule, regulation, or standard of care  
15 to be maintained by an agency.

16 (8) "Secretary" means the secretary of the department.

17 (9) "Street youth" means a person under the age of eighteen who  
18 lives outdoors or in another unsafe location not intended for  
19 occupancy by the minor and who is not residing with his or her parent  
20 or at his or her legally authorized residence.

21 (10) "Transitional living services" means at a minimum, to the  
22 extent funds are available, the following:

23 (a) Educational services, including basic literacy and  
24 computational skills training, either in local alternative or public  
25 high schools or in a high school equivalency program that leads to  
26 obtaining a high school equivalency degree;

27 (b) Assistance and counseling related to obtaining vocational  
28 training or higher education, job readiness, job search assistance,  
29 and placement programs;

30 (c) Counseling and instruction in life skills such as money  
31 management, home management, consumer skills, parenting, health care,  
32 access to community resources, and transportation and housing  
33 options;

34 (d) Individual and group counseling; and

35 (e) Establishing networks with federal agencies and state and  
36 local organizations such as the United States department of labor,  
37 employment and training administration programs including the  
38 workforce innovation and opportunity act which administers private  
39 industry councils and the job corps; vocational rehabilitation; and  
40 volunteer programs.

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

3        (1)(a) Beginning with taxes levied for collection in calendar  
4    year 2024, real property is exempt from ad valorem taxation levied  
5    for a given year if that property was used as a host home for at  
6    least 90 days in the previous calendar year.

7        (b) The exemption provided in (a) of this subsection applies only  
8    to the state portion of ad valorem taxation levied under RCW  
9    84.52.065.

10       (2) A claim for exemption under subsection (1) of this section  
11    may be made and filed by the owner of the host home at any time  
12    during the year for exemption from taxes payable the following year  
13    upon forms as prescribed by the department. The forms must require an  
14    owner to provide sufficient evidence to support their eligibility to  
15    receive the exemption and the form may require a person to provide  
16    verification from the host home program that the real property was  
17    used as a host home as required in subsection (1) of this section.  
18    The claim for exemption must be submitted to the county assessor no  
19    later than December 31st of each year for exemption from taxes  
20    payable the following year.

21       (3)(a) The county assessor must evaluate each claim for exemption  
22    to determine an owner's eligibility for the exemption. If the county  
23    assessor finds that an owner meets the qualifications established in  
24    subsection (1) of this section, the claim for exemption must be  
25    approved. If the county assessor finds that a property does not meet  
26    the qualifications established in subsection (1) of this section, the  
27    claim for exemption must be denied, but the denial is subject to  
28    appeal under the provisions of RCW 84.48.010 and 84.40.038. The  
29    county assessor must notify the owner of either determination.

30       (b) A claim for exemption approved under (a) of this subsection  
31    (3) is valid for one year and provides for the exemption from taxes  
32    payable in the year following the year in which the claim was due. An  
33    owner must file a new claim as provided in subsection (2) of this  
34    section for each year for which that person is eligible for the  
35    exemption.

36       (4) The county assessor must accept any late claim for exemption  
37    made within three years after the due date of payment of taxes for  
38    which an exemption is sought. If the county assessor approves such a  
39    claim, the application constitutes a claim for refund under chapter  
40    84.69 RCW.



1 (5) For purposes of this section, "host home" and "host home  
2 program" have the same meaning as in RCW 74.15.020.

3 **Sec. 4.** RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each  
4 amended to read as follows:

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

7 (1) Paid more than once;

8 (2) Paid as a result of manifest error in description;

9 (3) Paid as a result of a clerical error in extending the tax  
10 rolls;

11 (4) Paid as a result of other clerical errors in listing  
12 property;

13 (5) Paid with respect to improvements which did not exist on  
14 assessment date;

15 (6) Paid under levies or statutes adjudicated to be illegal or  
16 unconstitutional;

17 (7) Paid as a result of mistake, inadvertence, or lack of  
18 knowledge by any person exempted from paying real property taxes or a  
19 portion thereof pursuant to RCW 84.36.381 through 84.36.389, as now  
20 or hereafter amended;

21 (8) Paid as a result of mistake, inadvertence, or lack of  
22 knowledge by either a public official or employee or by any person  
23 with respect to real property in which the person paying the same has  
24 no legal interest;

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

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

33 (11) Paid as a state property tax levied upon property, the  
34 assessed value of which has been established by the state board of  
35 tax appeals for the year of such levy: PROVIDED, HOWEVER, That the  
36 amount refunded shall only be for the difference between the state  
37 property tax paid and the amount of state property tax which would,  
38 when added to all other property taxes within the one percent

1 limitation of Article VII, section 2 of the state Constitution equal  
2 one percent of the assessed value established by the board;

3 (12) Paid on the basis of an assessed valuation which was  
4 adjudicated to be unlawful or excessive: PROVIDED, That the amount  
5 refunded shall be for the difference between the amount of tax which  
6 was paid on the basis of the valuation adjudged unlawful or excessive  
7 and the amount of tax payable on the basis of the assessed valuation  
8 determined as a result of the proceeding;

9 (13) Paid on property acquired under RCW 84.60.050, and canceled  
10 under RCW 84.60.050(2);

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

13 (15) Paid on the basis of an assessed valuation that was reduced  
14 under RCW 84.40.039; (~~(or)~~)

15 (16) Abated under RCW 84.70.010; or

16 (17) Paid as a result of mistake, inadvertence, or lack of  
17 knowledge by any person exempted from paying real property taxes  
18 pursuant to section 3 of this act.

19 No refunds under the provisions of this section shall be made  
20 because of any error in determining the valuation of property, except  
21 as authorized in subsections (9), (10), (11), and (12) of this  
22 section nor may any refunds be made if a bona fide purchaser has  
23 acquired rights that would preclude the assessment and collection of  
24 the refunded tax from the property that should properly have been  
25 charged with the tax. Any refunds made on delinquent taxes must  
26 include the proportionate amount of interest and penalties paid.  
27 However, no refunds as a result of an incorrect payment authorized  
28 under subsection (8) of this section made by a third party payee  
29 shall be granted. The county treasurer may deduct from moneys  
30 collected for the benefit of the state's levies, refunds of the  
31 state's levies including interest on the levies as provided by this  
32 section and chapter 84.68 RCW.

33 The county treasurer of each county must make all refunds  
34 determined to be authorized by this section, and by the first Monday  
35 in February of each year, report to the county legislative authority  
36 a list of all refunds made under this section during the previous  
37 year. The list is to include the name of the person receiving the  
38 refund, the amount of the refund, and the reason for the refund.

1        NEW SECTION.    **Sec. 5.**    The provisions of RCW 82.32.805 and  
2    82.32.808 do not apply to this act.

3        NEW SECTION.    **Sec. 6.**    This act applies to taxes levied for  
4    collection in 2024 and thereafter.

5        NEW SECTION.    **Sec. 7.**    This act takes effect January 1, 2023.

--- END ---