

Destroyed property frequently asked questions

Destroyed property and loss of value in a declared disaster area

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^ Which statutes discuss destroyed property abatement and refund?

RCW 84.70.010 and RCW 84.70.040

^ How do I know if my property is eligible for a reduction of value and tax relief as destroyed property or as property affected by a natural disaster?

Property may qualify for eligibility if it meets one of the following criteria:

- Any real or personal property that has been placed on the assessment roll as of January 1 of the year in which the property was destroyed, in whole or in part.
- Any real or personal property that has been placed on the assessment roll as of January 1 of the year in which an area has been declared a disaster area by the governor or the county legislative authority and the property has been reduced in value by more than 20% as a result of the natural disaster.

These properties may be eligible for a reduction in their assessed value and/or abatement of property taxes when the destruction results in a reduction of the true and fair market value of the property.

^ Are both real and personal property covered under the destroyed property statutes?

Yes. Destroyed property claims can be filed on both real and personal

property.

^ What are some examples of events that might cause property to be considered destroyed property?

Examples include, but are not limited to:

- Fires, including wildfires;
- floods,
- wind damage,
- involuntary destruction of property due to vandalism or rioting that reduces the true and fair market value of the property, and
- mud slides.

^ What are some examples of events that might be considered natural disasters?

Examples include, but are not limited to wildfires, floods, and mud slides.

Application and process

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^ Do properties destroyed by arson qualify for relief under the destroyed property statutes?

No relief (abatement) will be given to any person who is convicted of arson with regard to the property for which relief is sought. However, the assessor must remove the value of the destroyed improvement from the parcel record as of January 1 of the next assessment year. (same as any property that is voluntarily destroyed) Property taxes would not be adjusted (abated) for the year of destruction. Any pending criminal case associated with the arson would not have any bearing on the property tax record.

^ Can economic impacts to real and personal property due to the COVID-19 pandemic qualify for a reduction in value under the

destroyed property or natural disaster criteria of RCW 84.70.010?

A reduction in assessed value for destroyed property may only be considered if the property is physically damaged, at a specific point in time, and the damage reduces the true and fair market value of the property.

^ What does a taxpayer need to do to get property tax relief?

Taxpayers may apply for relief using forms available at their local county assessor office or download them using these links:

[Taxpayer's Claim for Reduction of Assessments Resulting from Destroyed Real or Personal Property or Loss in Value in a Declared Disaster Area](#)

[Petition for Property Tax Refund](#) (used if property taxes have been paid and a refund is due)

The assessor will evaluate the taxpayer's claim and determine if the property and taxpayer qualify for a reduction in value and tax relief.

^ How long does the taxpayer have to apply for a reduction?

An application must be filed within three years of the date of destruction or reduction in value.

^ Can the assessor reduce assessed values due to destroyed property without the taxpayer completing a destroyed property form?

Yes. If the assessor is aware of damaged property, they can start the process on their own authority even if a taxpayer does not submit a destroyed property form on their own. Taxpayers are encouraged, but not required, to submit destroyed property forms when they suffer damage, to ensure that the assessor is aware of the impact to their property. In the case of wind damage, an assessor may not be aware of all the damaged property existing within their county.

^ **When should the assessor begin the process of inspecting destroyed property?**

In a disaster-affected area, the assessor should inspect the property as soon as it is safe and practical to do so. The assessor will identify the value of the destroyed property before the taxpayer starts the repair process.

Assessed value, property tax and abatement [Collapse all](#)

^ **What is the responsibility of the county assessor and treasurer?**

The county assessor will calculate the new assessed value and the amount of reduction for abatement of taxes and notify the taxpayer of their determination. The county treasurer will calculate the amount of the abatement and/or refund of taxes and notify the taxpayer of their determination.

^ **If a taxpayer disagrees with the determination of the assessor, can they file an appeal?**

If the taxpayer disagrees with the determination made by the assessor, they may appeal the amount of reduction to the county board of equalization. They must appeal within 30 days (or 60 days, in some counties) of notification from the assessor or July 1 of the year the reduction is made, whichever is later. If an application for destroyed property is rejected by the county assessor, this decision is not appealable to the county Board of Equalization.

^ **Will destroyed property claims affect property taxes due in the current tax year?**

Yes, those taxpayers that are directly affected will receive prorated property tax relief for the tax year in which the destruction occurred. No current tax year relief is received if the property was voluntarily destroyed

or the person claiming the relief is convicted of arson.

^ What happens if I replace the destroyed property?

If the destroyed property is replaced with new construction, per RCW 36.21.080 (1) or RCW 36.21.090, the taxable value for that assessment year will include the new construction value as of July 31. The total value will take into consideration the new construction as well as the value reduction due to destroyed property. The value of any portion of new construction completed after July 31 will be added to the assessment roll for the next assessment year.

^ Can the taxpayer get an abatement if they voluntarily tear down or destroy a structure on their property?

Abatement of taxes in the year of destruction does not apply to property damaged or destroyed voluntarily. The value of property damaged or destroyed voluntarily is removed from the assessment roll for the current assessment year for taxes payable in the next assessment year.

^ How does the abatement of taxes work?

Taxes levied for collection in the year the assessed value has been reduced will be abated in whole or in part. The amount of abatement will be determined by calculating the taxes on the amount deducted from the assessed value for the number of days that remained in the calendar year after the date of destruction or reduction in value of the property. If abated taxes have already been paid, the amount paid will be refunded.

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determination.

^ How is the reduction or refund of current year taxes calculated?

The amount of tax to be refunded or reduced is based on the amount of value lost and the number of days remaining in the year after the destruction has occurred. For example, a property that was valued at \$200,000 was damaged by fire on June 28, 2020, and is now worth only \$150,000. Assume a property tax rate of \$14.50 per \$1,000 of assessed value. The reduction of 2020 tax would be calculated as follows:

Assessed value prior to fires:	\$200,000
Assessed value after damage has occurred	\$150,000
Value lost	\$50,000
Multiplied by the property tax rate	\$14.50 per \$1,000/AV
_____	_____
2020 tax on lost value	\$725
Multiplied by the portion of year remaining after destruction	\$186/365 (50.96%)
Amount of reduction or refund	\$369.46 (\$725 x 50.96%)

^ If property taxes have already been paid, will the county issue a refund based on the assessed value reduction?

Yes, a refund can be issued at a later date based on the assessed value reduction. If left unpaid, penalties may still be imposed by the treasurer.

^ If land in a declared disaster area is classified as Designated Forestland or Current Use land, is there an impact to classification?

If classified land is destroyed or significantly damaged due to a declared natural disaster, and removal of classification is required solely because of that disaster, the compensating taxes or additional taxes—along with

related interest and penalties—that are normally imposed when land is removed from classification may not be applied. This relief is provided under RCW 84.33.140 and RCW 84.34.108.

Levies and taxing districts

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^ Will the reduction in assessment due to destroyed property affect property tax revenues for taxing districts within a declared disaster area in the current tax year?

Yes. If the levies were calculated prior to the disaster, adjustments for the damage will reduce the collections in the current tax year. If the destroyed property is **not within a disaster area**, the destroyed property valuation should be removed from the assessment roll prior to determining the taxing district's levy limitations for the year of the destruction and may not affect a taxing district's revenue.

^ Can taxing districts impose an administrative refund levy for collection in the subsequent tax year based on the destroyed property adjustments?

Generally, yes. If taxes are refunded because of destroyed property adjustments, that amount can be added to the next levy. Cancellations of taxes that were not paid may be factored into the next levy depending on other tax supplements that occur during this time period. Also, the increased levy due to the administrative refunds cannot result in a levy rate in excess of the district's statutory maximum rate limit.

^ Can the treasurer grant an extension to taxpayers affected by a disaster?

Yes. Under RCW 84.56.020(8), extensions may be granted to taxpayers when a state of emergency has been declared. The county treasurer may postpone the payment due date on their own authority or at the request of any affected taxpayer.