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**SUBSTITUTE HOUSE BILL 1761**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** House Finance (originally sponsored by Representatives Christian, Leavitt, Couture, Low, Rule, Hutchins, Orwall, Dent, Springer, Schmidt, Duerr, Barnard, Shavers, Walen, Timmons, Ryu, Bronoske, Robertson, Senn, Chapman, Santos, Volz, and Cheney)

1 AN ACT Relating to increasing the personal property tax  
2 exemption; amending RCW 84.36.110, 84.36.120, and 84.48.065; creating  
3 a new section; and providing a contingent effective date.

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

5 **Sec. 1.** RCW 84.36.110 and 2006 c 281 s 2 are each amended to  
6 read as follows:

7 The following property shall be exempt from taxation:

8 (1) All household goods and furnishings in actual use by the  
9 owner thereof in equipping and outfitting his or her residence or  
10 place of abode and not for sale or commercial use, and all personal  
11 effects held by any person for his or her exclusive use and benefit  
12 and not for sale or commercial use.

13 (2) (a) The personal property, other than specified in subsection  
14 (1) of this section, of ~~((each head of a family))~~ a person liable to  
15 assessment and taxation of which the ~~((individual))~~ person is the  
16 actual and bona fide owner to an amount of ~~((fifteen thousand  
17 dollars))~~ \$40,000 of true and fair value. This exemption shall not  
18 apply to any private motor vehicle or mobile home. ~~((If the county  
19 assessor is satisfied that all of the personal property of any person  
20 is exempt from taxation under the provisions of this statute or any~~

1 ~~other statute providing exemptions for personal property, no listing~~  
2 ~~of such property shall be required. However,))~~

3 (b) (i) Each business must attest that the total replacement cost  
4 new of its taxable personal property is less than \$40,000, or (ii) if  
5 the personal property described in this subsection exceeds in value  
6 the amount allowed as exempt, then a complete list of said personal  
7 property shall be made as provided by law, and the county assessor  
8 shall deduct the amount of the exemption authorized by this  
9 subsection from the total amount of the assessment and impose taxes  
10 on the remainder.

11 (c) A person claiming an exemption under (b) (i) of this  
12 subsection must attest, under the penalty of perjury subject to the  
13 penalties in RCW 84.40.130(2), that they are claiming only one such  
14 exemption statewide for the calendar year.

15 **Sec. 2.** RCW 84.36.120 and 2008 c 6 s 708 are each amended to  
16 read as follows:

17 For the purposes of RCW 84.36.110 (~~"head of a family" shall be~~  
18 ~~construed to include a surviving spouse or surviving domestic partner~~  
19 ~~who has neither remarried nor entered into a subsequent domestic~~  
20 ~~partnership, any person receiving an old age pension under the laws~~  
21 ~~of this state and any citizen of the United States, over the age of~~  
22 ~~sixty-five years, who has resided in the state of Washington~~  
23 ~~continuously for ten years.)), the following definitions apply:~~

24 (1) "Personal effects" shall be construed to mean and include  
25 such tangible property as usually and ordinarily attends the person  
26 such as wearing apparel, jewelry, toilet articles and the like.

27 (2) "Private motor vehicle" shall be construed to mean and  
28 include all motor vehicles used for the convenience or pleasure of  
29 the owner and carrying a licensing classification other than motor  
30 vehicle for hire, auto stage, auto stage trailer, motor truck, motor  
31 truck trailer or dealers' licenses.

32 (3) "Mobile home" shall be construed to mean and include all  
33 trailers of the type designed as facilities for human habitation and  
34 which are capable of being moved upon the public streets and highways  
35 and which are more than thirty-five feet in length or more than eight  
36 feet in width.

37 **Sec. 3.** RCW 84.48.065 and 2015 c 174 s 2 are each amended to  
38 read as follows:

1           (1) (a) The county assessor or treasurer may cancel or correct  
2 assessments on the assessment or tax rolls which are erroneous due to  
3 manifest errors in description, double assessments, clerical errors  
4 in extending the rolls, and such manifest errors in the listing of  
5 the property that do not involve a revaluation of property, except in  
6 the case that a taxpayer produces proof that an authorized land use  
7 authority has made a definitive change in the property's land use  
8 designation. In such a case, correction of the assessment or tax  
9 rolls may be made notwithstanding the fact that the action involves a  
10 revaluation of property. Manifest errors that do not involve a  
11 revaluation of property include the assessment of property exempted  
12 by law from taxation (~~or the failure to deduct the exemption allowed~~  
13 ~~by law to the head of a family~~). When the county assessor cancels or  
14 corrects an assessment, the assessor must send a notice to the  
15 taxpayer in accordance with RCW 84.40.045, advising the taxpayer that  
16 the action has been taken and notifying the taxpayer of the right to  
17 appeal the cancellation or correction to the county board of  
18 equalization, in accordance with RCW 84.40.038. When the county  
19 assessor or treasurer cancels or corrects an assessment, a record of  
20 the action must be prepared, setting forth therein the facts relating  
21 to the error. The record must also set forth by legal description all  
22 property belonging exclusively to the state, any county, or any  
23 municipal corporation whose property is exempt from taxation, upon  
24 which there remains, according to the tax roll, any unpaid taxes.

25           (b) Except as otherwise provided in this subsection (1) (b), no  
26 manifest error cancellation or correction, including a cancellation  
27 or correction made due to a definitive change of land use  
28 designation, may be made for any period more than three years  
29 preceding the year in which the error is discovered. However, a  
30 manifest error cancellation or correction may be made for a period  
31 more than three years preceding the year in which the error is  
32 discovered if authorized by the county legislative authority and the  
33 manifest error cancellation or correction would result in a refund or  
34 reduction of taxes for a property owner.

35           (2) (a) In the case of a definitive change of land use  
36 designation, an assessor must make corrections that involve a  
37 revaluation of property to the assessment roll when:

38           (i) The assessor and taxpayer have signed an agreement as to the  
39 true and fair value of the taxpayer's property setting forth in the

1 agreement the valuation information upon which the agreement is  
2 based; and

3 (ii) The assessment roll has previously been certified in  
4 accordance with RCW 84.40.320.

5 (b) In all other cases, an assessor must make corrections that  
6 involve a revaluation of property to the assessment roll when:

7 (i) The assessor and taxpayer have signed an agreement as to the  
8 true and fair value of the taxpayer's property setting forth in the  
9 agreement the valuation information upon which the agreement is  
10 based; and

11 (ii) The following conditions are met:

12 (A) The assessment roll has previously been certified in  
13 accordance with RCW 84.40.320;

14 (B) The taxpayer has timely filed a petition with the county  
15 board of equalization pursuant to RCW 84.40.038 for the current  
16 assessment year;

17 (C) The county board of equalization has not yet held a hearing  
18 on the merits of the taxpayer's petition.

19 (3) The assessor must issue a supplementary roll or rolls  
20 including such cancellations and corrections, and the assessment and  
21 levy have the same force and effect as if made in the first instance,  
22 and the county treasurer must proceed to collect the taxes due on the  
23 rolls as modified.

24 NEW SECTION. **Sec. 4.** RCW 82.32.805 and 82.32.808 do not apply  
25 to this act.

26 NEW SECTION. **Sec. 5.** Section 1 of this act takes effect January  
27 1, 2024, if the proposed amendment to Article VII, section 1 of the  
28 state Constitution (House Joint Resolution No. 4206), providing for  
29 the personal property exemption of \$40,000, is validly submitted to  
30 and is approved and ratified by the voters at the next general  
31 election. If the proposed amendment is not approved and ratified,  
32 section 1 of this act is void in its entirety.

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