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**SENATE BILL 5387**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senators L. Wilson and Dozier

AN ACT Relating to homeowner and renter tax relief; amending RCW 84.48.010, 84.69.020, and 82.03.190; adding a new section to chapter 84.36 RCW; adding a new section to chapter 84.52 RCW; adding a new title to the Revised Code of Washington to be codified as Title 84A RCW; creating a new section; prescribing penalties; and providing a contingent effective date.

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

**PART I**

**Homestead Property Tax Exemption**

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

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Claimant" means an individual who has applied for or is receiving a homestead exemption.

(b) "Homestead exemption" means an exemption from a portion of state property taxes.

(c) "Manufactured/mobile home," "manufactured housing cooperative," "mobile home park cooperative," and "park model" have the same meanings as provided in RCW 59.20.030.

(d) "Residence" means a single-family dwelling unit whether such unit is separate or part of a multiunit dwelling, including the land on which such dwelling stands. "Residence" includes:

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

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

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

(2)(a) Subject to the conditions in this section, a portion of the assessed value of a residence is exempt from the total state property tax under RCW 84.52.065 (1) and (2). Beginning with taxes levied for collection in calendar year 2025 and subject to the adjustments and limitations in subsection (3) of this section, the exemption from state property taxes is equal to:

(i) The first $250,000 of valuation of each residential tax parcel consisting of fewer than three residences; and

(ii) The first $250,000 of valuation of each residence within a multiunit residential dwelling wherein each residence is owned and taxed separately or is owned by members of a cooperative housing association, corporation, or partnership.

(b) For taxes levied for collection in calendar year 2026 and each subsequent year thereafter, the amount of homestead exemption must be increased from the prior year's exemption amount by the percentage growth in the state levy for the prior calendar year. The department is responsible for making a determination of any increase in the amount of the homestead exemption and may round the dollar amount of the homestead exemption to the nearest $1,000.

(3)(a) The county assessor must multiply the amount of the homestead exemption for a tax year by the combined indicated ratio fixed by the department for the county in which the residence is located and used by the department to determine the equalized state levy rate for that county for that tax year.

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

(4) The homestead exemption is in addition to the exemption provided in RCW 84.36.379 through 84.36.389.

(5)(a) The homestead exemption must be claimed and renewed on declaration and renewal declaration forms developed by the department or by the county assessor and approved by the department. Each county assessor must make declaration and renewal declaration forms available at the assessor's office, on the assessor's official website, and by mail or email upon request.

(b) The claimant or his or her designated agent or legal guardian must sign the declaration or renewal declaration declaring that the property for which a homestead exemption is sought is the claimant's principal residence within the meaning of subsection (6)(a) and (b) of this section. If the claimant resides in a cooperative housing association, corporation, or partnership, the declaration or renewal declaration must also be signed by the authorized agent of such cooperative. If the claimant holds a life estate in the residence for which a homestead exemption is claimed and the claimant is not shown on the tax rolls as the taxpayer for that residence, the remainderman or other person shown on the tax rolls as the taxpayer must also sign the declaration or renewal declaration. All signatures on a declaration or renewal declaration must be made under penalty of perjury.

(c) Notice of the homestead exemption and where to obtain further information about the exemption must be included on or with property tax statements and revaluation notices for residential property. The department and each county assessor are required to publicize the qualifications and manner of making claims for the homestead exemption, including such paid advertisements or notices as deemed appropriate in the sole discretion of the department and county assessors.

(6) The following conditions apply to homestead exemptions:

(a) The residence must be occupied by the claimant as his or her principal place of residence as of the date of the signed declaration or renewal declaration under subsection (5) of this section. A claimant who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant may receive a homestead exemption on more than one residence in any calendar year. However, the confinement of the claimant to a hospital, nursing home, assisted living facility, or adult family home will not disqualify the claim of exemption if:

(i) The residence is temporarily unoccupied;

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

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

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

(i) The claimant must have owned, in fee or by contract purchase, or have held a life estate in, the residence for which the homestead exemption is claimed; or

(ii) If the claimant resides in a cooperative housing association, corporation, or partnership, including a mobile home park cooperative or manufactured housing cooperative, the claimant must own a share in the cooperative representing the unit or dwelling in which he or she resides or the lot on which his or her manufactured/mobile home or park model is situated.

(c) For purposes of this subsection, a residence owned by a marital community, state registered domestic partners, or cotenants is deemed to be owned by each spouse, domestic partner, or cotenant, and any lease for life is deemed a life estate.

(d) Except as provided in (e) of this subsection, the declaration form identified in subsection (5) of this section must be signed and returned to the county assessor no later than June 30th for exemption from state taxes payable the following year.

(e) A homestead exemption continues for no more than six consecutive years unless a renewal declaration is filed with the county assessor. At least once every six years the county assessor must, no later than March 1st, notify claimants currently receiving a homestead exemption of the requirement to file a renewal declaration. The county assessor may also require a renewal declaration following any change in state law regarding the qualifications or conditions for the homestead exemption. Each claimant receiving a homestead exemption must file with the county assessor a renewal declaration no later than June 30th of the year the assessor notifies such person of the requirement to file the renewal declaration.

(f)(i) The assessed value of a dwelling owned by a cooperative housing association, corporation, or partnership must be reduced, for purposes of state property taxes levied on the dwelling, by the amount of homestead exemption to which a claimant residing in that dwelling is entitled. The cooperative must pass the full amount of its property tax savings under this section to its members in proportion to each member's homestead exemption. The cooperative may meet its obligation under this subsection (6)(f)(i) by reducing the amount owed by the members to the cooperative or, if no amount be owed, by making payment to the members.

(ii) A mobile home park cooperative or manufactured housing cooperative is entitled to any unused portion of the homestead exemption of its members. A mobile home park cooperative or manufactured housing cooperative receiving the unused portion of the homestead exemption of its members must pass the full amount of its property tax savings to its members in proportion to each member's unused homestead exemption. The cooperative may meet its obligation under this subsection (6)(f)(ii) by reducing the amount owed by the members to the cooperative or, if no amount be owed, by making payment to the members. For purposes of this subsection (6)(f)(ii), "unused portion of the homestead exemption" means the amount by which the maximum allowable homestead exemption exceeds the assessed value of the manufactured/mobile home or park model owned by a member of the mobile home park cooperative or manufactured housing cooperative.

(g) A claimant granted a homestead exemption must immediately inform the county assessor, on forms created or approved by the department, of any change in status affecting the claimant's entitlement to a homestead exemption.

(h) Where a claimant has a life estate in his or her residence and a remainderman or other person would have otherwise paid the state property tax exempted on the residence as a result of the claimant's homestead exemption, such remainderman or other person must reduce the amount owed by the claimant to the remainderman or other person by the amount of the tax savings from the claimant's homestead exemption. If no amount is owed by the claimant to the remainderman or other person, the remainderman or other person must make payment to the claimant in the full amount of the tax savings from the claimant's homestead exemption.

(7)(a)(i) If the assessor finds that the claimant's residence does not meet the qualifications for a homestead exemption, the assessor must deny or cancel the homestead exemption.

(ii) If the assessor receives a declaration or renewal declaration after the deadline in subsection (6)(d) or (e) of this section, the assessor must deny the homestead exemption unless the assessor determines that the claimant qualifies for the homestead exemption and that good cause exists to excuse the late filing. A claimant whose homestead exemption was denied or canceled because the declaration or renewal declaration was filed after the deadline in subsection (6)(d) or (e) of this subsection may seek a refund of state property taxes paid as a result of the denial or cancellation, as provided in RCW 84.69.020. For purposes of this subsection (7)(a)(ii), good cause may be shown by one or more of the following circumstances:

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

(B) The declaration or renewal declaration was mailed timely but inadvertently sent to the wrong address;

(C) The claimant received incorrect, ambiguous, or misleading written advice regarding the qualifications or filing requirements for the homestead exemption from the county assessor's staff;

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

(E) Delay or loss of the declaration or renewal declaration by the postal service, and documented by the postal service;

(F) The claimant was not sent a notice of the requirement to file a renewal declaration within the six-year period as required by subsection (6)(e) of this section; or

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

(b) A denial or cancellation under this subsection is subject to appeal under the provisions of RCW 84.48.010 and in accordance with the provisions of RCW 84.40.038.

(c) If the assessor determines that the claimant had received a homestead exemption in error in prior years, the county treasurer must collect all state property taxes that would have been paid on the claimant's residence for the prior years had the homestead exemption not been claimed, not to exceed six years. Interest, but not penalties, applies to such taxes and is computed at the same rates and in the same way as interest is computed on delinquent taxes. Taxes and interest imposed under this subsection (7)(c): (i) Must be extended on the tax roll; (ii) are due within 30 days after the date of the treasurer's billing for such taxes and interest; and (iii) constitute a lien on the real property to which the tax and interest applies as provided in chapter 84.60 RCW.

(8) The department may conduct audits of the administration of this section and claims filed for the homestead exemption as the department considers necessary. The powers of the department under chapter 84.08 RCW apply to these audits.

(9) The homestead exemption under this section applies to the total state property tax levied under RCW 84.52.065. The exemption does not apply to any local property taxes.

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

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

Pursuant to the provisions of Article VII, section . . . (Senate Joint Resolution No. . . . (S-0597/23)), the state levy must be reduced as necessary to prevent the value exempted under the homestead exemption in section 101 of this act from resulting in a higher tax rate than would have occurred in the absence of the homestead exemption.

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

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

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

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

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

(d) They must reduce the valuation of each class of personal property enumerated on the detail and assessment list of the current year, which is returned above its true and fair value, to such price or sum as to be the true and fair value thereof; and they must reduce the aggregate valuation of the personal property of such individual who has been assessed at too large a sum to such sum or amount as was the true and fair value of the personal property.

(e) The board may review all claims for either real or personal property tax exemption, or homestead exemptions under section 101 of this act, as determined by the county assessor, and must consider any taxpayer appeals from the decision of the assessor thereon to determine (i) if the taxpayer is entitled to an exemption, and (ii) if so, the amount thereof.

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

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

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

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

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

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

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

((~~(1)~~)) (a) Paid more than once;

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

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

((~~(4)~~)) (d) Paid as a result of other clerical errors in listing property;

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

((~~(6)~~)) (f) Paid under levies or statutes adjudicated to be illegal or unconstitutional;

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

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

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

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

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

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

((~~(13)~~)) (m) Paid on property acquired under RCW 84.60.050, and canceled under RCW 84.60.050(2);

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

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

((~~(16)~~)) (p) Abated under RCW 84.70.010.

(2) No refunds under the provisions of this section ((~~shall~~)) may be made because of any error in determining the valuation of property, except as authorized in subsection((~~s (9), (10), (11), and (12)~~)) (1) (i) through (l) of this section nor may any refunds be made if a bona fide purchaser has acquired rights that would preclude the assessment and collection of the refunded tax from the property that should properly have been charged with the tax. Any refunds made on delinquent taxes must include the proportionate amount of interest and penalties paid. However, no refunds as a result of an incorrect payment authorized under subsection ((~~(8)~~)) (1)(h) of this section made by a third party payee ((~~shall~~)) may be granted. The county treasurer may deduct from moneys collected for the benefit of the state's levies, refunds of the state's levies including interest on the levies as provided by this section and chapter 84.68 RCW.

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

**PART II**

**Renter's Credit**

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Claimant" means an individual or individuals who reside in the same household that have applied for or are receiving a renter's credit during the calendar year for which a claim was filed as provided in this chapter.

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

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

(4) "Department" means the department of revenue.

(5) "Gross rent" means the amount of rent paid by a claimant in cash or its equivalent for the right of occupancy of a qualified residence, as may be adjusted by the department under section 202(4)(f) of this act.

(6) "Manufactured/mobile home," "manufactured housing cooperative," "mobile home park cooperative," and "park model" have the same meanings as provided in RCW 59.20.030.

(7) "Principal place of residence" means a residence occupied for at least 183 days during a calendar year by a claimant. In the case of the renter's credit, a principal place of residence also includes multiple residences occupied, in the aggregate, for at least 183 days during a calendar year by a claimant.

(8) "Qualified residence" means the residence or residences occupied by the claimant for a total of at least 183 days during a calendar year, where any portion of such residence or residences are subject to state property taxes.

(9) "Rent constituting property taxes" means an amount equal to two percent of gross rent.

(10) "Renter's credit" means a refund of rent constituting property taxes as provided in section 202 of this act.

(11)(a) "Residence" means a single-family dwelling unit, whether the unit is separate or part of a multiunit dwelling, including the land on which the dwelling stands, regardless of whether ownership of the single-family dwelling unit and the land on which the dwelling unit stands is vested in the same person.

(b) "Residence" includes:

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

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

(iii) A single-family dwelling unit consisting of a floating home as defined in RCW 82.45.032; and

(iv) An accessory dwelling unit that provides complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

(c) "Residence" does not include a nursing home, assisted living facility, adult family home, or similar facility.

(12) "Single-family dwelling unit" means a structure maintained and used as a residential dwelling that is designed exclusively for occupancy for one family or household and includes permanent provisions for living, sleeping, eating, cooking, and sanitation facilities arranged and designed as permanent living quarters.

NEW SECTION. **Sec.**  (1) Beginning January 1, 2025, each claimant meeting the conditions of this section is eligible for a renter's credit in the form of a refund, subject to funds appropriated for this specific purpose. The renter's credit for a year is the amount of rent constituting property taxes paid in the immediately preceding calendar year with respect to a qualified residence.

(2)(a)(i) The renter's credit must be annually claimed in a form and manner required by the department by the last day of the calendar year for which the refund is claimed. The department may approve applications received after the deadline, as provided in section 203 of this act.

(ii) The claimant must provide proof of gross rent paid for the prior year and a copy of a mutually signed rental or lease agreement between the landlord and tenant for the qualified residence or for each rental unit that together constitutes a qualified residence.

(iii) The department must provide claimants a paper application form upon request.

(b) The claimant must sign the application attesting that the rental property or properties for which the renter's credit is sought was the claimant's principal place of residence in the immediately preceding calendar year and to the truth of the other information in the application. The signature requirements in this subsection (2)(b) may be met by an electronic signature. All signatures on an application must be made under penalty of perjury as provided in chapter 9A.72 RCW.

(c) Where multiple individuals contribute to the payment of gross rent eligible for a credit under this section, the department need only make a single refund payment unless the application for the renter's credit provides sufficient information for the department to split the refund payment among multiple individuals.

(3) Information about the renter's credit must be provided on the department's website, including qualifications and manner of making claims for the credit. Subject to funds appropriated for this specific purpose, the department must conduct public awareness and outreach efforts for the renter's credit.

(4) The following conditions apply to the renter's credit:

(a)(i) In the year immediately preceding the year for which a claimant submitted an application for a credit under this section, the claimant must have occupied one or more rental units constituting a qualified residence and paid gross rent; and

(ii) The claimant must be a Washington resident as of the date the claimant signed the application required under subsection (2) of this section. For purposes of this subsection (4)(a), "Washington resident" has the same meaning as in RCW 82.08.0206.

(b) The amount of the renter's credit for a qualified residence must not result in a refund that exceeds the amount that would be exempt under section 101 of this act, if the claimant were eligible for the homestead exemption on the qualified residence.

(c) The qualified residence for which a renter's credit is claimed must be subject to property taxation for the year for which the renter's credit is claimed.

(d) The claimant must have paid gross rent, with respect to a qualified residence, during the calendar year immediately preceding the year for which a claim for a renter's credit is made.

(e) The claimant must not have received a homestead exemption for the same year for which a renter's credit is claimed, except:

(i) For a qualified residence that includes a single-family dwelling unit owned by the claimant and located on leased land; and

(ii) In such cases, the refund under this section combined with the exemption under section 101 of this act may not exceed the allowable amount under section 101(2) of this act.

(f)(i) If the landlord and claimant have not dealt with each other at arm's length and the department determines that the gross rent paid by the claimant was excessive, the department may adjust the gross rent paid to a reasonable rental amount for purposes of rent constituting property taxes paid.

(ii) Any redetermination of gross rent under this subsection is subject to the appeal provisions under section 205 of this act.

(g) A person may not claim a renter's credit on behalf of a deceased individual.

NEW SECTION. **Sec.**  (1)(a) The department may approve applications after the applicable deadline in section 202 of this act when the application is filed within six months of the original deadline, and either:

(i) The claimant has not been late in filing an application under section 202 of this act with the department for the two years prior to the year for which the application was filed late; or

(ii) The claimant is able to substantiate that the late filing was caused by circumstances beyond the claimant's control.

(b) For purposes of this subsection (1), "circumstances beyond the claimant's control" means circumstances that are immediate, unexpected, or in the nature of an emergency, when the circumstances result in the claimant not having reasonable time or opportunity to file an application by the deadline. Depending on the particular facts of the claimant's situation, circumstances beyond the claimant's control may include:

(i) Serious illness of the claimant or a member of the claimant's immediate family, as defined in RCW 42.17A.005;

(ii) The application was mailed timely but inadvertently sent to the wrong agency;

(iii) The claimant received incorrect, ambiguous, or misleading written advice from the department regarding the qualifications or filing requirements for the renter's credit;

(iv) Natural disaster, such as flood or earthquake, occurring shortly before the filing deadline;

(v) Delay or loss of the application by the postal service, and documented by the postal service;

(vi) The unavoidable absence of the claimant shortly before the filing deadline, which does not include vacations, business trips, and the like;

(vii) The destruction of the claimant's primary residence by fire or other casualty shortly before the filing deadline;

(viii) The department did not respond within a reasonable time to the claimant's written request for an application for the renter's credit; or

(ix) Other circumstances of a similar nature as those described in this subsection (1)(b).

(2) If the department finds that a claimant does not meet the requirements for a renter's credit, the department must deny the claimant's application.

NEW SECTION. **Sec.**  (1)(a) If the department determines that the claimant received a renter's credit that the claimant was not entitled to, or received a larger refund than the claimant was entitled to, the department must assess against the claimant the overpaid amount. Such amounts are due within six months following the date the department issued the assessment.

(b) If the full amount due is not paid by the due date provided in (a) of this subsection, the department must add interest, as provided under RCW 82.32.050, to the amount due starting from the due date in (a) of this subsection until the amount due under this subsection (1) is paid in full to the department. Except as otherwise provided in this subsection (1), penalties may not be assessed on amounts due under this subsection (1).

(c) If an amount due under this subsection is not paid in full by the date due, or the department issues a warrant for the collection of amounts due under this subsection, the department may assess the applicable penalties under RCW 82.32.090.

(d) If the department finds by clear, cogent, and convincing evidence that a claimant knowingly submitted, caused to be submitted, or consented to the submission of, a fraudulent claim for a renter's credit under this chapter, the department must assess a penalty of 50 percent of the overpaid amount. This penalty is in addition to any other applicable penalties assessed in accordance with (c) of this subsection. In addition, the claimant is barred from receiving a renter's credit under this chapter for the 10 years following the year for which the claimant submitted a fraudulent claim under this chapter.

(2) If, within the period allowed for refunds under RCW 82.32.060, the department finds that a claimant received a lesser refund than the claimant was entitled to, the department must remit the additional amount due under this chapter to the claimant.

(3) Interest does not apply to renter's credit refunds under this chapter.

NEW SECTION. **Sec.**  (1)(a) If a claimant disagrees with any decision of the department affecting the claimant's eligibility for a renter's credit under this chapter, the amount of such exemption or credit, or the claimant's obligation to repay all or part of a refund under this chapter, the claimant may petition the department for a correction of the department's decision within 60 days of the date of the department's decision. The department may, in its discretion, grant extensions of the 60-day deadline under this subsection (1) but only when the department receives the request for extension in writing within the 60-day deadline in this subsection (1).

(b)(i) A petition for correction must be in a form and manner determined by the department; and

(ii) The petition must include an explanation of why the claimant believes the department's decision is legally incorrect.

(2) The department must consider a petition by a claimant under subsection (1) of this section and may:

(a) Grant or deny the petition based on the information provided in the petition and other information in the department's possession; or

(b) Grant a conference with the claimant, which must be informal under such procedures and processes as provided by rule of the department.

(3) The department may make such determination as may appear to it to be just and lawful and must mail a copy of its determination to the petitioner or provide a copy of its determination electronically as provided in RCW 82.32.135.

(4) A claimant who disagrees with a determination from the department under this section may appeal the determination to the board of tax appeals pursuant to the provisions of chapter 82.03 RCW and rules adopted by the board of tax appeals.

NEW SECTION. **Sec.**  (1) Subject to funds appropriated for this specific purpose, the department must develop and maintain a centralized computer system to facilitate the exchange of data between the department and each county assessor and county treasurer necessary to implement and administer this chapter.

(2) County assessors, county treasurers, and the department must work together to facilitate the electronic transfer to the department of information maintained by county assessors and county treasurers that is necessary to administer this chapter.

(3) The department may conduct audits of recipients of the renter's credit to determine whether the recipient was eligible for the credit and the proper amount of credit the recipient was eligible for, if any.

(4) The department may adopt such rules in accordance with chapter 34.05 RCW, and prescribe such forms, as the department deems useful to implement and administer this chapter.

NEW SECTION. **Sec.**  Chapter 82.32 RCW applies to the administration of the renter's credit in this chapter, to the extent that such provisions of chapter 82.32 RCW do not clearly conflict with the provisions of this chapter.

**Sec.**  RCW 82.03.190 and 2012 c 39 s 3 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, any person having received notice of a denial of a petition or a notice of determination made under RCW 82.32.160, 82.32.170, 82.34.110, ((~~or~~)) 82.49.060, or section 205 of this act may appeal by filing in accordance with RCW 1.12.070 a notice of appeal with the board of tax appeals within ((~~thirty~~)) 30 days after the mailing of the notice of such denial or determination. ((~~In~~)) Except as provided in this subsection, in the notice of appeal the taxpayer must set forth the amount of the tax which the taxpayer contends should be reduced or refunded and the reasons for such reduction or refund, in accordance with rules of practice and procedure prescribed by the board. However, if the notice of appeal relates to an application made to the department under chapter 82.34 RCW, the taxpayer must set forth the amount to which the taxpayer claims the credit or exemption should apply, and the grounds for such contention, in accordance with rules of practice and procedure prescribed by the board. If the notice of appeal relates to a determination under section 205 of this act, the notice must include an explanation of why the department's determination is incorrect. The board must transmit a copy of the notice of appeal to the department and all other named parties within thirty days of its receipt by the board. If the taxpayer intends that the hearing before the board be held pursuant to the administrative procedure act (chapter 34.05 RCW), the notice of appeal must also so state. In the event that the notice of appeal does not so state, the department may, within thirty days from the date of its receipt of the notice of appeal, file with the board notice of its intention that the hearing be held pursuant to the administrative procedure act.

(2) No person may file a notice of appeal with the board of tax appeals to contest the amount of spirits taxes assessed or asserted to be due by the department of revenue unless the person has first paid the full amount of the contested spirits taxes. For purposes of this subsection, "spirits taxes" has the same meaning as in RCW 82.08.155.

NEW SECTION. **Sec.**  RCW 82.32.805 and 82.32.808 do not apply to this act.

NEW SECTION. **Sec.**  Sections 201 through 207 of this act constitute a new chapter in a new title in the Revised Code of Washington, to be codified as Title 84A RCW.

NEW SECTION. **Sec.**  This act takes effect January 1, 2024, if the proposed amendment to Article VII of the state Constitution providing for the homestead exemption and renter's credit (Senate Joint Resolution No. . . . (S-0597/23)) is validly submitted to and is approved and ratified by the voters at the next general election. If the proposed amendment is not approved and ratified, this act is void in its entirety.

**--- END ---**