

Special Notice

Intended audience: County assessors, county treasurers, property tax exemption recipients, mosquito control districts, and mobile and manufactured homeowners.

June 11, 2020

Legislative changes to select property tax exemptions

The 2020 Legislature passed several bills relating to property tax exemptions including those for multi-family housing, improvements to single-family dwellings, historic property, nonprofit schools, mosquito control districts, and interest and penalty relief for qualified mobile and manufactured homeowners. These bills take effect June 11, 2020.

SHB 2950 Multi-family housing

[Substitute House Bill 2950](#) (SHB 2950) provides an exemption extension until Dec. 31, 2021, for existing 12-year multi-family housing property with a tax exemption under RCW 84.14.020 set to expire after June 11, 2020 but before Dec. 31, 2021, and in compliance with any eligibility criteria. The city or county that issued the original exemption is required to notify the county assessor and the applicant of this extension.

2SSB 6231 Improvements to single-family dwellings

[Second Substitute Senate Bill 6231](#) (2SSB 6231) expands the exemption for physical improvements to single-family dwellings by including newly constructed accessory dwelling units, both attached to or within the single-family dwelling or as a detached unit on the same real property.

This bill also requires the department to work with county assessors to review and evaluate the effectiveness of the single-family dwelling exemption and report the findings to the Legislature no later than Nov. 15, 2020.

SHB 2868 Historic property

[Substitute House Bill 2868](#) (SHB 2868) provides an opportunity for two seven-year extensions to the initial 10-year special valuation period for certain historic property.

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Eligible historic property must be located in a county listed as a distressed area by the Employment Security Department and within a city with a population less than 20,000. In addition, the following conditions must be met:

- The owner of the property must apply for the extension at least 90 days prior to the expiration of the special valuation period.
- The property must continue to meet the criteria in [RCW 84.26.030](#).

The local review board must review all extensions and may approve or deny the requested extensions at their discretion.

No new applications for special valuation may be approved on or after Jan. 1, 2031, and no new extensions may be granted on or after Jan. 1, 2057.

ESB 5402 Reducing the administrative burden for nonprofit schools

Among its many changes, [Engrossed Senate Bill 5402](#) (ESB 5402) reduces the annual reporting requirements for educational institutions receiving a property tax exemption under [RCW 84.36.050](#). They no longer have to annually submit detailed information on the property's purpose and use; the revenue derived from the property for the prior year and how it was applied; the number of students in attendance; and the prior year's revenue for the entire school, including its sources and application. However, they must continue to provide annual renewal declarations as required in [RCW 84.36.840](#).

The elimination of detailed reporting begins with the reports due in 2021.

SB 5519 Mosquito control

[Senate Bill 5519](#) (SB 5519) amends [RCW 17.28.257](#) changing the applicable statutes that govern certain matters related to mosquito control districts. All matters listed below, as applied to mosquito control districts, are now governed by [RCW 84.56](#), [RCW 84.64](#), and [RCW 36.29.180](#):

- Liens.
- Collection.
- Payment of assessments.
- Delinquent assessments.
- Interest and penalties.
- Lien foreclosure.
- Foreclosed property.

HB 2512 Interest and penalty relief for qualified mobile and manufactured homeowners

[House Bill 2512](#) (HB 2512) amends [RCW 84.56.070](#), extending the timeframe when nontitle-eliminated mobile and manufactured homes are subject to distraint to no sooner than three years after the first delinquency. HB 2512 also provides relief to the certain title owners of mobile and manufactured homes by requiring county treasurers to waive outstanding interest and penalties on delinquent taxes due if the property is subject to an action of distraint. In order to qualify for a waiver of interest and penalties, the title owner must meet all of the following conditions:

- Meet the income qualifications under [RCW 84.36.381\(5\)\(a\)](#), verified by the county assessor.
- The title owner occupies the property as their principal place of residence.
- The title owner or agent is paying the delinquent taxes on the year or years that penalties and interest are being waived, and submits an application at least fourteen days prior to the recording of distraint documents.
- The title owner has not previously received a waiver on the property.

Questions?

If you have questions or need additional information, please contact the Department of Revenue, Property Tax Division at 360-534-1400 or your county assessor.