

1 residence may transfer his or her exemption status to a replacement
2 residence, but no claimant may receive an exemption on more than one
3 residence in any year. Moreover, confinement of the person to a
4 hospital, nursing home, assisted living facility, adult family home,
5 or home of a relative for the purpose of long-term care does not
6 disqualify the claim of exemption if:

7 (i) The residence is temporarily unoccupied;

8 (ii) The residence is occupied by a spouse or a domestic partner
9 and/or a person financially dependent on the claimant for support; or

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

12 (b) For the purpose of this subsection (1), "relative" means any
13 individual related to the claimant by blood, marriage, or adoption;

14 (2) The person claiming the exemption must have owned, at the
15 time of filing, in fee, as a life estate, or by contract purchase,
16 the residence on which the property taxes have been imposed or if the
17 person claiming the exemption lives in a cooperative housing
18 association, corporation, or partnership, such person must own a
19 share therein representing the unit or portion of the structure in
20 which he or she resides. For purposes of this subsection, a residence
21 owned by a marital community or state registered domestic partnership
22 or owned by cotenants is deemed to be owned by each spouse or each
23 domestic partner or each cotenant, and any lease for life is deemed a
24 life estate;

25 (3) (a) The person claiming the exemption must be:

26 (i) Sixty-one years of age or older on December 31st of the year
27 in which the exemption claim is filed, or must have been, at the time
28 of filing, retired from regular gainful employment by reason of
29 disability; or

30 (ii) A veteran of the armed forces of the United States entitled
31 to and receiving compensation from the United States department of
32 veterans affairs at:

33 (A) A combined service-connected evaluation rating of 40 percent
34 or higher; or

35 (B) A total disability rating for a service-connected disability
36 without regard to evaluation percent.

37 (b) However, any surviving spouse or surviving domestic partner
38 of a person who was receiving an exemption at the time of the
39 person's death will qualify if the surviving spouse or surviving

1 domestic partner is 57 years of age or older and otherwise meets the
2 requirements of this section;

3 (4) (a) The amount that the person is exempt from an obligation to
4 pay is calculated on the basis of combined disposable income, as
5 defined in RCW 84.36.383.

6 (b) If the person claiming the exemption was retired for two
7 months or more of the assessment year, the combined disposable income
8 of such person must be calculated by multiplying the average monthly
9 combined disposable income of such person during the months such
10 person was retired by 12.

11 (c) If the income of the person claiming exemption is reduced for
12 two or more months of the assessment year by reason of the death of
13 the person's spouse or the person's domestic partner, or when other
14 substantial changes occur in disposable income that are likely to
15 continue for an indefinite period of time, the combined disposable
16 income of such person must be calculated by multiplying the average
17 monthly combined disposable income of such person after such
18 occurrences by 12.

19 (d) (i) If the income of the person claiming the exemption
20 increases as a result of a cost-of-living adjustment to social
21 security benefits or supplemental security income in an amount that
22 would disqualify the applicant from eligibility, the applicant is not
23 disqualified but instead maintains eligibility.

24 (ii) The continued eligibility under this subsection applies to
25 applications for property taxes levied for collection in calendar
26 year 2024.

27 (e) If it is necessary to estimate income to comply with this
28 subsection (4), the assessor may require confirming documentation of
29 such income prior to May 31st of the year following application;

30 (5) (a) A person who otherwise qualifies under this section and
31 has a combined disposable income equal to or less than income
32 threshold 3 is exempt from all excess property taxes, the
33 (~~additional~~) state property tax imposed under RCW 84.52.065(~~(+2)~~),
34 and the portion of the regular property taxes authorized pursuant to
35 RCW 84.55.050 and approved by the voters, if the legislative
36 authority of the county or city imposing the additional regular
37 property taxes identified this exemption in the ordinance placing the
38 RCW 84.55.050 measure on the ballot; and

39 (b) (i) A person who otherwise qualifies under this section and
40 has a combined disposable income equal to or less than income

1 threshold 2 but greater than income threshold 1 is exempt from all
2 regular property taxes on the greater of (~~(\$50,000)~~) \$70,000 or
3 (~~(35)~~) 45 percent of the valuation of his or her residence, but not
4 to exceed (~~(\$70,000)~~) \$200,000 of the valuation of his or her
5 residence; or

6 (ii) A person who otherwise qualifies under this section and has
7 a combined disposable income equal to or less than income threshold 1
8 is exempt from all regular property taxes on the greater of
9 (~~(\$60,000)~~) \$80,000 or (~~(60)~~) 80 percent of the valuation of his or
10 her residence;

11 (6) (a) For a person who otherwise qualifies under this section
12 and has a combined disposable income equal to or less than income
13 threshold 3, the valuation of the residence is the assessed value of
14 the residence on the later of January 1, 1995, or January 1st of the
15 assessment year the person first qualifies under this section. If the
16 person subsequently fails to qualify under this section only for one
17 year because of high income, this same valuation must be used upon
18 requalification. If the person fails to qualify for more than one
19 year in succession because of high income or fails to qualify for any
20 other reason, the valuation upon requalification is the assessed
21 value on January 1st of the assessment year in which the person
22 requalifies. If the person transfers the exemption under this section
23 to a different residence, the valuation of the different residence is
24 the assessed value of the different residence on January 1st of the
25 assessment year in which the person transfers the exemption.

26 (b) In no event may the valuation under this subsection be
27 greater than the true and fair value of the residence on January 1st
28 of the assessment year.

29 (c) This subsection does not apply to subsequent improvements to
30 the property in the year in which the improvements are made.
31 Subsequent improvements to the property must be added to the value
32 otherwise determined under this subsection at their true and fair
33 value in the year in which they are made.

34 **Sec. 102.** RCW 84.36.383 and 2024 c 119 s 1 are each amended to
35 read as follows:

36 As used in RCW 84.36.381 through 84.36.389, unless the context
37 clearly requires otherwise:

38 (1) "Accessory dwelling unit" means a separate, autonomous
39 residential dwelling unit that provides complete independent living

1 facilities for one or more persons and includes permanent provisions
2 for living, sleeping, eating, cooking, and sanitation.

3 (2) "Combined disposable income" means the disposable income of
4 the person claiming the exemption, plus the disposable income of his
5 or her spouse or domestic partner, and the disposable income of each
6 cotenant occupying the residence for the assessment year, less the
7 standard deduction amount or amounts paid or, for purposes of (n) of
8 this subsection (2), received, by the person claiming the exemption
9 or his or her spouse or domestic partner during the assessment year
10 for the items in this subsection (2). In determining combined
11 disposable income, the person claiming the exemption may choose to
12 use the standard deduction amount or the total itemized amount of the
13 following items:

14 (a) Drugs supplied by prescription of a medical practitioner
15 authorized by the laws of this state or another jurisdiction to issue
16 prescriptions;

17 (b) The treatment or care of either person received in the home
18 or in a nursing home, assisted living facility, or adult family home;

19 (c) Health care insurance premiums for medicare under Title XVIII
20 of the social security act;

21 (d) Costs related to medicare supplemental policies as defined in
22 Title 42 U.S.C. Sec. 1395ss;

23 (e) Durable medical equipment, mobility enhancing equipment,
24 medically prescribed oxygen, and prosthetic devices as defined in RCW
25 82.08.0283;

26 (f) Long-term care insurance as defined in RCW 48.84.020;

27 (g) Cost-sharing amounts as defined in RCW 48.43.005;

28 (h) Nebulizers as defined in RCW 82.08.803;

29 (i) Medicines of mineral, animal, and botanical origin
30 prescribed, administered, dispensed, or used in the treatment of an
31 individual by a person licensed under chapter 18.36A RCW;

32 (j) Ostomic items as defined in RCW 82.08.804;

33 (k) Insulin for human use;

34 (l) Kidney dialysis devices; (~~and~~)

35 (m) Disposable devices used to deliver drugs for human use as
36 defined in RCW 82.08.935; and

37 (n) Rental amounts up to \$6,000 per year received from the
38 renting of living space in the person's principal place of residence.

39 (i) For the purposes of this subsection (2)(n), "rental amount"
40 has the same meaning as in RCW 59.18.030.

1 (ii) For the purposes of this subsection (2)(n), amounts received
2 from short-term rentals, as defined in RCW 64.37.010, are not
3 included. Any amounts received from a short-term rental must be
4 reported as income.

5 (3) "Cotenant" means a person who resides with the person
6 claiming the exemption and who has an ownership interest in the
7 residence.

8 (4) "County median household income" means the median household
9 income estimates for the state of Washington by county of the legal
10 address of the principal place of residence, as published by the
11 office of financial management.

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

13 (6) "Disability" has the same meaning as provided in 42 U.S.C.
14 Sec. 423(d)(1)(A) as amended prior to January 1, 2005, or such
15 subsequent date as the department may provide by rule consistent with
16 the purpose of this section.

17 (7) "Disposable income" means adjusted gross income as defined in
18 the federal internal revenue code, as amended prior to January 1,
19 1989, or such subsequent date as the director may provide by rule
20 consistent with the purpose of this section, plus all of the
21 following items to the extent they are not included in or have been
22 deducted from adjusted gross income:

23 (a) Capital gains, other than gain excluded from income under
24 section 121 of the federal internal revenue code to the extent it is
25 reinvested in a new principal residence;

26 (b) Amounts deducted for loss;

27 (c) Amounts deducted for depreciation;

28 (d) Pension and annuity receipts;

29 (e) Military pay and benefits other than (~~attendant~~);

30 (i) Attendant-care and medical-aid payments; and

31 (ii) Combat-related special compensation under 10 U.S.C. Sec.
32 1413a;

33 (f) Veterans benefits, other than:

34 (i) Attendant-care payments;

35 (ii) Medical-aid payments;

36 (iii) Disability compensation, as defined in Title 38, part 3,
37 section 3.4 of the Code of Federal Regulations, as of January 1,
38 2008; and

1 (iv) Dependency and indemnity compensation, as defined in Title
2 38, part 3, section 3.5 of the Code of Federal Regulations, as of
3 January 1, 2008;

4 (g) Federal social security act and railroad retirement benefits;

5 (h) Dividend receipts; and

6 (i) Interest received on state and municipal bonds.

7 (8) "Income threshold 1" means:

8 (a) For taxes levied for collection in calendar years prior to
9 2020, a combined disposable income equal to \$30,000;

10 (b) For taxes levied for collection in calendar years 2020
11 through 2023, a combined disposable income equal to the greater of
12 "income threshold 1" for the previous year or 45 percent of the
13 county median household income; (~~and~~)

14 (c) For taxes levied for collection in calendar years 2024 (~~and~~
15 ~~thereafter~~) through 2026, a combined disposable income equal to the
16 greater of "income threshold 1" for the previous year or 50 percent
17 of the county median household income(~~(, adjusted every three years~~
18 ~~beginning August 1, 2023, as provided in RCW 84.36.385(8))~~); and

19 (d) For taxes levied for collection in calendar years 2027 and
20 thereafter, a combined disposable income equal to the greater of
21 "income threshold 1" for the previous year or 60 percent of the
22 county median household income, adjusted every three years beginning
23 August 1, 2026, as provided in RCW 84.36.385(8).

24 (9) "Income threshold 2" means:

25 (a) For taxes levied for collection in calendar years prior to
26 2020, a combined disposable income equal to \$35,000;

27 (b) For taxes levied for collection in calendar years 2020
28 through 2023, a combined disposable income equal to the greater of
29 "income threshold 2" for the previous year or 55 percent of the
30 county median household income; (~~and~~)

31 (c) For taxes levied for collection in calendar years 2024 (~~and~~
32 ~~thereafter~~) through 2026, a combined disposable income equal to the
33 greater of "income threshold 2" for the previous year or 60 percent
34 of the county median household income(~~(, adjusted every three years~~
35 ~~beginning August 1, 2023, as provided in RCW 84.36.385(8))~~); and

36 (d) For taxes levied for collection in calendar years 2027 and
37 thereafter, a combined disposable income equal to the greater of
38 "income threshold 2" for the previous year or 70 percent of the
39 county median household income, adjusted every three years beginning
40 August 1, 2026, as provided in RCW 84.36.385(8).

1 (10) "Income threshold 3" means:

2 (a) For taxes levied for collection in calendar years prior to
3 2020, a combined disposable income equal to \$40,000;

4 (b) For taxes levied for collection in calendar years 2020
5 through 2023, a combined disposable income equal to the greater of
6 "income threshold 3" for the previous year or 65 percent of the
7 county median household income; (~~and~~)

8 (c) For taxes levied for collection in calendar years 2024 (~~and~~
9 ~~thereafter~~) through 2026, a combined disposable income equal to the
10 greater of "income threshold 3" for the previous year or 70 percent
11 of the county median household income(~~(, adjusted every three years~~
12 ~~beginning August 1, 2023, as provided in RCW 84.36.385(8))~~); and

13 (d) For taxes levied for collection in calendar years 2027 and
14 thereafter, a combined disposable income equal to the greater of
15 "income threshold 3" for the previous year or 80 percent of the
16 county median household income, adjusted every three years beginning
17 August 1, 2026, as provided in RCW 84.36.385(8).

18 (11) "Principal place of residence" means a residence occupied
19 for more than six months each calendar year by a person claiming an
20 exemption under RCW 84.36.381.

21 (12) The term "real property" also includes a mobile home which
22 has substantially lost its identity as a mobile unit by virtue of its
23 being fixed in location upon land owned or leased by the owner of the
24 mobile home and placed on a foundation (posts or blocks) with fixed
25 pipe, connections with sewer, water, or other utilities. A mobile
26 home located on land leased by the owner of the mobile home is
27 subject, for tax billing, payment, and collection purposes, only to
28 the personal property provisions of chapter 84.56 RCW and RCW
29 84.60.040.

30 (13) The term "residence" means a single-family dwelling unit
31 whether such unit be separate or part of a multiunit dwelling, may
32 include one accessory dwelling unit and includes the land on which
33 such dwellings stand not to exceed one acre, except that a residence
34 includes any additional property up to a total of five acres that
35 comprises the residential parcel if this larger parcel size is
36 required under land use regulations. The term also includes a share
37 ownership in a cooperative housing association, corporation, or
38 partnership if the person claiming exemption can establish that his
39 or her share represents the specific unit or portion of such
40 structure in which he or she resides. The term also includes a

1 single-family dwelling situated upon lands the fee of which is vested
2 in the United States or any instrumentality thereof including an
3 Indian tribe or in the state of Washington, and notwithstanding the
4 provisions of RCW 84.04.080 and 84.04.090, such a residence is deemed
5 real property.

6 (14) "Standard deduction amount" means \$7,500 for the person
7 claiming the exemption plus an additional \$7,500 for the person's
8 spouse or domestic partner.

9 **Sec. 103.** RCW 84.38.020 and 2023 c 147 s 4 are each amended to
10 read as follows:

11 The definitions in this section apply throughout this chapter
12 unless the context clearly requires otherwise.

13 (1) (a) "Claimant" means a person who either elects or is required
14 under RCW 84.64.050 to defer payment of the special assessments
15 and/or real property taxes accrued on the claimant's residence by
16 filing a declaration to defer as provided by this chapter.

17 (b) When two or more individuals of a household file or seek to
18 file a declaration to defer, they may determine between them as to
19 who the claimant is.

20 (2) "Devisee" has the same meaning as provided in RCW 21.35.005.

21 (3) "Equity value" means the amount by which the fair market
22 value of a residence as determined from the records of the county
23 assessor exceeds the total amount of any liens or other obligations
24 against the property.

25 (4) "Heir" has the same meaning as provided in RCW 21.35.005.

26 (5) "Income threshold" means: (a) For taxes levied for collection
27 in calendar years prior to 2020, a combined disposable income equal
28 to \$45,000; ~~((and))~~ (b) for taxes levied for collection in calendar
29 year 2020 ~~((and thereafter))~~ through 2026, a combined disposable
30 income equal to the greater of the income threshold for the previous
31 year, or 75 percent of the county median household income; and (c)
32 for taxes levied for collection in calendar year 2027 and thereafter,
33 a combined disposable income equal to the greater of the income
34 threshold for the previous year, or 90 percent of the county median
35 household income, adjusted every three years beginning August 1,
36 ~~((2023))~~ 2026, as provided in RCW 84.36.385(8). Beginning with the
37 adjustment made by August 1, ~~((2023))~~ 2026, as provided in RCW
38 84.36.385(8), if the income threshold in a county is not adjusted
39 based on percentage of county median income as provided in this

1 subsection, then the income threshold must be adjusted based on the
2 growth of the consumer price index for all urban consumers (CPI-U)
3 for the prior (~~twelve~~) 12-month period as published by the United
4 States bureau of labor statistics. In no case may the adjustment be
5 greater than one percent. The adjusted threshold must be rounded to
6 the nearest one dollar. If the income threshold adjustment is
7 negative, the income threshold for the prior year continues to apply.

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

13 (7) "Real property taxes" means ad valorem property taxes levied
14 on a residence in this state in the preceding calendar year.

15 (8) "Residence" has the meaning given in RCW 84.36.383.

16 (9) "Special assessment" means the charge or obligation imposed
17 by a local government upon property specially benefited.

18 PART II

19 REQUIRING PROPERTY TAX STATEMENTS TO LIST THE STATE PROPERTY TAX AS 20 THE STATE SCHOOL LEVY

21 **Sec. 201.** RCW 84.56.020 and 2023 c 376 s 1 are each amended to
22 read as follows:

23 **Treasurers' tax collection duties.**

24 (1) The county treasurer must be the receiver and collector of
25 all taxes extended upon the tax rolls of the county, whether levied
26 for state, county, school, bridge, road, municipal or other purposes,
27 and also of all fines, forfeitures or penalties received by any
28 person or officer for the use of his or her county. No treasurer may
29 accept tax payments or issue receipts for the same until the
30 treasurer has completed the tax roll for the current year's
31 collection and provided notification of the completion of the roll.
32 Notification may be accomplished electronically, by posting a notice
33 in the office, or through other written communication as determined
34 by the treasurer. All real and personal property taxes and
35 assessments made payable by the provisions of this title are due and
36 payable to the county treasurer on or before the 30th day of April
37 and, except as provided in this section, are delinquent after that
38 date.

1 **Tax statements.**

2 (2) (a) Tax statements for the current year's collection must be
3 distributed to each taxpayer on or before March 15th provided that:

4 (i) All city and other taxing district budgets have been
5 submitted to county legislative authorities by November 30th per RCW
6 84.52.020;

7 (ii) The county legislative authority in turn has certified taxes
8 levied to the county assessor in accordance with RCW 84.52.070; and

9 (iii) The county assessor has delivered the tax roll to the
10 county treasurer by January 15th per RCW 84.52.080.

11 (b) Each tax statement must include a notice that checks for
12 payment of taxes may be made payable to "Treasurer of
13 County" or other appropriate office, but tax statements may not
14 include any suggestion that checks may be made payable to the name of
15 the individual holding the office of treasurer nor any other
16 individual.

17 (c) Each tax statement distributed to an address must include a
18 notice with information describing the:

19 (i) Property tax exemption program pursuant to RCW 84.36.379
20 through 84.36.389; and

21 (ii) Property tax deferral program pursuant to chapter 84.38 RCW.

22 (d) Each tax statement must identify the state property tax as
23 the "state school levy."

24 **Tax payment due dates.**

25 **On-time tax payments: First-half taxes paid by April 30th and**
26 **second-half taxes paid by October 31st.**

27 (3) (a) When the total amount of tax or special assessments on
28 personal property or on any lot, block or tract of real property
29 payable by one person is \$50 or more, and if one-half of such tax is
30 paid on or before the 30th day of April, the remainder of such tax is
31 due and payable on or before the following 31st day of October and is
32 delinquent after that date.

33 (b) Payments generated by an automated check processing service
34 or payments sent via United States mail with no discernable postmark
35 date and received within three business days of the 30th day of April
36 or the 31st day of October, as required under (a) of this subsection,
37 are not delinquent.

38 **Delinquent tax payments for current year: First-half taxes paid**
39 **after April 30th.**

1 (4) (a) When the total amount of tax or special assessments on any
2 lot, block or tract of real property, personal property, or on any
3 mobile home payable by one person is \$50 or more, and if one-half of
4 such tax is paid after the 30th day of April but before the 31st day
5 of October, together with the applicable interest and penalty on the
6 full amount of tax payable for that year, the remainder of such tax
7 is due and payable on or before the following 31st day of October and
8 is delinquent after that date.

9 (b) Payments generated by an automated check processing service
10 or payments sent via United States mail with no discernable postmark
11 date and received within three business days of the 30th day of April
12 or the 31st day of October, as required under (a) of this subsection,
13 are not delinquent.

14 **Delinquent tax payments: Interest, penalties, and treasurer**
15 **duties.**

16 (5) (a) Except as provided in (c) of this subsection, delinquent
17 taxes under this section are subject to interest as provided in this
18 subsection computed on a monthly basis on the amount of tax
19 delinquent from the date of delinquency until paid. Interest must be
20 calculated at the rate as described below.

21 (i) Until December 31, 2022, the interest rate is 12 percent per
22 annum for all nonresidential real property, residential real
23 property, and personal property.

24 (ii) Beginning January 1, 2023, interest rates are as follows:

25 (A) Nine percent per annum for all residential real property with
26 four or fewer units per taxable parcel, including manufactured/mobile
27 homes as defined in RCW 59.20.030 for taxes levied in 2023 or after;
28 or

29 (B) Twelve percent per annum for all other property.

30 (b) (i) Penalties on delinquent taxes under this section may not
31 be assessed beginning January 1, 2022, and through December 31, 2022.

32 (ii) Beginning January 1, 2023, delinquent taxes under this
33 section are subject to penalties for nonresidential real property,
34 residential real property with greater than four units per taxable
35 parcel, and for personal property as follows:

36 (A) A penalty of three percent of the amount of tax delinquent is
37 assessed on the tax delinquent on June 1st of the year in which the
38 tax is due.

1 (B) An additional penalty of eight percent is assessed on the
2 delinquent tax amount on December 1st of the year in which the tax is
3 due.

4 (iii) Penalties may not be assessed on residential real property
5 with four or fewer units per taxable parcel, including manufactured/
6 mobile homes as defined in RCW 59.20.030.

7 (c)(i) If a taxpayer is successfully participating in a payment
8 agreement under subsection (15)(b) of this section or a partial
9 payment program pursuant to subsection (15)(c) of this section, the
10 county treasurer may not assess additional penalties on delinquent
11 taxes that are included within the payment agreement. Interest and
12 penalties that have been assessed prior to the payment agreement
13 remain due and payable as provided in the payment agreement.

14 (ii) The following remain due and payable as provided in any
15 payment agreement:

16 (A) Interest that has been assessed prior to the payment
17 agreement; and

18 (B) Penalties assessed prior to January 1, 2022, that have been
19 assessed prior to the payment agreement.

20 (6) A county treasurer must provide notification to each taxpayer
21 whose taxes have become delinquent under subsections (4) and (5) of
22 this section. The delinquency notice must specify where the taxpayer
23 can obtain information regarding:

24 (a) Any current tax or special assessments due as of the date of
25 the notice;

26 (b) Any delinquent tax or special assessments due, including any
27 penalties and interest, as of the date of the notice; and

28 (c) Where the taxpayer can pay his or her property taxes directly
29 and contact information, including but not limited to the phone
30 number, for the statewide foreclosure hotline recommended by the
31 Washington state housing finance commission.

32 (7) Within 90 days after the expiration of two years from the
33 date of delinquency (when a taxpayer's taxes have become delinquent),
34 the county treasurer must provide the name and property address of
35 the delinquent taxpayer to a homeownership resource center or any
36 other designated local or state entity recommended by the Washington
37 state housing finance commission.

38 **Collection of foreclosure costs.**

1 (8) (a) When real property taxes become delinquent and prior to
2 the filing of the certificate of delinquency, the treasurer is
3 authorized to assess and collect tax foreclosure avoidance costs.

4 (b) When tax foreclosure avoidance costs are collected, such
5 costs must be credited to the county treasurer service fund account,
6 except as otherwise directed.

7 (c) For purposes of chapter 84.64 RCW, any taxes, interest, or
8 penalties deemed delinquent under this section remain delinquent
9 until such time as all taxes, interest, and penalties for the tax
10 year in which the taxes were first due and payable have been paid in
11 full.

12 **Periods of armed conflict.**

13 (9) Subsection (5) of this section notwithstanding, no interest
14 or penalties may be assessed during any period of armed conflict
15 regarding delinquent taxes imposed on the personal residences owned
16 by active duty military personnel who are participating as part of
17 one of the branches of the military involved in the conflict and
18 assigned to a duty station outside the territorial boundaries of the
19 United States.

20 **State of emergency.**

21 (10) During a state of emergency declared under RCW
22 43.06.010(12), the county treasurer, on his or her own motion or at
23 the request of any taxpayer affected by the emergency, may grant
24 extensions of the due date of any taxes payable under this section as
25 the treasurer deems proper.

26 **Retention of funds from interest.**

27 (11) All collections of interest on delinquent taxes must be
28 credited to the county current expense fund.

29 (12) For purposes of this chapter, "interest" means both interest
30 and penalties.

31 **Retention of funds from property foreclosures and sales.**

32 (13) The direct cost of foreclosure and sale of real property,
33 and the direct fees and costs of distraint and sale of personal
34 property, for delinquent taxes, must, when collected, be credited to
35 the operation and maintenance fund of the county treasurer
36 prosecuting the foreclosure or distraint or sale; and must be used by
37 the county treasurer as a revolving fund to defray the cost of
38 further foreclosure, distraint, and sale because of delinquent taxes
39 without regard to budget limitations and not subject to indirect
40 costs of other charges.

1 **Tax due dates and options for tax payment collections.**

2 **Electronic billings and payments.**

3 (14) For purposes of this chapter, and in accordance with this
4 section and RCW 36.29.190, the treasurer may collect taxes,
5 assessments, fees, rates, interest, and charges by electronic billing
6 and payment. Electronic billing and payment may be used as an option
7 by the taxpayer, but the treasurer may not require the use of
8 electronic billing and payment. Electronic bill presentment and
9 payment may be on a monthly or other periodic basis as the treasurer
10 deems proper for:

11 (a) Delinquent tax year payments; and

12 (b) Prepayments of current tax.

13 **Tax payments.**

14 **Prepayment for current taxes.**

15 (15)(a) The treasurer may accept prepayments for current year
16 taxes by any means authorized. All prepayments must be paid in full
17 by the due date specified in subsection (16) of this section.

18 **Payment agreements for current year taxes.**

19 (b)(i) The treasurer may provide, by electronic means or
20 otherwise, a payment agreement that provides for payment of current
21 year taxes, inclusive of prepayment collection charges. The payment
22 agreement must be signed by the taxpayer and treasurer or the
23 treasurer's deputy prior to the sending of an electronic or
24 alternative bill, which includes a payment plan for current year
25 taxes.

26 **Payment agreements for delinquent year taxes.**

27 (ii)(A) The treasurer may provide, by electronic means or
28 otherwise, a payment agreement for payment of past due delinquencies.
29 The payment agreement must be signed by the taxpayer and treasurer or
30 the treasurer's deputy prior to the sending of an electronic or
31 alternative bill, which includes a payment plan for past due
32 delinquent taxes and charges.

33 (B) Tax payments received by a treasurer for delinquent year
34 taxes from a taxpayer participating on a payment agreement must be
35 applied first to the oldest delinquent year unless such taxpayer
36 requests otherwise.

37 **Partial payments: Acceptance of partial payments for current and**
38 **delinquent taxes.**

39 (c)(i) In addition to the payment agreement program in (b) of
40 this subsection, the treasurer may accept partial payment of any

1 current and delinquent taxes including interest and penalties by any
2 means authorized including electronic bill presentment and payments.

3 (ii) All tax payments received by a treasurer for delinquent year
4 taxes from a taxpayer paying a partial payment must be applied first
5 to the oldest delinquent year unless such taxpayer requests
6 otherwise.

7 **Payment for delinquent taxes.**

8 (d) Payments on past due taxes must include collection of the
9 oldest delinquent year, which includes interest, penalties, and taxes
10 within an (~~eighteen~~) 18-month period, prior to filing a certificate
11 of delinquency under chapter 84.64 RCW or distraint pursuant to RCW
12 84.56.070.

13 **Due date for tax payments.**

14 (16) All taxes upon real and personal property made payable by
15 the provisions of this title are due and payable to the treasurer on
16 or before the 30th day of April and are delinquent after that date.
17 The remainder of the tax is due and payable on or before the
18 following 31st of October and is delinquent after that date. All
19 other assessments, fees, rates, and charges are delinquent after the
20 due date.

21 **Electronic funds transfers.**

22 (17) A county treasurer may authorize payment of:

23 (a) Any current property taxes due under this chapter by
24 electronic funds transfers on a monthly or other periodic basis; and

25 (b) Any past due property taxes, penalties, and interest under
26 this chapter by electronic funds transfers on a monthly or other
27 periodic basis. Delinquent taxes are subject to interest and
28 penalties, as provided in subsection (5) of this section. All tax
29 payments received by a treasurer from a taxpayer paying delinquent
30 year taxes must be applied first to the oldest delinquent year unless
31 such taxpayer requests otherwise.

32 **Payment for administering prepayment collections.**

33 (18) The treasurer must pay any collection costs, investment
34 earnings, or both on past due payments or prepayments to the credit
35 of a county treasurer service fund account to be created and used
36 only for the payment of expenses incurred by the treasurer, without
37 limitation, in administering the system for collecting prepayments.

38 **Waiver of interest and penalties for qualified taxpayers subject**
39 **to foreclosure.**

1 (19) No earlier than 60 days prior to the date that is three
2 years after the date of delinquency, the treasurer must waive all
3 outstanding interest and penalties on delinquent taxes due from a
4 taxpayer if the property is subject to an action for foreclosure
5 under chapter 84.64 RCW and the following requirements are met:

6 (a) The taxpayer is income-qualified under RCW 84.36.381(5) (a),
7 as verified by the county assessor;

8 (b) The taxpayer occupies the property as their principal place
9 of residence; and

10 (c) The taxpayer has not previously received a waiver on the
11 property as provided under this subsection.

12 **Definitions.**

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

15 (a) "Electronic billing and payment" means statements, invoices,
16 or bills that are created, delivered, and paid using the internet.
17 The term includes an automatic electronic payment from a person's
18 checking account, debit account, or credit card.

19 (b) "Internet" has the same meaning as provided in RCW
20 19.270.010.

21 (c) "Tax foreclosure avoidance costs" means those direct costs
22 associated with the administration of properties subject to and prior
23 to foreclosure. Tax foreclosure avoidance costs include:

24 (i) Compensation of employees for the time devoted to
25 administering the avoidance of property foreclosure; and

26 (ii) The cost of materials, services, or equipment acquired,
27 consumed, or expended in administering tax foreclosure avoidance
28 prior to the filing of a certificate of delinquency.

29 **PART III**

30 **CONSOLIDATING THE STATE PROPERTY TAX**

31 **Sec. 301.** RCW 84.52.065 and 2022 c 56 s 13 are each amended to
32 read as follows:

33 (1) Except as otherwise provided in this section, subject to the
34 limitations in RCW 84.55.010, in each year the state must levy for
35 collection in the following year for the support of common schools of
36 the state a tax of (~~three dollars and sixty cents~~) \$3.60 per
37 (~~thousand dollars~~) \$1,000 of assessed value upon the assessed
38 valuation of all taxable property within the state adjusted to the

1 state equalized value in accordance with the indicated ratio fixed by
2 the state department ((of revenue)).

3 (2) (a) ((In addition to the tax authorized under subsection (1)
4 of this section, the state must levy an additional property tax for
5 the support of common schools of the state.

6 (i) For taxes levied for collection in calendar years 2018
7 through 2021, the rate of tax is the rate necessary to bring the
8 aggregate rate for state property tax levies levied under this
9 subsection and subsection (1) of this section to a combined rate of
10 two dollars and forty cents per thousand dollars of assessed value in
11 calendar year 2019 and two dollars and seventy cents per thousand
12 dollars of assessed value in calendar years 2018, 2020, and 2021. The
13 state property tax levy rates provided in this subsection (2) (a) (i)
14 are based upon the assessed valuation of all taxable property within
15 the state adjusted to the state equalized value in accordance with
16 the indicated ratio fixed by the state department of revenue.

17 (ii) For taxes levied for collection in calendar year 2022 and
18 thereafter, the tax authorized under this subsection (2) is subject
19 to the limitations of chapter 84.55 RCW.

20 (b) (i) Except as otherwise provided in this subsection, all taxes
21 collected under this subsection (2) must be deposited into the state
22 general fund.

23 (ii) For fiscal year 2019, taxes collected under this subsection
24 (2) must be deposited into the education legacy trust account for the
25 support of common schools.

26 (3) For taxes levied for collection in calendar years 2019
27 through 2021, the state property taxes levied under subsections (1)
28 and (2) of this section are not subject to the limitations in chapter
29 84.55 RCW.

30 (4) (a) For taxes levied for collection in calendar year 2022 and
31 thereafter, the aggregate rate limit for state property taxes levied
32 under subsections (1) and (2) of this section is three dollars and
33 sixty cents per thousand dollars of assessed value upon the assessed
34 valuation of all taxable property within the state adjusted to the
35 state equalized value in accordance with the indicated ratio fixed by
36 the state department of revenue.

37 (b) If the aggregate rate of state property taxes levied under
38 subsections (1) and (2) of this section for collection in any
39 calendar year after 2021 exceeds \$3.60 per \$1,000 of assessed value,

1 each rate must be reduced on a pro rata basis until the aggregate
2 rate no longer exceeds \$3.60 per \$1,000 of assessed value.

3 ~~(5) For property taxes levied for collection in calendar years~~
4 ~~2019 through 2021, the rate of tax levied under subsection (1) of~~
5 ~~this section is the actual rate that was levied for collection in~~
6 ~~calendar year 2018 under subsection (1) of this section.~~

7 (6)) For taxes levied for collection in calendar year 2027, the
8 state property tax levy rate is \$2.075355 per \$1,000 of assessed
9 value. The state property tax levy rate provided in this subsection
10 (2)(a) is based upon the assessed valuation of all taxable property
11 within the state adjusted to the state equalized value in accordance
12 with the indicated ratio fixed by the department.

13 (b) For taxes levied for collection in calendar year 2028 and
14 thereafter, the limitations of chapter 84.55 RCW apply.

15 (3) As used in this section, "the support of common schools"
16 includes the payment of the principal and interest on bonds issued
17 for capital construction projects for the common schools.

18 **Sec. 302.** RCW 84.36.630 and 2017 3rd sp.s. c 13 s 312 are each
19 amended to read as follows:

20 (1) All machinery and equipment owned by a farmer that is
21 personal property is exempt from property taxes levied for any state
22 purpose (~~, including the additional state property tax imposed under~~
23 ~~RCW 84.52.065(2),~~) if it is used exclusively in growing and
24 producing agricultural products during the calendar year for which
25 the claim for exemption is made.

26 (2) (~~"Farmer"~~) For purposes of this section, "farmer" and
27 "agricultural product" have the same meaning as defined in RCW
28 82.04.213.

29 (3) A claim for exemption under this section must be filed with
30 the county assessor together with the statement required under RCW
31 84.40.190, for exemption from taxes payable the following year. The
32 claim must be made solely upon forms as prescribed and furnished by
33 the department (~~(of revenue)~~).

34 **PART IV**
35 **MISCELLANEOUS**

36 NEW SECTION. **Sec. 401.** This act applies to taxes levied for
37 collection in 2027 and thereafter.

1 NEW SECTION. **Sec. 402.** RCW 82.32.805 and 82.32.808 do not apply
2 to this act.

--- **END** ---