

2013 Property Tax Legislation

2SHB 1416 Relating to the financing of irrigation district improvements (Chapter 177, Laws of 2013)

This bill changes various provisions governing local improvement districts created by irrigation districts. One provision of this bill eliminates an exemption from special benefit assessments levied by irrigation districts, or local improvement districts, created by irrigation districts for land classified as farm and agricultural land or timber land.

2SHB 1416 is effective July 28, 2013.

EHB 1421 Relating to protecting the state's interest in collecting deferred property taxes (Chapter 221, Laws of 2013)

This bill was requested by the Department of Revenue to improve the Department's ability to collect deferred property taxes. The bill:

- Directs the disposition of proceeds from a county's sale of tax title property (property acquired at a property tax foreclosure sale). After reimbursements to the county costs of foreclosure and sale, the proceeds are applied first to outstanding deferred property taxes, next to discharge remaining general tax liens and then to the taxing authorities statutorily entitled to share in the remaining sale proceeds.
- Allows the Department to charge off as uncollectible any deferred taxes if the Department is satisfied that there are no cost-effective means of collecting the amount due.

EHB 1421 is effective July 28, 2013.

ESHB 1432 Relating to county property tax levies (Chapter 123, Laws of 2013)

This bill:

- Provides an alternative method to determine levy amounts for the Veterans' Assistance Fund and Developmental Disability and Mental Health levies. County legislative authorities may increase or decrease such levies by the same percentage increase or decrease in the certified county general levy from the prior year instead of levying the statutory rates.
- Allows counties to increase the levy amounts for the Veterans' Assistance or Developmental Disability and Mental Health levies more than the percentage change in the county general levy.
- Excludes amounts for refund levies and voter-approved lid lifts when counties calculate the percentage increase or decrease in the certified county general levy.

ESHB 1432 is effective July 28, 2013.

**EHB 1493 Relating to the property taxation of mobile homes and park model trailers
(Chapter 198, Laws of 2013)**

The bill:

- Provides that a manufactured or mobile home park landlord taking ownership of a manufactured or mobile home (premises) through abandonment or foreclosure proceedings, with the intent to resell or rent the same, becomes responsible for all outstanding property taxes, interest, and penalties on the premises if:
- the most recent assessed value of the premises is less than \$8,000; and
- The landlord submits a signed affidavit to the county assessor indicating that the landlord has taken ownership of the premises with the intent to resell or rent after:
 - The premises was abandoned, or
 - Title to the premises was lawfully transferred to the landlord after a final judgment of restitution.

EHB 1493 is effective July 28, 2013.

**HB 1576 Relating to creating greater efficiency in the offices of county assessors by allowing notification via electronic means
(Chapter 131, Laws of 2013)**

This bill allows county assessors to send assessments, notices, and any other information to persons electronically instead of regular mail if:

- The taxpayer authorizes the electronic means; and
- The assessor uses reasonable methods to protect confidential information, unless the taxpayer waives this requirement.

HB 1576 is effective July 28, 2013.

**E2SSB 5078 Relating to modifying the property tax exemption for nonprofit fairs
(Chapter 212, Laws of 2013)**

This bill:

- Clarifies that the existing property tax exemption is allowed for a nonprofit fair association that are eligible to receive support from the fair fund.
- Establishes a new exemption for the property of certain nonprofit fair associations used for fair purposes if the majority of the property was purchased or acquired from a city or county between 1995 and 1998.
- Limits both the current and new exemptions to nonprofit fair associations with real and personal property having an assessed value not exceeding \$15 million. This new limitation precludes the Washington State Fair from receiving a property tax exemption after the effective date of the bill.

E2SSB 5078 is effective July 28, 2013.

**SSB 5444 Relating to administration of taxes regarding publicly owned property
(Chapter 235, Laws of 2013)**

This bill:

- Eliminates the requirement that county assessors annually value tax-exempt government properties;
- Requires county assessors to value and list previously tax-exempt government property beginning January 1 of the year in which the tax exempt status changes; and
- Eliminates the leasehold excise tax credit for amounts that are in excess of the amount of property tax that would have applied if the lessee or sub-lessee owned the property.

SSB 5444 is effective July 28, 2013.

**SB 5593 Relating to filing requirements for property tax exemption claims for certain improvements to benefit fish and wildlife habitat, water quality, or water quantity
(Chapter 236, Laws of 2013)**

This bill requires landowners to claim the property tax exemption for habitat improvements by October 31 for taxes due during the following year. When renewing the exemption for subsequent years, the landowner must provide a copy of the conservation district's initial certification and the landowner's own current year certification.

SB 5593 is effective July 28, 2013.

**SSB 5705 Relating to amounts received by taxing districts from property refunds and abatements
(Chapter 239, Laws of 2013)**

This bill:

- Allows taxing districts to levy taxes to recoup cancelled taxes, offset by any amounts received for supplemental taxes such as those paid after property is removed from the current use or designated forest land programs. The constitutional one percent limit, the statutory dollar rate limit, and the aggregate dollar rate limit apply to the refund fund levy.
- Allows county treasurers to authorize partial payment agreements on past due property taxes, which must include payment of the oldest delinquent tax year, including penalties and interest, within a 12-month period.
- Prohibits county treasurers from assessing additional penalties on delinquent taxes if the taxpayer is successfully participating in a payment agreement for the delinquent taxes.
- Authorizes county treasurers to assess specifically identifiable costs incurred in trying to keep property out of foreclosure ("tax foreclosure avoidance costs,") before filing a certificate of delinquency to initiate the foreclosure process.
- Authorizes county treasurers to impose a delinquent collection charge for costs incurred by the treasurer in collecting past due personal property taxes.

SSB 5705 is effective July 28, 2013.