

CHAPTER 8
PROPERTY TAXES
Title 84 RCW

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BACKGROUND INFORMATION

Definitions

Ad Valorem Property Taxes

Billed and collected by the county treasurer with two due dates, April 30 (first half payment) and October 31 (second half payment); receipted as presented and paid by the taxpayer, usually on the statement form issued; receipts are distributed monthly to taxing entities included in the levies. Property taxes, real and personal, are ad valorem taxes. "Ad valorem" is Latin meaning "according to value." Therefore, property taxes are levied in relationship to the property value.

Classified Forest Land

Land whose highest and best use is the growing and harvesting of timber. (Chapter [84.33 RCW](#))

Exempt Property (Public Property)

All property belonging exclusively to the United States, the state, or any county or municipal corporation, all property under a recorded agreement granting immediate possession and use to said public bodies or under an order of immediate possession and use pursuant to [RCW 8.04.090](#), shall be exempt from taxation. All property belonging exclusively to a foreign national government is exempt from taxation if that property is used exclusively as an office or residence for a consul or other official representative of the foreign national government, and if the consul or other official representative is a citizen of such foreign nation. ([RCW 84.36.010](#))

Forest Land

Forest land is synonymous with timberland and means all land in any contiguous ownership of twenty or more acres which is primarily devoted to and used for growing and harvesting timber and means land only. ([RCW 84.33.130](#))

Historic Property

([RCW 84.26.020](#)) Real property together with improvements thereon, except property primarily for objects buried below ground, which is (a) listed in a local register of historic places created by a comprehensive ordinance, certified by the secretary of interior as provided in P.L. 96-515; or (b) listed in the national register of historic places

Mobile Home:

A factory-built dwelling built before June 15, 1976, to standards other than the national manufactured housing construction and safety standards act of 1974 (42 U.S.C. 5401 et seq.), and acceptable under applicable state codes in effect at the time of construction or introduction of the home into this state. ([RCW 43.22.335](#))

Mobile Home – Manufactured Home:

A single-family dwelling – required to be built in accordance with regulations adopted under the national manufactured housing construction and safety standards act of 1974 (42 U.S.C. 5401 et seq.) - designed and constructed to be transportable in one or more sections, and is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent

foundation when connected to the required utilities that include plumbing, heating, and electrical systems contained therein. ([RCW 43.22.335](#)) . Manufactured home does not include a modular home. A structure which met the definition of a "manufactured home" at the time of manufacture is still considered to meet this definition notwithstanding that it is no longer transportable. ([RCW 46.04.302](#) and [82.50.010](#))

Mobile Home - Park Model:

"Park trailer" or "park model trailer" means a travel trailer, as defined in the American national standards institute A119.5 standard for park trailers, designed to be used with temporary connections to utilities necessary for operation of installed fixtures and appliances. The trailer's gross area shall not exceed four hundred square feet when in the setup mode. "Park trailer" excludes a mobile home. ([RCW 46.04.622](#) and [82.50.010](#))

Open Space (Current Use Land)

Any land area so designed by an official comprehensive land use plan adopted by any city or county and zoned accordingly ,or (b) any land area, the preservation of which in its present use would (i) conserve and enhance natural or scenic resources, or (ii) protect streams or water supply, or (iii) promote conservation of soils, wetlands, beaches or tidal marshes, or (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space, or (v) enhance recreation opportunities, or (vi) preserve historic sites, or (vii) preserve visual quality along highway, road, and street corridors or scenic vistas, or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification, or (c) any land meeting the definition of farm and agricultural conservation land under subsection (8) of this section. As a condition of granting open space classification, the legislative body may not require public access on land classified under (b)(iii) of this subsection for the purpose of promoting conservation of wetlands. ([RCW 84.34.020](#))Open space land (current use land) has three classifications: (1) Open Space, (2) Farm and Agricultural Land, and (3) Timberland. ([Chapter 84.34 RCW](#))

Personal Property

For taxation, personal property is all goods, chattels, stocks, estates, or moneys, standing timber, etc., items not affixed to the real estate, but used for the purpose of doing business. Personal property also includes barges, house boats and mobile homes, manufactured homes and park model mobile homes not affixed to any real estate, or on leased or rented land (for collection and lien purposes only.) ([RCW 84.04.080](#))

Real Property

For taxation, real property means and includes the land and all buildings, structures or improvements, except improvements on publicly owned lands. It also includes mobile homes, which have been permanently placed on a foundation on land owned or leased by the owner of the mobile. ([RCW 84.04.090](#))

County Assessor's Responsibilities

The [Department of Revenue maintains an extensive calendar](#) of treasurer and assessor responsibilities as well as the County Assessor's Manual. Below is a summary:

Revaluation of Property

Each county assessor maintains a systematic program of revaluation on a continuous basis. As of January 1, 2014, all taxable real property within a county must be revalued annually and all taxable real property must be physically inspected at least once every six years. ([RCW 84.41.030](#))

The county assessor begins to assess real property no later than the first day of December and completes the duties of listing and placing valuations on all property by May 31 of the next year. ([RCW 84.40.040](#)) A notice of change of valuation is required to be sent to each property owner within 30 days of completion of the reassessment. ([RCW 84.4.045](#))

Individual property owners have 30 days following the receipt of the notice to file a challenge of the new assessment value with the Board of Equalization. ([RCW 84.40.045](#))

On or before January 1, the assessor mails or electronically transmits a notice to each taxpayer requesting a listing of all personal property. This notice is to be returned to the county assessor not later than April 30. ([RCW 84.40.040](#)). This listing is utilized for the following year's tax bill.

Real and personal property is then listed on the assessment rolls at 100 percent of the true and fair value. The assessor certifies these assessment rolls to the board of equalization on the 15th day of July. ([RCW 84.40.320](#)).

For revaluation notices, parcels receiving current use/open space exemptions must carry dual valuations. Parcels must be assessed at 100% true and fair valuation and the current use/open space value as determined by the assessor. ([RCW 84.34.060](#)) ([WAC 458-30-320](#))

Currently, the board members begin the process of equalizing the assessments. They can raise or lower the valuation of real and personal property on the assessment rolls to what they believe to be the true and fair value. The assessment rolls are then changed to reflect the board of equalization's determination.

After the State Department of Revenue (DOR) calculates the county's assessment ratio, the assessor receives a listing of valuation by district from DOR for the public utilities. This value is added to the assessment roll as equalized by the board of equalization. ([RCW 84.12.370](#))

Tax Levies

On or before the 30th day of November, officials on boards of taxing districts file certified budgets or estimates with the county legislative authority. These budgets indicate an estimate of the cash balance at the beginning and the end of each budget estimate. The county legislative authority and other officials or boards authorized by law to levy taxes officially levy taxes on all taxable property in the county or district within legal limitations. Property taxes -- a major source of revenue -- are included in local government budgets. ([RCW 84.52.020](#) & [84.52.025](#))

The county legislative authority certifies to the assessor on or before the 30th day of November the budget upon which taxes are levied for county purposes and the amount of the budgets on which taxes are levied by the board of each taxing district for district purposes. Any district authorized by law to levy taxes directly, and not through the county legislative authority, certifies to the assessor the amount of budget upon which taxes are levied with the city or district. ([RCW 84.52.070](#))

The assessor computes the 101% limit and checks the amounts levied to see that they do not exceed the limit. Then the levy rate is calculated and checked against the consolidated \$5.90 limit, the constitutional 1% limit, and the individual taxing district statutory levy rate limit. (For details on the calculation of limits, refer to the latest [DOR Property Tax Levies Operations Manual](#).)

I. TAX ROLLS

Certification to County Treasurer

The county assessor must extend the taxes upon the tax rolls and certify these rolls to the county treasurer on or before the fifteenth day of January. The certification shows the levy rate and the amount to be collected for the state, county and each taxing district. ([RCW 84.52.080](#))

On or before the first Monday in January next succeeding the date of levy of taxes the county treasurer shall establish the tax rolls of his or her county as certified by the county assessor for such assessment year and said rolls shall be preserved as a public record in the office of the county treasurer. ([RCW 84.56.010](#))

Upon receiving the certification of the tax rolls from the county assessor, the treasurer carries forward all delinquent taxes on each property, showing the amount for each year. The treasurer must provide a printed notice or electronically publish regarding the amount of real and personal property and the name of each tax and levy made on the same. ([RCW 84.56.050](#))

Types of Rolls -- Minimum Requirements

Real Property Roll

The real property roll must contain the legal description and parcel number (if issued for data processing purposes), name of taxpayer, 100% of the true and fair value of the land and of the improvements thereon, together with the total of all values and the amount of tax due on the parcel. ([RCW 84.40.040](#)) ([WAC 458-07-030](#))

Each Tax Statement shall show the amount of voter-approved: (1) regular levies except those authorized in [RCW 84.55.050](#); and (2) excess levies. Such amounts may be shown either as a dollar amount or as a percentage of the total amount of taxes.

Personal Property Roll

The personal property roll must contain a listing of taxpayers liable for such tax, the value of personal property as recorded on the personal property forms filed with the assessor in the previous year and the total amount of taxes due. ([RCW 84.40.040](#)) ([WAC 458-12-060](#))

Special Assessment Rolls

Special assessment rolls are the rolls for irrigation, weed, diking and other districts that are billed and collected by the treasurer. (Details are outlined in Chapter 3 -- Assessment Districts)

Adjustments to the Tax Roll

Definitions

Supplementals

Additions to the tax roll and tax roll account for taxes that were not included in original amount certified by the county assessor. ([RCW 85.18.060](#))

Omits

Where improvements have not been valued and assessed as part of the real estate upon which the same may be located (as evidenced by the assessment rolls), they may be separately valued and assessed as omitted property under this section. No omitted property or omitted value assessment shall be made for any period more than three years preceding the year in which the omission is discovered. When such an omitted assessment is made, the taxes levied thereon may be paid within one year of the due date of the taxes for the year in which the assessment is made without penalty or interest. The assessor, upon discovery of such omission, shall forward a copy of the amended personal affidavit along with a letter of particulars informing the taxpayer of the findings and of the taxpayer's right to appeal to the county board of equalization. ([RCW 84.40.080](#) and [84.40.085](#)) ([WAC 458-12-050](#))

Cancellations

Reductions to the tax roll and tax roll account for taxes that are no longer to be collected due to errors in billing or other adjustments and corrections.

Types of Changes

Name and Address Change

All name changes (ownership changes) should be made from legal documents by the Assessor's office. Name or address changes of taxpayers may be handled by either the assessor or treasurer (or both). A procedure should be coordinated by the two offices to assure updating of all appropriate records.

Segregations/Merges

Segregation is a dividing of property, which may result in a division of outstanding taxes. Some examples of divisions of property are short plats, long plats and sales or portions of a parcel. Except when being acquired for public use, no segregation can be performed unless all current year and delinquent taxes and assessments are paid in full. ([RCW 84.56.340](#), [84.56.360](#) through [84.56.380](#)). Merging is when a parcel is altered by the addition of property from another parcel in part or in its entirety. Merging parcels can be done for administrative purposes or with the intent to alter lot lines that can be done through a platting process or non-platting process set up by your Planning Department. All taxes outstanding are required to be paid in full before processing the deed or approved document.

Steps Normally Performed by the County Assessor

- Verifying legal descriptions and tax status, code and taxing district.
- Setting up new parcels and legal descriptions.
- Determining and balancing values and acreage and transmitting the information to the treasurer.

Steps Normally Performed by the County Treasurer

- Reviewing plats, segregations and/or merges (boundary line adjustments) to ensure collections of taxes are paid in full.
- Issuing revised tax statements for each of the accounts subject to adjustments.
- Process refunds for accounts overpaid.

Board of Equalization

The county assessor or treasurer may cancel or correct assessments on the assessment or tax rolls which are erroneous due to manifest errors in description, double assessments, clerical errors in extending the rolls, and such manifest errors in the listing of the property which do not involve a revaluation of property. When the county assessor or treasurer cancels or corrects an assessment, a record of such action shall be prepared and filed setting forth therein the facts relating to the error. ([RCW 84.48.065](#)) ([WAC 458-14-025](#), [458-14-026](#))

Taxpayers petition current assessment year valuation at the July board if they feel that their assessments are unfair or unequal in relation to other properties in their area. This board determines whether the value set by the assessor is incorrect. The county board of equalization shall meet on the fifteenth 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 shall remain in session not less than three days. ([RCW 84.48.010](#)) ([WAC 458-14-046](#)). This does not limit the BOE to meet for longer time periods for hearings.

Reconvened County Boards of Equalization

Any county board of equalization may be reconvened upon written order from the Department of Revenue. The order to reconvene will contain the following information:

- The specific board and date to be reconvened.
- The exact matters that the board is to consider.
- A brief statement of the facts substantiating the error.
- Any reconvened board can act only on matters designated by the order. No board may be reconvened later than three years after the date of adjournment of its regularly convened session. ([RCW 84.48.010](#)) ([WAC 458-14-127](#))

Other Types of Adjustments

Statutes authorize other adjustments, which require cancellations, or supplementals to the tax roll account. For all adjustments, accurate controls should be maintained for balancing purposes. Below is a list of other adjustments, which can be made.

- Orders by the county board of equalization. ([Chapter 458-14 WAC](#))
- Orders by the state board of tax appeals. ([RCW 84.08.130](#)) ([WAC 458-14-170](#))
- Reduced because of destroyed property. ([Chapter 84.70 RCW](#)) ([WAC 458-14-025](#))
- Removal from current use assessment. ([RCW 84.34.108](#)) ([WAC 458-14-025](#))
- Removal of designation or classification as forestland. ([RCW 84.33.140](#)) ([WAC 458-14-025](#))
- Removal of the senior citizens/disabled person exemption. ([AGO 1971 No. 31](#) and [AGO 1972 No. 23](#)) ([WAC 458-14-025](#))
- Adding formerly exempt property to the rolls. ([RCW 84.36.385](#) and [84.40.350](#) through [84.40.390](#)) ([WAC 458-14-025](#))
- Removal of exempt property from the rolls. ([RCW 84.36.815](#) and [84.60.050](#) through [84.60.070](#)) ([WAC 458-14-025](#))
- Adding omitted property to the rolls. ([RCW 84.40.060](#) and [84.40.080](#)) ([WAC 458-12-050](#))
- Adding new construction to the rolls. ([RCW 36.21.080](#) and [84.40.040](#)) ([WAC 458-12-342](#))
- Correction of mathematical calculations on personal property affidavits committed by the assessor's office.
- Removal of special valuation for historic property. ([Chapter 84.26 RCW](#)) ([WAC 458-15-070](#))
- Refunds of taxes. ([RCW 84.69.020](#)) ([WAC 458-19-085](#))
- Late filings of senior citizens claim when tax is unpaid. (PTB 80-6)
- Court orders.

It is essential that the assessor and treasurer establish procedures that ensure all adjustments are posted to the records in both offices.

II. BILLING

Definition

The term "taxpayer" means any person charged with property tax and the person to be notified as their name appears on the tax roll. ([RCW 84.56.050](#))

Tax Statements - Minimum Requirements

The treasurer shall provide a notice (property tax statement) to each taxpayer. The statement shall show the value of real and personal property and the total amount of tax due. On the real property tax statement, separate values should be indicated for land and improvements.

There are many ways to inform taxpayers about the actual tax levy amount for each taxing jurisdiction:

- 1) Include the information on the property tax statement;
- 2) Publish information in the newspaper
- 3) Furnish the information upon request; or
- 4) Furnish the information on a website

Each statement shall include a notice that checks for payment of taxes may be made payable to "Treasurer of _____ County" or other appropriate office. Tax statements shall not include any suggestion that checks be made payable to any individual. ([RCW 84.56.020](#))

With the statement, the treasurer must notify taxpayers about senior citizen exemptions and paid under protest rules.

Each tax statement shall show the amount of voter-approved levies. The amount may be shown either as a dollar amount or as a percentage of the total amount of taxes. ([RCW 84.56.022](#))

Recommended language for use on the real and personal property tax statements for a senior exemption and paid under protest is as follows:

- "Exemption is available for senior citizens and disabled persons. If you own and occupy as your permanent residence a house or mobile home, are 61 years of age or older, or are a veteran of the armed forces of the United States or retired because of disability and have low income which is calculated on the basis of combined income." ([RCW 84.36.381](#))
- "To preserve your right to seek a court ordered refund, you must comply with requirements of the law ([RCW 84.68.020](#)) ([WAC 458.18.215](#)) Copies are available from the county treasurer."

At the option of the treasurer, additional information can be supplied on the tax statements. Certain statements, which appear on the tax statement, should be coordinated with the assessor to ensure correct wording.

Mailing

Tax statements may be distributed as soon as the treasurer has completed the tax roll for the current year's collection and provided notification of the completion of the tax roll. The only exception would be for personal property advance tax and personal property current year tax payments. [RCW 84.56.010](#) Second half tax statements are not required by law. Other than for rebilling when changes are made, any further mailings are a policy decision of the treasurer.

Electronic Bill Presentment

[RCW 84.56.020](#) allows electronic bill presentment under defined conditions. There must be a pre-agreement between taxpayer and the treasurer. A fee may be charged but amount is not defined. It is highly suggested that you research the issue carefully, make sure you understand the statute and consult your legal counsel before embarking on this avenue of sending tax statements.

Mortgage Companies and Tax Services

The handling of taxpayers with mortgages varies across counties. Property owners often have escrow accounts with mortgage companies. Upon property owner request, tax statements are sometimes sent to lending institutions or mortgage holders for those properties in which they hold an interest and for which they pay taxes. In many instances, lending institutions contract with tax service agencies to represent them in handling these accounts. Many counties now provide an electronic copy of the entire tax roll and request that the mortgage company or tax service indicate which parcels are being paid when they remit the payment to the treasurer. These counties sometimes charge a fee for this service.

Returned Statements

Treasurers should develop a systematic procedure for researching and remailing statements returned by the postal service. Returned mail should be retained for four years.

III. COLLECTION

Current Year Taxes

Property tax collection for the current year can begin as soon as the treasurer has completed the tax roll for the current year's collection and provided notification of the completion of the tax roll (with exception of personal property advance tax and personal property current year tax payments). At least one-half of the taxes due must be paid or postmarked on or before April 30 to avoid interest and penalty charges. Taxes in an amount less than fifty dollars are to be paid in full by April 30. ([RCW 84.56.020](#)) If the first half is paid on schedule, the time for payment of the remainder is October 31.

"If the date for filing any report, claim, tax return, statement, remittance, or other document falls upon a Saturday, Sunday or legal holiday, the filing shall be considered timely if performed on the next business day." ([RCW 1.12.070](#))

In 2010 SHB2962 amended RCW [84.56.020](#) allowing treasurers to set up a method of collecting first and second half taxes in multiple payments if there is a signed agreement between the taxpayer and the treasurer. The law does not define multiple as a number but clearly states that first half must be fully collected by April 30 and second half by October 31. Again, a word of caution – there are many related statutes that aren't addressed. The law does not state the proper course of action if less than the amount due has been collected. The law does not state the effect on foreclosure if less than the amount due is collected. Read the statute carefully and consult your attorney before implementing this procedure.

Updated 2022 RCW 84.56.202 (15)(a) The Treasurer may accept pre-payments for current year taxes by any means authorized. All pre-payments must be made in full by due date.

Revised 2022 RCW [84.56.020](#) (15)(c)(i), which allows the treasurer to accept partial payments of current or delinquent taxes.

Tax Receipts

Upon receiving any tax payment in cash, the treasurer shall give the person paying the same a receipt. ([RCW 84.56.060](#)) For other types of payment receipts should be furnished upon request.

The receipt should include:

- (1) the name of the taxpayer from the tax roll and the name of the person paying the tax, if different;
- (2) the legal description of the property as shown on the tax roll;
- (3) the amount of taxes and date paid;
- (4) the year of delinquent taxes paid; and
- (5) the amount of interest paid shown separately. Receipts must be consecutively numbered.
- (6) While not required by RCW good cash handling practices require that receipts reflect the method of payment – cash, check or credit card.

If a taxpayer paying by mail requests a receipt, one should be mailed (PTB 71-17). The taxpayer has the right to pay current taxes without paying delinquent taxes owing on the property; however, unpaid delinquent taxes must be shown on the statement. When a bona fide attempt to pay all taxes has been frustrated by the omission of delinquent taxes on the current tax statement, there may be sufficient grounds to set aside foreclosure based on such delinquency.

The treasurer shall have complied with the receipt requirements if the original notice (statement) contains all the information as required on the receipt.

Problem Payments

Overpayments

The overpaid amount should be refunded to the taxpayer by means of a treasurer's check. Reference to the refund should be made on the tax receipt. Exceptions are noted below.

Underpayments

Each treasurer should establish a policy for underpayments. Some sample policies are:

- Underpayments are returned to the taxpayer with the tax statement, check and a form, which explains the reason for returning the payment.
- Hold the check and send a notice for the balance due. In this case if the balance due doesn't arrive within an established time, then the check is returned.
- Apply the payment and send a tax statement for the difference
- A policy for personal property underpayments, e.g., deposit the amount paid and attempt to collect the balance or return the incorrect payment for the proper amount.

In practice, a reasonable breaking point should be established concerning shortages and overages, which considers the costs of collecting and refunding small amounts. If the overage or shortage is less than an established amount, it can be handled by using a current expense fund account. (BARS Code 369.80, cashier's overages and shortages.) The account can be credited by overages and debited for shortages.

Paid Under Protest

The taxpayer paying under protest must submit a written protest (for each half, if taxes are paid in halves), stating all legal grounds upon which the tax is claimed unlawful, and the person(s) paying the tax, date and description of the property. (RCW 84.68.020) (See this Chapter, Section III, Billing)

The protest letter must be kept on file for six years from the date of payment. Writing the parcel number(s) on the protest letter is very helpful in a refund situation.

Some treasurers acknowledge the receipt of a refund letter in writing reinforcing that to receive a refund the taxpayer must seek a change in value through the value appeals process or through the court system.

Double Payments

A credit tax receipt is processed and a treasurer's check is issued to the property taxpayer. Refer to the original payment receipt number on the refund receipt. If the double payment is noticed before posting the original check may be returned with a notice as to why the check is being returned. Third party payments paid in error and posted are not refundable as per [RCW 84.69.020](#).

Non-negotiable Checks

Since a check given in payment of a tax does not discharge (pay) the tax unless the check is paid by the taxpayer's bank, steps must be taken to show the taxes due again on the tax roll when a check is returned for non-payment. Payment should be reversed so the tax roll is updated promptly to avoid the possibility of title companies, etc., picking up erroneous lien information. Counties can establish by ordinance special charges to cover administrative costs of handling returned checks.

Waiver of Interest and Penalties

The interest and penalties for delinquencies on property taxes, which taxes are levied on real estate in the year of a conveyance of the real estate and which are collected in the following year, shall be waived by the county treasurer under the following circumstances:

- (a) Records conveying the real estate were filed with the county auditor on or before November 30 of the year the taxes are levied;
- (b) A grantee's name and address are included in the records; and
- (c) The notice for these taxes due, as provided in [RCW 84.56.050](#) was not sent to a grantee due to error by the county. Where such waiver of interest and penalties occurred, the full amount of interest and penalties shall be reinstated if the grantee fails to pay the delinquent taxes within thirty days of receiving notice that the taxes are due. Each county treasurer shall, subject to guidelines prepared by the department of revenue, establish administrative procedures to determine if grantees are eligible for this waiver. ([RCW 84.56.025](#))

Interest and penalties for delinquencies on property taxes shall be waived by the county treasurer under the following circumstances:

- (a) The taxpayer fails to make one payment under [RCW 84.56.020](#) by the due date on the taxpayer's personal residence because of hardship caused by the death of the taxpayer's spouse if the taxpayer notifies the county treasurer of the hardship within sixty days of the tax due date. Before allowing a hardship waiver, the county treasurer may require a copy of the death certificate along with an affidavit signed by the taxpayer. ([RCW 84.56.025](#))
- (b) The taxpayer fails to make one payment under [RCW 84.56.020](#) by the due date on the taxpayer's parent's or stepparent's personal residence because of hardship caused by the death of the taxpayer's parent or stepparent if the taxpayer notifies the county

treasurer of the hardship within sixty days of the tax due date. Before allowing a hardship waiver, the county treasurer may require a copy of the death certificate along with an affidavit signed by the taxpayer. ([RCW 84.56.025](#))

- (c) The treasurer, at his or her discretion, may waive interest and penalties for delinquencies on property taxes where the taxpayer paid an erroneous amount due to error and the taxpayer pays the delinquent amount within 30 days of receiving notice that the taxes are due. ([RCW 84.56.025](#))
- (d) No interest or penalties may be assessed during any period of armed conflict on delinquent taxes imposed on the personal residences owned by active-duty military personnel who are participating as part of one of the branches of the military involved in the conflict and assigned to a duty station outside the territorial boundaries of the United States. ([RCW 84.56.020](#))
- (e) During a state of emergency declared under [RCW 43.06.010](#)(12), the county treasurer, on his or her own motion or at the request of any taxpayer affected by the emergency, may grant extensions of the due date of any taxes payable under this section as the treasurer deems proper. ([RCW 84.56.020](#))

Delinquent Taxes

If the first half or full tax is not paid or postmarked by April 30, interest accrues on the full amount from May 1 at the statutory rate of 1% per month (12% per annum). However, taxpayers may pay the current year first half real property and mobile home tax before October 31 with delinquency charges computed on the full year's tax.

If the second half payment is not paid or postmarked by October 31, delinquency charges accrue at the statutory rate of 1% per month (12% per annum) from November 1 to the month of payment.

Payment receipts should show the interest and penalty amounts separate from the principal tax amount paid; interest and penalty are credited to the current expense fund.

Payment for delinquent taxes should not be accepted without including interest and penalty charges due. If the due date falls on a Saturday, Sunday or legal holiday, the taxpayer's payment made (or postmarked) the next business day is considered timely. ([RCW 1.12.070](#))

Partial Payments

In 2017, [RCW 84.56.020](#) (13) revised 2022 (15) (b) (i) (ii) (A) was changed to allow partial payment of current and delinquent taxes, including the partial payments allowed by agreement with the taxpayer. However, under [RCW 84.56.020](#) (15) (c) (i), the treasurer must provide, by electronic means or otherwise, a payment agreement that provides for payment of

current year taxes inclusive of prepayment collection charges. The treasurer may provide a payment agreement for payment of past due delinquencies, which must also require current year taxes to be paid timely. A payment agreement must be signed by the taxpayer and treasurer. (Exceptions see [RCW 84.40.350](#), [84.56.340](#), [84.56.360](#), [84.56.370](#), [84.60.070](#))

Tax Foreclosure

If real estate taxes are delinquent for a three-year period, the property is subject to foreclosure. The perfection of the annual foreclosure action to collect delinquent real estate taxes demands timely action on the part of the county treasurer to give sufficient notice to all interested parties. ([Chapter 84.64 RCW](#)) -- See Chapter 9 Real Property Foreclosure for details of this process.

Distrain and Sale of Personal Property (Mobile Homes)

Personal property taxes are collected within the calendar year in which they are billed. The tax becomes delinquent on May 1. The treasurer should notify the taxpayer of the delinquency and that failure to pay the tax will result in distraint and sale of sufficient personal property to satisfy the lien. ([RCW 84.56.070](#)) (See Chapter 11, Exhibits 1 through 4.)

When personal property has been assessed, it shall be unlawful to remove the same from the county in which the property was assessed and from the state until taxes and interest are paid. ([RCW 84.56.120](#))

The mobility of personal property requires a diligent and ongoing effort to achieve the maximum in payment of delinquent accounts. Failure to pursue a personal property tax to collections by any means set out in the RCW can result in the county treasurer being liable for the delinquent tax out of their own salary. ([RCW 84.56.250](#)) -- See Chapter 11 Personal Property Distraint & Foreclosure for details of this process.

Posting

Daily, the taxes received are posted individually to the tax roll and daily totals are entered into the cash receipting system. During high volume times it may be impossible to post all moneys received each day. Any mail not posted due to volume and time constraints should be secured in a locked vault or safe until processed.

Daily taxes collected are posted in the tax collection register or journal, by type of tax (real or personal property), year of the levy and tax code area.

At the end of the month, the total collection for each fund is posted to the tax roll account by fund number. These tax roll accounts show the amount of taxes levied for each fund, any cancellations or supplementals to that amount, the amount collected each month and the uncollected balance.

Tax Distribution

1. On the first day of each month, the county treasurer shall distribute the amount of taxes collected during the preceding month to each applicable fund for which the treasurer is the statutory treasurer. ([RCW 84.56.230](#))
2. On or before the tenth day of each month the county treasurer shall remit to the respective city treasurers and all other taxing districts for which the county treasurer does not serve as district treasurer, their share of taxes collected for the previous month. ([RCW 84.56.230](#))
3. The settlement with the state treasurer is to be on or before the twentieth day of the month. ([RCW 84.56.280](#))

At the option of the treasurer, the distribution can be made by either of two methods. ([RCW 84.56.230](#))

Reciprocal Method (Levy Rate)

The amount collected is distributed according to the rate of levy for each fund. The levy rates are represented by reciprocal figures, which are as follows:

Taxing district's reciprocal
 $\frac{\text{Taxing district's reciprocal}}{\text{total amount collected}}$
= amount received by that taxing district

Percentage Method

The amount collected can be distributed by the ratio that the levy of taxes made for each taxing district in the county bears to the total amount collected, such as:

Taxing district percentage
 $\frac{\text{Taxing district percentage}}{\text{total amount collected}}$
= amount received by that taxing district

IV. SPECIAL PURPOSE PROPERTY

Compensating Tax

There are two classifications of property on which compensating tax may be calculated:

- (1) open space ([RCW 84.34](#)) and
- (2) designated forestland ([RCW 84.33](#)).

Removal from any classification can occur at the owner's request, upon segregating or selling the property or at any time the assessor determines that the property no longer qualifies for the classification. When removal occurs, the assessor will calculate the compensating tax on forms prescribed by the Department of Revenue (DOR).

On forestlands, the assessor calculates the amount as soon as possible and mails the notice to the owner.

On open space, the assessor calculates the amount, and the treasurer mails the notice to the owner.

Two copies should be mailed to the owner and the assessor and treasurer should each retain a copy for their files. This tax is due and payable to the treasurer 30 days after the owner is notified of the amount, except in the case of a sale.

At the time of sale, all compensating taxes must be paid by the seller before the real estate excise affidavit can be processed. The notice of continuance must be signed by all new owners if they desire to have the property to remain in classification. The county auditor shall not accept any instrument of conveyance for filing or recording unless the new owner has signed a notice of continuance, or the compensating tax has been paid. ([RCW 84.34.108](#))

The additional tax, together with applicable interest, becomes a lien on the land at the time of removal and notation of the additional tax is made on the tax rolls. ([RCW 84.34.090](#))

This tax requires a supplement to the tax roll account. Compensating taxes are distributed in the same manner as all other taxes. ([RCW 84.34.100](#))

Interest and penalties on open space compensating tax forms are considered a part of the total tax lien. If not paid within 30 days of the notification of the amount due, delinquent interest is charged on the entire amount at the same rate applied by law to delinquent ad valorem property taxes. The tax shall become a lien on the land and shall be subject to foreclosure in the same manner as provided in [RCW 84.60](#).

Historic Property

- (1) Whenever property classified and valued as eligible historic property under [RCW 84.26.070](#) becomes disqualified for the valuation, there shall be added to the tax an additional tax equal to:
 - a) The cost multiplied by the levy rate in each year the property was subject to special valuation; plus
 - b) Interest on the amounts of the additional tax at the statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the property had not been valued as historic property under [RCW 84.26.070](#); plus
 - c) A penalty equal to twelve percent of the amount determined in (a) and (b) of this section.
- (2) The additional tax and penalties, together with applicable interest thereon, shall become a lien on the property, which shall have priority to and shall be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the property may become charged or liable.
- (3) The additional tax, interest, and penalty shall not be imposed if the disqualification resulted solely from:
 - a) Sale or transfer of the property to an ownership making it exempt from taxation;
 - b) Alteration or destruction through no fault of the owner; or
 - c) A taking through the exercise of the power of eminent domain.

([RCW 84.26.090](#))

VI. RECOVERY AND REFUND OF PROPERTY TAXES

The refund of property taxes can be separated into two major categories – Administrative Refunds and Court Ordered Refunds. The statutes that set out the conditions and procedures for making these refunds are contained in [RCW 84.69](#) for Administrative Refunds and [RCW 84.68](#) for Court Ordered Refunds. Additional information on refunds can be found in [WAC 458-19-085](#).

Administrative Refunds

Description

Administrative refunds, as the name implies, include those refunds made in the everyday maintenance of the tax rolls. Property taxes may be refunded on the order of the county treasurer before or after delinquency if the property taxes were paid under one of the sixteen circumstances listed in state statutes. These circumstances include errors, changes in valuation or status by a county board of equalization or the state board of tax appeals, and delays in applying for a senior citizen exemption or deferral. ([RCW 84.69.020](#))

Prohibited

Refunds are prohibited under this statute where a bona fide purchaser has acquired rights that would preclude assessment and collection of the refunded tax from the property that should properly have been charged with the tax. In addition, the refund of taxes paid on the wrong parcel by a third-party payee is not allowed. ([RCW 84.69.020](#))

Listing with Legislative Authority

Each year, on or before the first Monday in February, the county treasurer is to report to the county legislative authority a list of all refunds made during the previous year. This list should include the name of the person receiving the refund, the amount of the refund, and the reason for the refund. ([RCW 84.69.020](#))

Court Ordered Refunds

Description

Any person who believes that the taxes levied against their property are unlawful or excessive may pay the taxes under protest, setting forth all the grounds upon which the tax is claimed to be unlawful or excessive, and bring an action in superior court or in any federal court of competent jurisdiction against the state, county, or municipality. If the court determines that the taxes were indeed unlawful or excessive, it will enter a judgment in favor of the taxpayer who paid the tax under protest and determine the amount to be refunded to the taxpayer. When such a judgment is entered, the law provides a specific procedure for

refunding the money to the taxpayer and for taxing districts to generate the moneys to be refunded. All taxing districts that were levying taxes against the property at the time for which a refund is directed by court order must levy, or have levied for them, an amount for the county tax refund fund. ([WAC 458-19-085](#))

Refund Fund

When a court judgment is entered in favor of a taxpayer, the refund is to be paid via warrants drawn against the county tax refund fund. If, at the time the judgment is entered, there are no moneys in that fund, then the warrants bear interest and are callable under such conditions as are provided by law for county warrants. ([RCW 84.68.030](#)) ([WAC 458-19-085](#))

Interest on Refunds

Refund Interest Rate

Refunds both administrative and court ordered are to include interest from the date of collection to the date the refund is issued. The refund interest rate is adopted annually by the Department of Revenue and is published in [WAC 458-18-220](#). The interest rate is derived from the equivalent coupon issue yield of the average bill rate for twenty-six-week treasury bills as determined at the first bill market auction conducted after June 30th of the calendar year proceeding the date the taxes were paid. The refund interest rate applied to a refund is based on the year the tax payment was made.

Example:

A full tax of \$10,000 was paid on 4/30/12. A full refund is to be issued on 2/15/14.

Interest from	Interest thru	# of Days	Interest Rate
4/30/12	2/14/14	656	0.08%**

Interest Calculation

$\$10,000 \times .0008 \times 656 / 365 = \14.38

[** Based on T-bill rates in 2011, the DOR adopted a refund interest rate of 0.08% for the refund of taxes paid in 2012.]

Exceptions – Refund Interest

Refunds made on a state, county or district-wide basis shall not commence to accrue interest until six months following the date of the final order of the court.

Refunds may be made without interest within sixty days after the date of payment if:

- (a) The taxes were paid more than once; or
- (b) The amount paid exceeds the amount due on the property as shown on the rolls.
([WAC 458-18-210](#))

Source of Funding and Re-Levy of Refund Amounts

Administrative Refunds

Refunds made with respect to taxing districts are to be paid from current and future district funds held on deposit with the county treasurer. (RCW 84.69.070)

Refunds made with respect to state tax receipts are to be deducted from the next property tax remittance to the state. The treasurer notifies the state of amount deducted for the state's share and then shows the adjustment on the remittance form. In addition to the notice provided to the state when the refund is processed, the refund amounts should also be noted on the annual state levy information request forwarded by the Department of Revenue in conjunction with the calculation of the state levy. ([RCW 84.69.050](#))

While the administrative refund statute ([RCW 84.69](#)) does not expressly authorize the imposition of a refund levy, the levy limit statutes reference both court ordered and administrative refunds. Specifically, [RCW 84.55.070](#) exempts court ordered ([RCW 84.68](#)) and administrative ([RCW 84.69](#)) refund levies from the levy limits imposed under ([RCW 84.55](#)). This reference has been interpreted to allow the re-levy of district tax revenues refunded under the administrative refund statutes.

Court Ordered Refunds

Annually county officers are required to make and enter levies for the county tax refund fund. These levies are made on behalf of all the funds levying taxes at the time a refund is directed by court order. As such, the levies apply to the taxable property in each affected tax jurisdiction, the state, the county and the taxing districts. The amount of tax to be levied for each district is a total of several factors. These factors include - the amount of district tax refunded; a prorated share of court ordered costs (if any); a prorated share of the refund interest paid the taxpayer; any district funds available in the tax refund fund; a prorated share of the interest on the registered warrants and the proper share of allowable costs. After taking these factors into account you arrive at the amount of shortfall in the tax refund fund. This shortfall is the amount that needs to be raised by the refund levy. To fully fund the refund amount during the levy year, the statutes contain a special provision. It directs the levying officers, when calculating the dollar amount of tax to be levied, to take "into consideration the probable portions of such taxes that will not be collected or collectable during the year in which they are due and payable, and also any unobligated cash on hand in said fund." ([RCW 84.68.040](#))

The following example illustrates the various steps in the calculation:

Factors -	District Share of Tax Refund	\$1,000.00
+	Court Ordered Costs, if any (Prorated Share)	\$ 50.00
+	Refund Interest Due the Taxpayer (Prorated Share)	\$ 100.00
	Refund due Taxpayer	\$1,150.00
-	Prior District money available in refund fund	(\$ 250.00)
	Shortfall in tax refund fund	\$ 900.00
+	Incurred Costs of the refund (Prorated Share)	\$ 25.00
	Amount to be financed by registered warrant	\$ 925.00
+	Projected interest on registered warrants	\$ 75.00
	Net collections need to fund shortfall, costs & interest	\$1,000.00
+	Allowance for uncollectible taxes *	\$ 100.00
	Refund Levy Total	<u>\$1,100.00</u>

[*Assuming the County collects 91% of current year taxes by the end of the tax year collection cycle.]

Refunds made with respect to state tax receipts or multi-county tax districts are to be deducted from the next property tax remittance. The treasurer needs to notify the state or multi-county district of their proportionate share of the refund and then note the adjustment on the next property tax remittance.

To assist both the state and any multi-county districts in their annual levy calculation, an additional notice at the time of the annual levy calculations is helpful. The refund amounts should be noted on the annual information request forwarded by the Department of Revenue in conjunction with the calculation of the state levy.

Short Subdivision (also known as Short Plat)

A short subdivision is a division of property into four parcels or less. ([RCW 58.17.020](#)) A "short plat" is the map or representation of a short subdivision. The legislative authority of any county planning under [RCW 36.70A.040](#) that has adopted a comprehensive plan and development regulations in compliance with [Chapter 36.70A RCW](#) may by ordinance increase the number of lots, tracts or parcels to a maximum of nine in any urban growth area. A short subdivision requires treasurer certification that all taxes, including current year taxes, are paid in full, except when property is being acquired by a government for public use. ([RCW 58.17.160](#))

Long Subdivision (also known as Long Plat)

A subdivision (long plat) is a division of property into five or more parcels. ([RCW 58.17.020](#)). Replats (short or long subdivision) involves an already plated parcel.

Collection of taxes on Long Plats and Replats is the same as Short Subdivisions (also known as Short Plat)

Subdivisions (long plats) require treasurer certification (signature) that all taxes and assessments, current and delinquent for which the property may be liable as of the date of certification have been duly paid, satisfied or discharged. ([RCW 58.17.160](#))(4)

Personal Property Advance Taxes

The county treasurer may demand that taxes on personal property be paid in advance under the following conditions:

- Prior to the levy of taxes (January 1) and the personal property is about to be removed from the county and/or the state or is about to be dissipated.
- Subsequent to taxes being levied and the property is about to be sold, removed from the county, destroyed, or disposed of. ([RCW 84.56.070](#) and [84.56.090](#))

This tax is based on the latest assessed valuation multiplied by current levy. The advance tax is then supplemented to the current year's tax roll and then canceled from the next year's tax roll with no adjustment for refund or additional billing. Property on which taxes are thus collected are discharged from the lien of any taxes that may thereafter be levied in the year in which payment or collection is made.

If the advance tax is not collected at the time of sale of personal property, the tax follows the property, and if moved to another county in the state, may be certified to that county for collection.

Exemptions

Senior Citizen/Disabled Persons Exemption

Senior citizen and disabled persons may apply for a property tax exemption based on disposable income, ownership of a residence and occupancy by the person claiming the exemption on January 1 of the year for which the claim is filed. The claimant must be 61 years of age or older in the year of application or retired from gainful employment because of physical disability. ([RCW 84.36.381](#) through [84.36.389](#))

The claimant must file for the exemption through the assessor's office on forms furnished by the Department of Revenue. ([RCW 84.36.385](#))

Late filings for senior citizens and disabled persons for the exemption may be processed and taxes canceled without paying the tax first. (PTB 80-6) Taxpayers eligible for exemption who have not filed but have paid their taxes may claim the refund for three years past under the refund act. ([RCW 84.69.020](#) and [84.69.030](#))

Deferred Taxes

A claimant for the deferral of special assessments and/or property taxes is a person who is receiving a property tax exemption under [RCW 84.36.381](#) through [RCW 84.36.389](#) and who

either elects or is required under [RCW 84.64.050](#) to defer payment of the special assessments and/or real property taxes on his or her residence. If two individuals of a household seek to defer, they must determine between them as to who the claimant shall be.

A deferral of taxes is applied for in the county assessor's office. The deferral may include any special assessments and/or ad valorem property taxes levied on a residence in this state. It shall include foreclosure costs, interest and penalties accrued to the date the declaration for deferral is filed. The application is sent to the Department of Revenue, approval is received from the Department and the tax statement is sent to them for payment.

The deferred amount becomes a lien on the property and becomes payable

- (1) upon the sale of the property which has the deferred special assessment and real property lien on it;
- (2) upon the death of the claimant unless the surviving spouse qualified;
- (3) upon condemnation of the property;
- (4) when the claimant ceases to reside permanently in the residence upon which the deferral has been granted; or
- (5) upon the failure of any condition set forth in [RCW 84.38.030](#)(5).

The Department of Revenue shall collect all the amounts deferred together with interest under this chapter. In the event that the department is unable to collect an amount deferred together with interest, that amount deferred together with interest shall be collected by the county treasurer as provided in [Chapter 84.56 RCW](#). ([RCW 84.38.140](#)) (See Chapter 7, Section 11)

Other Exemptions

Other miscellaneous exemptions may be allowed as determined by [Chapter 84.36 RCW](#).

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