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SENATE BILL 6535

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State of Washington

53rd Legislature

1994 Regular Session

By Senators Fraser, Haugen and Winsley

Read first time 01/26/94. Referred to Committee on Ways & Means.

1 AN ACT Relating to study of the property tax system; and creating  
2 a new section.

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

4 NEW SECTION. **Sec. 1.** The department of revenue and the department  
5 of community, trade, and economic development shall perform a study of  
6 two-tier property tax systems. Both departments shall provide staff  
7 resources for the study. The department of revenue is responsible for  
8 the management of the study. The department of revenue may hire a  
9 consultant with the appropriate expertise to assist with the study.

10 The departments may appoint an advisory team consisting of local  
11 government representatives; representatives of the economic development  
12 councils; county assessors; and academic and consulting economists.

13 The purpose of the study is an objective exam of two-tier property  
14 tax systems and potential application of a two-tier property tax system  
15 in Washington, with an emphasis on its effectiveness in revitalizing of  
16 the downtown cores of Washington cities for multiple uses.

17 The study objectives are:

18 (1) Review of two-tier property tax systems in other states and  
19 countries;

1 (2) Listing of advantages and disadvantages of a two-tier property  
2 tax system;

3 (3) Determine whether a two-tier property tax system in Washington  
4 would be consistent with state policies on growth management,  
5 transportation planning, and the environment;

6 (4) Determine the effectiveness of a two-tier property tax system  
7 to encourage the development and retention of downtown city cores where  
8 people can live, work, and find entertainment and recreation;

9 (5) Investigate the impact of a two-tier property tax system on:

10 (a) Open spaces and wildlife corridors in urban and suburban areas;

11 (b) Farmlands in rural and urbanizing areas;

12 (c) The various classes of residential property owners;

13 (d) The development of housing stock including the development of  
14 affordable housing for low-income households; and

15 (e) Industrial and commercial property;

16 (6) Determine steps necessary to implement a two-tier property tax  
17 system in Washington including whether the current assessment  
18 techniques are sufficient to accurately separate the value of land and  
19 improvements.

20 The departments shall report the findings of the study to the  
21 standing committees of the legislature that deal with economic  
22 development, local government, and revenue matters by November 30,  
23 1995.

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