
SENATE BILL 6176

State of Washington

63rd Legislature

2014 Regular Session

By Senator Braun

Read first time 01/16/14. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to modifying the tax appeal process; amending RCW
2 34.05.030, 39.88.060, 42.17A.705, 79.125.450, 82.01.090, 82.29A.060,
3 82.32.150, 82.32.180, 82.49.060, 84.08.060, 84.08.130, 84.33.091,
4 84.34.065, 84.36.850, 84.39.020, 84.40.0301, 84.40.038, 84.48.080,
5 84.52.018, 84.56.290, and 84.69.020; reenacting and amending RCW
6 34.12.020; adding a new chapter to Title 82 RCW; repealing RCW
7 82.03.010, 82.03.020, 82.03.030, 82.03.040, 82.03.050, 82.03.060,
8 82.03.070, 82.03.080, 82.03.090, 82.03.100, 82.03.110, 82.03.120,
9 82.03.130, 82.03.140, 82.03.150, 82.03.160, 82.03.170, 82.03.180,
10 82.03.190, and 82.03.200; and providing effective dates.

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

12 NEW SECTION. **Sec. 1.** It is the intent of the legislature that
13 this act foster the settlement or other resolution of tax disputes and,
14 in cases in which litigation is necessary, to provide the people of
15 this state with a fair, independent, prepayment procedure to determine
16 a dispute with tax administration agencies. This act must be
17 interpreted and construed to further this intent.

1 NEW SECTION. **Sec. 2.** (1) To increase public confidence in the
2 fairness of Washington's tax system, the state must provide an
3 independent agency with tax expertise to resolve disputes between the
4 taxing authority and taxpayers, prior to requiring the payment of the
5 amounts in issue or the posting of a bond. The tax tribunal
6 established in this chapter provides taxpayers with a means of
7 resolving controversies that insures both the appearance and the
8 reality of due process and fundamental fairness.

9 (2) The tax tribunal has jurisdiction in all tax matters, except
10 those specified by statute. A tax tribunal hearing is commenced by the
11 filing of a petition appealing an order issued by a county board of
12 equalization or protesting a tax determination made by the taxing
13 authority, including any decision or determination that: Cancels,
14 revokes, suspends, or denies an application for a license, permit, or
15 registration; assesses additional tax, interest, or penalties, or
16 denies a refund of tax, interest, or penalties; or instructs the
17 taxpayer on reporting instructions through a tax administrative
18 agency's ruling. A final decision of the tax tribunal may be appealed
19 only as provided in section 17 of this act.

20 NEW SECTION. **Sec. 3.** (1) There is hereby created the tax tribunal
21 of the state of Washington as an agency of state government.

22 (2) The tax tribunal is separate from and independent of the
23 authority of any agency that has administrative responsibility for tax
24 disputes brought before the tax tribunal.

25 (3) The tax tribunal must have a seal.

26 (4) The tax tribunal must be created by the effective date of this
27 section.

28 (5) The tax tribunal is subject to the provisions of chapter 34.05
29 RCW, to the extent not inconsistent with the provisions of this
30 chapter.

31 NEW SECTION. **Sec. 4.** To provide an orderly transition in
32 establishing the tax tribunal, beginning July 1, 2014, prior to the
33 creation of the tax tribunal in section 3 of this act, judges for the
34 tax tribunal may be appointed and may take any action upon appointment
35 that is necessary to enable the judges to properly exercise the duties,
36 functions, and powers given the tax tribunal under this chapter.

1 NEW SECTION. **Sec. 5.** The definitions in this section apply
2 throughout this chapter unless the context clearly requires otherwise.

3 "Taxpayer" means a person who: Is challenging the state's
4 jurisdiction over the person; has standing to challenge the validity or
5 applicability of the tax; is challenging the amount of the assessment;
6 is a responsible party under RCW 82.32.145; or is deemed to be a
7 successor under RCW 82.32.140.

8 NEW SECTION. **Sec. 6.** (1) The tax tribunal must consist of at
9 least one full-time judge. If there is more than one judge, each judge
10 must exercise the powers of the tax tribunal.

11 (2) The judges of the tax tribunal must be appointed by the
12 governor, with the advice and consent of the senate, for a term of six
13 years. If the tribunal has more than one judge, the judges initially
14 appointed must be given terms of different lengths not exceeding six
15 years, so that all judges' terms do not expire in the same year.

16 (3) Each judge of the tax tribunal must receive an annual salary no
17 less than that provided for superior court judges under RCW 2.08.092,
18 which salary may not be diminished during the judge's term of
19 appointment except to the extent such reduction applies to all superior
20 court judges. Each judge appointed pro tempore to the tax tribunal
21 must receive compensation as provided under RCW 2.08.180.

22 (4) Once appointed and confirmed, each judge must continue in
23 office until his or her term expires and until a successor has been
24 appointed and confirmed.

25 (5) A vacancy in the tax tribunal occurring otherwise than by
26 expiration of term must be filled for the unexpired term in the same
27 manner as an original appointment.

28 (6) If more than one judge is appointed, the governor must
29 designate one of the members as chief judge. The chief judge must be
30 the executive of the tax tribunal; must have sole charge of the
31 administration of the tax tribunal; and must apportion among the judges
32 all causes, matters, and proceedings coming before the tax tribunal.
33 The individual designated as chief judge must serve in that capacity
34 during the pleasure of the governor.

35 (7) The governor may remove a judge, after notice and an
36 opportunity to be heard, for neglect of duty, inability to perform

1 duties, malfeasance in office, or other good cause, with the advice and
2 consent of the senate and the house of representatives.

3 (8) Whenever the tax tribunal trial docket or business becomes
4 congested or any judge of the tax tribunal is absent, disqualified, or
5 for any other reason unable to perform his or her duties as judge, and
6 it appears to the governor that it is advisable that the services of an
7 additional judge or judges be provided, the governor may appoint a
8 judge, or judges, pro tempore of the tax tribunal. Any person
9 appointed judge pro tempore of the tax tribunal must have the
10 qualifications set forth in section 7 (1) and (2) of this act and must
11 be entitled to serve for a period no longer than six months.

12 (9) A judge may disqualify himself or herself on his or her own
13 motion in any matter, and may be disqualified for any of the causes
14 specified in RCW 2.28.030.

15 NEW SECTION. **Sec. 7.** (1) Each judge of the tax tribunal must be
16 a citizen of the United States and a resident of Washington state
17 during the period of his or her service. No person may be appointed as
18 a judge unless at the time of appointment the individual has
19 substantial knowledge of state tax law and substantial experience
20 making the record in a tax case suitable for judicial review.

21 (2) Before entering upon the duties of office, each judge must take
22 and subscribe to an oath or affirmation that he or she will faithfully
23 discharge the duties of the office, and such oath must be filed in the
24 office of the secretary of state.

25 (3) Each judge must devote himself or herself full time during
26 business hours to the duties of the office. A judge may not engage in
27 any other gainful employment or business, nor hold another office or
28 position of profit in a government of this state, any other state, or
29 the United States. Notwithstanding the foregoing provisions, a judge
30 may own passive interests in business entities and earn income from
31 incidental teaching or scholarly activities.

32 NEW SECTION. **Sec. 8.** (1) The tax tribunal's principal office must
33 be located in Olympia, Washington.

34 (2) The tax tribunal must conduct hearings at its principal office.
35 The tax tribunal may also hold hearings at any place within the state,

1 in order to provide taxpayers a reasonable opportunity to appear before
2 the tax tribunal with as little inconvenience and expense as
3 practicable.

4 (3) The principal office of the tax tribunal must be located in a
5 building that is separate and apart from the building in which any tax
6 administration agency is located. When the tax tribunal holds hearings
7 outside of its principal office, it must do so in a location that is
8 physically separated from facilities regularly occupied by any tax
9 administration agency.

10 (4) The state must provide hearing rooms, chambers, and offices for
11 the tax tribunal at its principal office and must arrange for hearing
12 rooms, chambers, and offices or other appropriate facilities when
13 hearings are held elsewhere.

14 NEW SECTION. **Sec. 9.** (1) The tax tribunal must appoint a clerk
15 and a reporter, and may appoint such other employees and make such
16 other expenditures, including expenditures for library, publications,
17 and equipment, as are necessary to permit it to efficiently execute its
18 functions.

19 (2) The reporter is subject to the provisions of RCW 2.32.180, as
20 if appointed by a judge of a superior court, except where such
21 provisions are in conflict with this chapter.

22 (3) No employee of the tax tribunal may act as attorney,
23 representative, or accountant for others in a matter involving any tax
24 imposed or levied by this state.

25 (4) An employee of the tax tribunal may be removed by the judge, or
26 chief judge if there is one, after notice and an opportunity to be
27 heard for: Neglect of duty; inability to perform duties; malfeasance
28 in office; or for other good cause. Any reduction, suspension,
29 dismissal, or demotion of a tax tribunal employee must conform to the
30 requirements of RCW 41.06.170.

31 (5) In addition to the services of the reporter appointed under
32 this section, the tax tribunal may contract the reporting of its
33 proceedings and in the contract fix the terms and conditions under
34 which transcripts will be supplied by the contractor to the tax
35 tribunal and to other persons and agencies.

1 NEW SECTION. **Sec. 10.** (1) The tax tribunal may hear and determine
2 questions of law and fact arising under any of the following:

3 (a) Appeals taken pursuant to RCW 82.03.190;

4 (b) Appeals from a county board of equalization pursuant to this
5 chapter;

6 (c) Appeals by an assessor or landowner from an order of the
7 director made pursuant to RCW 84.08.010 and 84.08.060, if filed with
8 the tax tribunal within thirty days after the mailing of the order, the
9 right to such an appeal being hereby established;

10 (d) Appeals by an assessor or owner of an intercounty public
11 utility or private car company from determinations by the director of
12 revenue of equalized assessed valuation of property and the
13 apportionment thereof to a county made pursuant to chapters 84.12 and
14 84.16 RCW, if filed with the tax tribunal within thirty days after
15 mailing of the determination, the right to such appeal being hereby
16 established;

17 (e) Appeals by an assessor, landowner, or owner of an intercounty
18 public utility or private car company from a determination of any
19 county indicated ratio for such county compiled by the department
20 pursuant to RCW 84.48.075, if the appeal is filed after review of the
21 ratio under RCW 84.48.075(3) and not later than fifteen days after the
22 mailing of the certification. A hearing under this subsection before
23 the tax tribunal must be expeditiously held in accordance with rules
24 prescribed by the tax tribunal and must take precedence over all
25 matters of the same character;

26 (f) Appeals from the decisions of sale price of second-class
27 shorelands on navigable lakes by the department of natural resources
28 pursuant to RCW 79.125.450;

29 (g) Appeals from urban redevelopment property tax apportionment
30 district proposals established by governmental ordinances pursuant to
31 RCW 39.88.060;

32 (h) Appeals from interest rates as determined by the department of
33 revenue for use in valuing farmland under current use assessment
34 pursuant to RCW 84.34.065;

35 (i) Appeals from revisions to stumpage value tables used to
36 determine value by the department pursuant to RCW 84.33.091;

37 (j) Appeals from denial of tax exemption application by the
38 department pursuant to RCW 84.36.850;

1 (k) Appeals pursuant to RCW 84.40.038(3);
2 (l) Appeals pursuant to RCW 84.39.020;
3 (m) Appeals to taxes assessed and refunds denied under Title 83
4 RCW; or
5 (n) Appeals from rulings issued by a tax authority by statute,
6 rule, or policy that instructs a taxpayer regarding how taxes should be
7 reported if failure to follow such instructions can result in the
8 assessment of taxes, interest, or penalties.

9 (2) Except as otherwise specifically provided by law, the
10 provisions of RCW 1.12.070 apply to all notices of appeal filed with
11 the tax tribunal.

12 (3) Nothing in this chapter limits the ability to bring a tax
13 refund action in superior court under RCW 82.32.180.

14 (4) Except in cases involving the denial of a claim for refund and
15 notwithstanding RCW 82.32.150, and except in cases involving property
16 taxes unless subject to RCW 84.52.018, the taxpayer has the right to
17 have his or her case heard by the tax tribunal prior to the payment of
18 any of the amounts asserted as due by the tax administration agency and
19 prior to the posting of any bond.

20 (5) If, with or after the filing of a timely petition, the taxpayer
21 pays all or part of the tax or other amount in issue before the tax
22 tribunal has rendered a decision, the tax tribunal must treat the
23 taxpayer's petition as a protest of a denial of a claim for refund of
24 the amount paid.

25 (6) The tax tribunal must decide questions regarding the
26 constitutionality of the application of statutes to the taxpayer and
27 the constitutionality of regulations promulgated by the tax
28 administration agency but does not have the power to declare a statute
29 unconstitutional on its face. A taxpayer desiring to challenge the
30 constitutionality of a statute on its face may, at the taxpayer's
31 election, do so by one of the following methods:

32 (a) Commence a declaratory action under chapter 7.24 RCW in the
33 appropriate superior court of this state with respect to the
34 constitutional challenge and file a petition in the tax tribunal with
35 respect to the remainder of the matter, which proceeding must be stayed
36 by the tax tribunal pending final resolution of the constitutional
37 challenge;

1 (b) File a petition with the tax tribunal with respect to issues
2 other than the constitutional challenge, in which the taxpayer
3 preserves the constitutional challenge until the entire matter,
4 including the constitutional challenge and the facts related to the
5 constitutional challenge, is presented to the appellate court;

6 (c) Commence and simultaneously prosecute a declaratory action in
7 the appropriate superior court with respect to the constitutional
8 challenge and a proceeding in the tax tribunal with respect to the
9 remainder of the issues; or

10 (d) Pay the amounts asserted as due by the tax administration
11 agency and commence a refund action in the appropriate superior court.

12 NEW SECTION. **Sec. 11.** (1) For taxes assessed by the department,
13 before the department finalizes a determination that triggers a
14 taxpayer's right to commence a proceeding before the tax tribunal under
15 section 12 of this act, the department must provide to the taxpayer the
16 option to obtain review of the audit function's proposed determination
17 by an independent administrative appeals function.

18 (2) The independent administrative appeals function has all of the
19 following characteristics:

20 (a) Appeals personnel must exercise independent judgment with the
21 objective of settling as many disputed issues as possible without
22 litigation;

23 (b) Appeals personnel must have expertise in, and extensive
24 experience with, the state's tax laws;

25 (c) Appeals personnel must concede or settle individual issues
26 based on the facts and the law, including the hazards of litigation,
27 and an issue specifically conceded or settled by appeals personnel may
28 not thereafter be contested by the taxpayer or the department;

29 (d) Appeals conferences must be conducted in an informal manner;

30 (e) Appeals conferences must be conducted, at the taxpayer's
31 option, by correspondence, by telephone, or in person;

32 (f) Appeals personnel must consider arguments as to the
33 applicability of the tax laws; settlement proposals and
34 counterproposals; and new evidence in support of the taxpayer's
35 position. However, if the new evidence is substantial and should have
36 been presented at the time of audit, appeals personnel may request the

1 audit function to examine the evidence and to make a recommendation as
2 to the effect of the evidence on the related issue;

3 (g) The taxpayer has the right to bring witnesses to an in-person
4 conference;

5 (h) The taxpayer may participate in appeals conferences without
6 representation; may be represented by an officer, employee, partner, or
7 member of the taxpayer; or may be represented by a third party of the
8 taxpayer's choice, including a person specified in section 19(1) of
9 this act;

10 (i) Appeals personnel may not engage in ex parte communications
11 with department employees to the extent that such communications appear
12 to compromise the independence of the appeals function. Consistent
13 with this subsection, appeals personnel may on an ex parte basis:

14 (i) Ask questions that involve ministerial, administrative, or
15 procedural matters and that do not address the substance of the issues
16 or positions taken in the case; and

17 (ii) Seek legal advice on an issue from the department by an
18 attorney, who was not involved in providing advice on that issue to the
19 employees who made the determination being reviewed. In all other
20 cases, appeals personnel must allow the taxpayer to participate in any
21 communications with department employees;

22 (j) Appeals decisions and agreements may not be considered as
23 precedent;

24 (k) A taxpayer's decision to forego appeals consideration does not
25 constitute a failure to exhaust administrative remedies, nor does a
26 taxpayer's decision to request appeals consideration with respect to a
27 determination preclude the taxpayer from commencing a proceeding in the
28 tax tribunal with respect to any issue not resolved by settlement or
29 concession; and

30 (l) The department may promulgate emergency and other rules
31 governing the operation of the independent administrative appeals
32 function, including, without limitation, a rule allowing the department
33 of revenue to finalize its determination if the taxpayer fails to
34 timely request or pursue appeals consideration or a rule allowing the
35 department to publicly designate specific issues that appeals personnel
36 may not compromise.

37 (3) For the purposes of this section, an "independent
38 administrative appeals function" means a program of holding conferences

1 and negotiating settlements that is designed to resolve the vast
2 majority of tax controversies without litigation on a basis that is
3 fair and impartial to the state and the taxpayer and that enhances
4 voluntary compliance and public confidence in the integrity and
5 efficiency of the department.

6 NEW SECTION. **Sec. 12.** (1) A taxpayer may commence a proceeding in
7 the tax tribunal by filing a petition protesting the tax administration
8 agency's determination imposing a liability for tax, penalty, or
9 interest; denying a refund or credit application; canceling, revoking,
10 suspending, or denying an application for a license, permit, or
11 registration; or taking any other action that gives a person the right
12 to a hearing under the law. The petition must be filed in the tax
13 tribunal no later than ninety days after receipt of the tax
14 administration agency's written final notice of such determination
15 containing a statement of taxpayer's rights consistent with RCW
16 82.32.180.

17 (2) The tax administration agency must file its answer in the tax
18 tribunal no later than seventy-five days after its receipt of the tax
19 tribunal's notification that the taxpayer has filed a petition in
20 proper form. Upon written request, the tax tribunal may grant up to
21 fifteen additional days to file an answer. The tax administration
22 agency must serve a copy on the taxpayer's representative or, if the
23 taxpayer is not represented, on the taxpayer, and must file proof of
24 such service with the answer. Material facts alleged in the petition,
25 if not expressly admitted or denied in the answer, are deemed admitted.
26 If the tax administration agency fails to answer within the prescribed
27 time, all material facts alleged in the petition is deemed admitted.

28 (3) The taxpayer may file a reply in the tax tribunal within thirty
29 days after receipt of the answer. The taxpayer must serve a copy on
30 the director or authorized representative of the tax administration
31 agency and must file proof of such service with the reply. If the
32 taxpayer fails to reply within the prescribed time, all material facts
33 alleged in the answer is deemed denied. When a reply has been filed,
34 or, if no reply has been filed, then thirty days after the filing of
35 the answer, the controversy is deemed at issue and will be scheduled
36 for hearing.

1 (4) Either party may amend a pleading once without leave at any
2 time before the period for responding to it expires. After such time,
3 a pleading may be amended only with the written consent of the adverse
4 party or with the permission of the tax tribunal. The tax tribunal
5 must freely grant consent to amend upon such terms as may be just.
6 Except as otherwise ordered by the tax tribunal, there must be an
7 answer or reply to an amended pleading if an answer or reply is
8 required to the pleading being amended. Filing of the answer, or, if
9 the answer has already been filed, the amended answer, must be made no
10 later than seventy-five days after filing of the amended petition.
11 Filing of the reply or, if the reply has already been filed, the
12 amended reply, must be made within thirty days after filing of the
13 amended answer. The taxpayer may not amend a petition after expiration
14 of the time for filing a petition, if such amendment would have the
15 effect of conferring jurisdiction on the tax tribunal over a matter
16 that would otherwise not come within its jurisdiction. An amendment of
17 a pleading must relate back to the time of filing of the original
18 pleading, unless the tax tribunal orders otherwise either on motion of
19 a party or on the tax tribunal's own initiative.

20 NEW SECTION. **Sec. 13.** (1) Upon filing a petition, the taxpayer
21 must pay to the clerk a fee in the amount of two hundred fifty dollars,
22 except that, in the case of a petition filed in the small claims
23 division as provided in section 17 of this act, there is no fee. A
24 similar fee must be paid by other parties making an appearance in the
25 proceeding, except that no fee may be charged to a government body or
26 government official appearing in a representative capacity.

27 (2) The tax tribunal may fix a fee, not in excess of the fees
28 charged and collected by the clerks of the superior courts, for
29 comparing, or for preparing and comparing, a transcript of the record,
30 or for copying any record, entry, or other paper and the comparison and
31 certification thereof.

32 NEW SECTION. **Sec. 14.** (1) The parties to a proceeding must make
33 every effort to achieve discovery by informal consultation or
34 communication, before invoking the discovery mechanisms authorized by
35 this section.

1 (2) The parties to a proceeding must stipulate all relevant and
2 nonprivileged matters to the fullest extent to which complete or
3 qualified agreement can or fairly should be reached. Neither the
4 existence nor the use of the discovery mechanisms authorized by this
5 section excuses failure to comply with this provision.

6 (3) Subject to reasonable limitations prescribed by the tax
7 tribunal, a party may obtain discovery by written interrogatories;
8 requests for the production of returns, books, papers, documents,
9 correspondence, or other evidence; depositions of parties, nonparty
10 witnesses, and experts; and requests for admissions. The tax tribunal
11 may provide for other forms of discovery. Nothing in RCW 82.32.330 may
12 be construed to prevent a deemed successor from obtaining under this
13 section discovery related to an assertion of successor liability.

14 (4) The judge or the clerk of the tax tribunal, on the request of
15 any party to the proceeding, must issue subpoenas requiring the
16 attendance of witnesses and giving of testimony and subpoenas duces
17 tecum requiring the production of evidence or things.

18 (5) Any employee of the tax tribunal designated in writing for the
19 purpose by the chief judge may administer oaths.

20 (6) Any witness subpoenaed or whose deposition is taken must
21 receive the same fees and mileage as a witness in a superior court of
22 this state.

23 (7) The tax tribunal may enforce its orders on discovery and other
24 procedural issues, among other means, by deciding issues wholly or
25 partly against the offending party.

26 NEW SECTION. **Sec. 15.** (1) Proceedings before the tax tribunal
27 must be tried de novo and without a jury.

28 (2) Except as provided otherwise, the tax tribunal must conduct a
29 pretrial conference for each case to narrow issues and to establish a
30 case scheduling order, take evidence, conduct hearings, and issue final
31 and interlocutory decisions.

32 (3) Hearings must be open to the public and must be conducted in
33 accordance with such rules of practice and procedure as the tax
34 tribunal may promulgate. However, on motion of either party the tax
35 tribunal must issue a protective order or an order closing part or all
36 of the hearing to the public, if the party shows good cause to protect
37 certain information from being disclosed to the public. Protective

1 orders issued by the tax tribunal have the same authority under the
2 public records act and other state laws as protective orders issued by
3 superior courts.

4 (4) Evidence, including hearsay evidence, is admissible if in the
5 judgment of the judge it is the kind of evidence on which reasonably
6 prudent persons are accustomed to rely in the conduct of their affairs.
7 The judge must exclude evidence that is excludable on constitutional or
8 statutory grounds or on the basis of evidentiary privilege recognized
9 in the courts of this state. The judge may exclude evidence that is
10 irrelevant, immaterial, or unduly repetitious.

11 (5) If not inconsistent with subsection (1) of this section, the
12 judge must refer to the Washington rules of evidence as guidelines for
13 evidentiary rulings.

14 (6) All testimony of parties and witnesses must be made under oath
15 or affirmation.

16 (7) Documentary evidence may be received in the form of copies or
17 excerpts, or by incorporation by reference.

18 (8) Official notice may be taken of (a) any judicially cognizable
19 facts, (b) technical or scientific facts within the tribunal's
20 specialized knowledge, and (c) codes or standards that have been
21 adopted by an agency of the United States, of this state, or of another
22 state, or by a nationally recognized organization or association.
23 Parties must be notified either before or during the hearing, or by
24 reference in preliminary reports or otherwise, of the material so
25 noticed and the sources thereof, including any staff memoranda and
26 data, and the parties must be afforded an opportunity to contest the
27 facts and material so noticed. A party proposing that official notice
28 be taken may be required to produce a copy of the material to be
29 noticed.

30 (9) In the case of an issue of fact, the taxpayer has the burden of
31 persuasion by a preponderance of the evidence in the record, except
32 that the tax administration agency has the burden of persuasion in the
33 case of an assertion of successorship liability, personal liability for
34 trust funds, fraud, misrepresentation of material fact, any penalty in
35 excess of twenty-five percent of the tax, and in other cases provided
36 by law.

37 (10) Proceedings before the tax tribunal, except those before the

1 small claims division as provided in section 17 of this act, must be
2 officially reported. The state must pay the expense of reporting from
3 the appropriation for the tax tribunal.

4 NEW SECTION. **Sec. 16.** (1) The tax tribunal must render its
5 decision in writing, including therein a concise statement of the facts
6 found and the conclusions of law reached. The tax tribunal's decision
7 must, subject to law, grant such relief, invoke such remedies and issue
8 such orders as it deems appropriate to carry out its decision.

9 (2) The tax tribunal must render its decision no later than six
10 months after submission of the last brief filed subsequent to
11 completion of the hearing or, if briefs are not submitted, then no
12 later than six months after completion of the hearing. The tax
13 tribunal may extend the six-month period, for good cause, up to three
14 additional months.

15 (3) If the tax tribunal fails to render a decision within the
16 prescribed period, either party may institute a proceeding in the
17 superior court to compel the issuance of such decision.

18 (4) The tax tribunal's decision must finally decide the matters in
19 controversy, unless any party to the matter timely appeals the
20 decision, as provided in section 18 of this act.

21 (5) The tax tribunal's decision has the same effect, and must be
22 enforced in the same manner, as a judgment of a superior court of the
23 state.

24 (6) The tax tribunal's interpretation of a taxing statute subject
25 to contest in one case must be followed by the tax tribunal in
26 subsequent cases involving the same statute, and its application of a
27 statute to the facts of one case must be followed by the tax tribunal
28 in subsequent cases involving similar facts, unless the tax tribunal's
29 interpretation or application conflicts with that of an appellate court
30 or the tax tribunal provides satisfactory reasons for reversing prior
31 precedent.

32 NEW SECTION. **Sec. 17.** (1) There is hereby established a small
33 claims division of the tax tribunal.

34 (2) The judges of the tax tribunal must sit as the judges of the
35 small claims division.

1 (3) If the taxpayer timely elects, or if the county assessor
2 appealing a county board of equalization order timely elects and the
3 taxpayer does not timely file an election otherwise under section 13 of
4 this act, the small claims division has jurisdiction over any
5 proceeding with respect to any calendar year for which the net amount
6 of the tax deficiencies and claimed refunds in controversy or the
7 amount in dispute for each year of property taxes assessed for all
8 taxpayer's parcels under appeal does not exceed twenty-five thousand
9 dollars, exclusive of interest and penalties.

10 (4) A taxpayer may elect to proceed in the small claims division of
11 the tax tribunal by filing a petition in the form prescribed by the tax
12 tribunal no later than ninety days after the taxpayer's receipt of
13 written notice of the determination that is the subject of the
14 petition. A taxpayer may not revoke an election to proceed in the
15 small claims division.

16 (5) No later than thirty days after receipt of notice that the
17 taxpayer has filed a petition in proper form, or at such other time as
18 the tax tribunal may order, the tax administration agency must file
19 with the tax tribunal an answer similar to that required by section 11
20 of this act.

21 (6) At any time prior to entry of judgment, a taxpayer may dismiss
22 a proceeding in the small claims division by notifying the clerk of the
23 tax tribunal in writing. Such dismissal is with prejudice, and does
24 not have the effect of revoking the election made in accordance with
25 subsection (4) of this section.

26 (7) Hearings in the small claims division must be informal, and the
27 judge may receive such evidence as the judge deems appropriate for
28 determination of the case. Testimony must be given under oath or
29 affirmation.

30 (8) A judgment of the small claims division is conclusive upon all
31 parties and may not be appealed. A judgment of the small claims
32 division may not be considered as precedent in any other case, hearing,
33 or proceeding.

34 (9) Except for section 16 of this act, sections 1 through 22 of
35 this act apply to proceedings in the small claims division unless
36 expressly inapplicable thereto or inconsistent with the provisions of
37 this section.

1 NEW SECTION. **Sec. 18.** (1) The taxpayer or the tax administration
2 agency is entitled to judicial review of a final decision of the tax
3 tribunal, except a final decision of the small claims division, in
4 accordance with the procedure for appeal from a decision of a superior
5 court to the division of the court of appeals where the taxpayer
6 resides, transacts business, or transacted business at any time during
7 the tax period at issue, or has an office for the transaction of
8 business, without regard to the sum involved. The taxpayer or the tax
9 administration agency may obtain judicial review of an interlocutory
10 decision of the tax tribunal under the same conditions and in the same
11 manner as an interlocutory decision of the superior court.

12 (2) The record on judicial review must include the decision of the
13 tax tribunal, the stenographic transcript of the hearing before the tax
14 tribunal, the pleadings and all exhibits and documents admitted into
15 evidence.

16 NEW SECTION. **Sec. 19.** (1) Appearances in proceedings conducted by
17 the tax tribunal may be by the taxpayer, by an attorney admitted to
18 practice in this state (including an attorney who is a partner or
19 member of, or is employed by, an accounting or other professional
20 services firm), by an accountant licensed in this state, or by an
21 enrolled agent authorized to represent taxpayers before the federal
22 internal revenue service. The tax tribunal may allow any attorney or
23 accountant authorized to practice or licensed in any other jurisdiction
24 of the United States to appear and represent a taxpayer in proceedings
25 before the tax tribunal for a particular matter. In addition, the tax
26 tribunal may promulgate rules and regulations permitting a taxpayer to
27 be represented by an officer, employee, partner, or member.

28 (2) The tax administration agency must be represented by an
29 authorized representative in all proceedings before the tax tribunal.

30 NEW SECTION. **Sec. 20.** Except for decisions issued by the small
31 claims division, the tax tribunal must index and publish its final
32 decisions in such print or electronic form as it deems best adapted for
33 public convenience. All such publications must be made permanently
34 available and constitute the official reports of the tax tribunal.

1 NEW SECTION. **Sec. 21.** (1) Mailing by first-class or certified or
2 registered mail, postage prepaid, to the address of the taxpayer given
3 on the taxpayer's petition, or to the address of the taxpayer's
4 representative of record, if any, or to the usual place of business of
5 the tax administration agency, constitute personal service on the other
6 party. The tax tribunal may by rule prescribe that notice by other
7 means constitute personal service and may in a particular case order
8 that notice be given to additional persons or by other means.

9 (2) Mailing by registered or certified mail and delivery by a
10 private delivery service approved by the federal internal revenue
11 service in accordance with 26 U.S.C. Sec. 7502(f) of the federal
12 internal revenue code of 1986, as amended, is deemed to have occurred,
13 respectively, on the date of mailing and the date of submission to the
14 private delivery service.

15 (3) The tax tribunal may adopt rules or other guidance to allow
16 papers to be filed, signed, or verified by electronic means. A paper
17 filed electronically in compliance with such rule or guidance is a
18 written paper for purposes of this chapter. The parties may, by
19 agreement, serve any pleadings or discovery by electronic means, in
20 which event service is complete upon transmission, if the parties have
21 so consented in writing.

22 NEW SECTION. **Sec. 22.** The tax tribunal is authorized to
23 promulgate and adopt all reasonable rules and forms as may be necessary
24 or appropriate to carry out the intent and purposes of this chapter.

25 NEW SECTION. **Sec. 23.** (1) This chapter applies to:

26 (a) All proceedings commenced in the tax tribunal on or after the
27 effective date of this section; and

28 (b) All administrative proceedings commenced prior to the effective
29 date of this section that have not been the subject of a final and
30 irrevocable administrative action as of the effective date of this
31 section, to the extent this chapter can be made applicable thereto.

32 (2) Any administrative proceeding in which a hearing has commenced
33 prior to the effective date of this section must be transferred to the
34 tax tribunal, which must render the decision in such proceeding unless
35 there is a prior settlement.

1 (3) This chapter does not affect any proceeding, prosecution,
2 action, suit, or appeal commenced in the judicial branch before the
3 effective date of this section.

4 NEW SECTION. **Sec. 24.** (1) The state board of tax appeals is
5 transferred to the tax tribunal.

6 (2)(a) All reports, documents, surveys, books, records, files,
7 papers, or written material in the possession of the state board of tax
8 appeals must be delivered to the custody of the tax tribunal. All
9 cabinets, furniture, office equipment, motor vehicles, and other
10 tangible property employed by the state board of tax appeals must be
11 made available to the tax tribunal. All funds, credits, or other
12 assets held by the state board of tax appeals must be assigned to the
13 tax tribunal.

14 (b) Any appropriations made to the state board of tax appeals, on
15 the effective date of this section, must be transferred and credited to
16 the tax tribunal.

17 (c) If any question arises as to the transfer of any personnel,
18 funds, books, documents, records, papers, files, equipment, or other
19 tangible property used or held in the exercise of the powers and the
20 performance of the duties and functions transferred, the director of
21 financial management must make a determination as to the proper
22 allocation and certify the same to the state agencies concerned.

23 (3) All employees of the state board of tax appeals are transferred
24 to the jurisdiction of the tax tribunal. All employees classified
25 under chapter 41.06 RCW, the state civil service law, are assigned to
26 the tax tribunal to perform their usual duties upon the same terms as
27 formerly, without any loss of rights, subject to any action that may be
28 appropriate thereafter in accordance with the laws and rules governing
29 state civil service.

30 (4) All rules and all pending business before the state board of
31 tax appeals must be continued and acted upon by the tax tribunal. All
32 existing contracts and obligations remain in full force and must be
33 performed by the tax tribunal.

34 (5) The transfer of the powers, duties, functions, and personnel of
35 the state board of tax appeals does not affect the validity of any act
36 performed before the effective date of this section.

1 (6) If apportionments of budgeted funds are required because of the
2 transfers directed by this section, the director of financial
3 management must certify the apportionments to the agencies affected,
4 the state auditor, and the state treasurer. Each of these must make
5 the appropriate transfer and adjustments in funds and appropriation
6 accounts and equipment records in accordance with the certification.

7 **Sec. 25.** RCW 34.05.030 and 2011 1st sp.s. c 43 s 431 are each
8 amended to read as follows:

9 (1) This chapter (~~shall~~) does not apply to:

10 (a) The state militia, or

11 (b) The board of clemency and pardons, or

12 (c) The department of corrections or the indeterminate sentencing
13 review board with respect to persons who are in their custody or are
14 subject to the jurisdiction of those agencies.

15 (2) The provisions of RCW 34.05.410 through 34.05.598 (~~shall~~) do
16 not apply:

17 (a) To adjudicative proceedings of the board of industrial
18 insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

19 (b) Except for actions pursuant to chapter 46.29 RCW, to the
20 denial, suspension, or revocation of a driver's license by the
21 department of licensing;

22 (c) To the department of labor and industries where another statute
23 expressly provides for review of adjudicative proceedings of a
24 department action, order, decision, or award before the board of
25 industrial insurance appeals;

26 (d) To actions of the Washington personnel resources board, the
27 human resources director, or the office of financial management and the
28 department of enterprise services when carrying out their duties under
29 chapter 41.06 RCW;

30 (e) To adjustments by the department of revenue of the amount of
31 the surcharge imposed under RCW 82.04.261; or

32 (f) To the extent they are inconsistent with any provisions of
33 chapter 43.43 RCW.

34 (3) Unless a party makes an election for a formal hearing pursuant
35 to (~~RCW 82.03.140 or 82.03.190~~) chapter 82.--- RCW (the new chapter
36 created in section 48 of this act), RCW 34.05.410 through 34.05.598 do

1 not apply to a review hearing conducted by the (~~board of tax appeals~~)
2 tax tribunal created in section 3 of this act.

3 (4) The rule-making provisions of this chapter do not apply to:

4 (a) Reimbursement unit values, fee schedules, arithmetic conversion
5 factors, and similar arithmetic factors used to determine payment rates
6 that apply to goods and services purchased under contract for clients
7 eligible under chapter 74.09 RCW; and

8 (b) Adjustments by the department of revenue of the amount of the
9 surcharge imposed under RCW 82.04.261.

10 (5) All other agencies, whether or not formerly specifically
11 excluded from the provisions of all or any part of the administrative
12 procedure act, (~~shall be~~) are subject to the entire act.

13 **Sec. 26.** RCW 34.12.020 and 2010 c 211 s 16 are each reenacted and
14 amended to read as follows:

15 (~~Unless the context clearly requires otherwise,~~) The definitions
16 in this section apply throughout this chapter unless the context
17 clearly requires otherwise.

18 (1) "Administrative law judge" means any person appointed by the
19 chief administrative law judge to conduct or preside over hearings as
20 provided in this chapter.

21 (2) "Hearing" means an adjudicative proceeding within the meaning
22 of RCW 34.05.010(1) conducted by a state agency under RCW 34.05.413
23 through 34.05.476.

24 (3) "Office" means the office of administrative hearings.

25 (4) "State agency" means any state board, commission, department,
26 or officer authorized by law to make rules or to conduct adjudicative
27 proceedings, except those in the legislative or judicial branches, the
28 growth management hearings board, the utilities and transportation
29 commission, the pollution control hearings board, the shorelines
30 hearings board, the forest practices appeals board, the environmental
31 (~~hearings office~~) and land use hearings office, the board of
32 industrial insurance appeals, the Washington personnel resources board,
33 the public employment relations commission, and the (~~board of tax~~
34 ~~appeals~~) tax tribunal created in section 3 of this act.

35 **Sec. 27.** RCW 39.88.060 and 1989 c 378 s 1 are each amended to read
36 as follows:

1 (1) Any taxing district that objects to the apportionment district,
2 the duration of the apportionment, the manner of apportionment, or the
3 propriety of cost items established by the public improvement ordinance
4 of the sponsor may, within thirty days after mailing of the ordinance,
5 petition for review thereof by the ~~((state board of tax appeals. The
6 state board of tax appeals shall))~~ tax tribunal created in section 3 of
7 this act. The tax tribunal must meet within a reasonable time, hear
8 all the evidence presented by the parties on matters in dispute, and
9 determine the issues upon the evidence as may be presented to it at the
10 hearing. The ~~((board))~~ tax tribunal may approve or deny the public
11 improvement ordinance as enacted or may grant approval conditioned upon
12 modification of the ordinance by the sponsor. The decision by the
13 ~~((state board of tax appeals shall be))~~ tax tribunal is final and
14 conclusive but ~~((shall))~~ does not preclude modification or
15 discontinuation of the public improvement.

16 (2) If the sponsor modifies the public improvement ordinance as
17 directed by the ~~((board))~~ tax tribunal, the public improvement
18 ordinance ~~((shall be))~~ is effective without further hearings or
19 findings and ~~((shall))~~ is not ~~((be))~~ subject to any further appeal. If
20 the sponsor modifies the public improvement ordinance in a manner other
21 than as directed by the ~~((board))~~ tax tribunal, the public improvement
22 ordinance ~~((shall be))~~ is subject to the procedures established
23 pursuant to RCW 39.88.040 and 39.88.050.

24 **Sec. 28.** RCW 42.17A.705 and 2012 c 229 s 582 are each amended to
25 read as follows:

26 For the purposes of RCW 42.17A.700, "executive state officer"
27 includes:

28 (1) The chief administrative law judge, the director of
29 agriculture, the director of the department of services for the blind,
30 the chief information officer of the office of chief information
31 officer, the director of the state system of community and technical
32 colleges, the director of commerce, the director of the consolidated
33 technology services agency, the secretary of corrections, the director
34 of early learning, the director of ecology, the commissioner of
35 employment security, the chair of the energy facility site evaluation
36 council, the director of enterprise services, the secretary of the
37 state finance committee, the director of financial management, the

1 director of fish and wildlife, the executive secretary of the forest
2 practices appeals board, the director of the gambling commission, the
3 secretary of health, the administrator of the Washington state health
4 care authority, the executive secretary of the health care facilities
5 authority, the executive secretary of the higher education facilities
6 authority, the executive secretary of the horse racing commission, the
7 human resources director, the executive secretary of the human rights
8 commission, the executive secretary of the indeterminate sentence
9 review board, the executive director of the state investment board, the
10 director of labor and industries, the director of licensing, the
11 director of the lottery commission, the director of the office of
12 minority and women's business enterprises, the director of parks and
13 recreation, the executive director of the public disclosure commission,
14 the executive director of the Puget Sound partnership, the director of
15 the recreation and conservation office, the director of retirement
16 systems, the director of revenue, the secretary of social and health
17 services, the chief of the Washington state patrol, (~~the executive~~
18 ~~secretary of the board of tax appeals,~~) the secretary of
19 transportation, the secretary of the utilities and transportation
20 commission, the director of veterans affairs, the president of each of
21 the regional and state universities and the president of The Evergreen
22 State College, and each district and each campus president of each
23 state community college;

24 (2) Each professional staff member of the office of the governor;

25 (3) Each professional staff member of the legislature; and

26 (4) Central Washington University board of trustees, the boards of
27 trustees of each community college and each technical college, each
28 member of the state board for community and technical colleges, state
29 convention and trade center board of directors, Eastern Washington
30 University board of trustees, Washington economic development finance
31 authority, Washington energy northwest executive board, The Evergreen
32 State College board of trustees, executive ethics board, fish and
33 wildlife commission, forest practices appeals board, forest practices
34 board, gambling commission, Washington health care facilities
35 authority, student achievement council, higher education facilities
36 authority, horse racing commission, state housing finance commission,
37 human rights commission, indeterminate sentence review board, board of
38 industrial insurance appeals, state investment board, commission on

1 judicial conduct, legislative ethics board, life sciences discovery
2 fund authority board of trustees, liquor control board, lottery
3 commission, Pacific Northwest electric power and conservation planning
4 council, parks and recreation commission, Washington personnel
5 resources board, board of pilotage commissioners, pollution control
6 hearings board, public disclosure commission, public employees'
7 benefits board, recreation and conservation funding board, salmon
8 recovery funding board, shorelines hearings board, (~~board of tax~~
9 ~~appeals,~~) transportation commission, University of Washington board of
10 regents, utilities and transportation commission, Washington State
11 University board of regents, and Western Washington University board of
12 trustees.

13 **Sec. 29.** RCW 79.125.450 and 2005 c 155 s 520 are each amended to
14 read as follows:

15 (1) The legislature finds that maintaining public lands in public
16 ownership is often in the public interest. However, when second-class
17 shorelands on navigable lakes have minimal public value, the sale of
18 those shorelands to the abutting upland owner may not be contrary to
19 the public interest. However, the purpose of this section is to remove
20 the prohibition contained in RCW 79.125.200 regarding the sale of
21 second-class shorelands to abutting owners, whose uplands front on the
22 shorelands. Nothing contained in this section (~~shall~~) may be
23 construed to otherwise affect the rights of interested parties relating
24 to public or private ownership of shorelands within the state.

25 (2) Notwithstanding the provisions of RCW 79.125.200, the
26 department may sell second-class shorelands on navigable lakes to
27 abutting owners whose uplands front upon the shorelands in cases where
28 the board has determined that these sales would not be contrary to the
29 public interest. These shorelands (~~shall~~) may be sold at fair market
30 value, but not less than five percent of the fair market value of the
31 abutting upland, less improvements, to a maximum distance of one
32 hundred and fifty feet landward from the line of ordinary high water.

33 (3) Review of the decision of the department regarding the sale
34 price established for a shoreland to be sold pursuant to this section
35 may be obtained by the upland owner by filing a petition with the
36 (~~board of tax appeals created in accordance with chapter 82.03 RCW~~)
37 tax tribunal created in section 3 of this act within thirty days after

1 the mailing of notification by the department to the owner regarding
2 the price. The (~~board of tax appeals shall~~) tax tribunal must review
3 the cases in an adjudicative proceeding as described in chapter 34.05
4 RCW, the administrative procedure act, and the (~~board's~~) tax
5 tribunal's review (~~shall~~) must be de novo. Decisions of the (~~board~~
6 ~~of tax~~) tax tribunal appeals regarding fair market values determined
7 pursuant to this section (~~shall be~~) are final (~~unless appealed to~~
8 ~~the superior court pursuant to RCW 34.05.510 through 34.05.598~~)).

9 **Sec. 30.** RCW 82.01.090 and 1967 ex.s. c 26 s 6 are each amended to
10 read as follows:

11 Except for the powers and duties devolved upon the (~~board of tax~~
12 ~~appeals by the provisions of RCW 82.03.010 through 82.03.190~~) tax
13 tribunal created in section 3 of this act, the director of revenue
14 (~~shall~~) must, after July 1, 1967, exercise those powers, duties and
15 functions theretofore vested in the tax commission of the state of
16 Washington, including all powers, duties and functions of the
17 commission acting as the commission or as the state board of
18 equalization or in any other capacity.

19 **Sec. 31.** RCW 82.29A.060 and 1994 c 95 s 1 are each amended to read
20 as follows:

21 (1) All administrative provisions in chapters 82.02 and 82.32 RCW
22 (~~shall be~~) are applicable to taxes imposed pursuant to this chapter.

23 (2)(a) A lessee, or a sublessee in the case where the sublessee is
24 responsible for paying the tax imposed under this chapter, of property
25 used for residential purposes may petition the county board of
26 equalization for a change in appraised value when the department of
27 revenue establishes taxable rent under RCW 82.29A.020(2)(~~b~~) (g)
28 based on an appraisal done by the county assessor at the request of the
29 department. The petition must be on forms prescribed or approved by
30 the department of revenue and any petition not conforming to those
31 requirements or not properly completed (~~shall~~) may not be considered
32 by the board. The petition must be filed with the board within the
33 time period set forth in RCW 84.40.038. A decision of the board of
34 equalization may be appealed by the taxpayer to the (~~board of tax~~
35 ~~appeals~~) tax tribunal created in section 3 of this act as provided in
36 RCW 84.08.130.

1 **(b)** A sublessee, in the case where the sublessee is responsible for
2 paying the tax imposed under this chapter, of property used for
3 residential purposes may petition the department for a change in
4 taxable rent when the department of revenue establishes taxable rent
5 under RCW 82.29A.020(2)((~~b~~)) **(g)**.

6 **(c)** Any change in tax resulting from an appeal under this
7 subsection ((~~shall~~)) must be allocated to the lessee or sublessee
8 responsible for paying the tax.

9 (3) This section ((~~shall~~)) does not authorize the issuance of any
10 levy upon any property owned by the public lessor.

11 (4) In selecting leasehold excise tax returns for audit the
12 department of revenue ((~~shall~~)) must give priority to any return an
13 audit of which is specifically requested in writing by the county
14 assessor or treasurer or other chief financial officer of any city or
15 county affected by such return. Notwithstanding the provisions of RCW
16 82.32.330, findings of fact and determinations of the amount of taxable
17 rent made pursuant to the provisions of this chapter ((~~shall~~)) must be
18 open to public inspection at all reasonable times.

19 **Sec. 32.** RCW 82.32.150 and 1961 c 15 s 82.32.150 are each amended
20 to read as follows:

21 ((~~All taxes, penalties, and interest shall be paid in full before~~
22 ~~any action may be instituted in any court to contest all or any part of~~
23 ~~such taxes, penalties, or interest.~~)) No restraining order or
24 injunction ((~~shall~~)) may be granted or issued by any court or judge to
25 restrain or enjoin the collection of any tax or penalty or any part
26 thereof, except upon the ground that the assessment thereof was in
27 violation of the Constitution of the United States or that of the
28 state.

29 **Sec. 33.** RCW 82.32.180 and 1997 c 156 s 4 are each amended to read
30 as follows:

31 **(1)** Any person, except one who has failed to keep and preserve
32 books, records, and invoices as required in this chapter and chapter
33 82.24 RCW, having paid any tax as required and feeling aggrieved by the
34 amount of the tax may appeal to the tax tribunal created under section
35 3 of this act or to the superior court of Thurston county((~~r~~)). If the
36 appeal is to the superior court, then it must be filed within the time

1 limitation for a refund provided in chapter 82.32 RCW or, if an
2 application for refund has been made to the department within that time
3 limitation, then within thirty days after rejection of the application,
4 whichever time limitation is later. In the appeal the taxpayer
5 (~~shall~~) must set forth the amount of the tax imposed upon the
6 taxpayer which the taxpayer concedes to be the correct tax and the
7 reason why the tax should be reduced or abated. The appeal (~~shall~~)
8 must be perfected by serving a copy of the notice of appeal upon the
9 department within the time herein specified and by filing the original
10 thereof with proof of service with the clerk of the superior court of
11 Thurston county.

12 (2) The trial in the superior court on appeal (~~shall~~) must be de
13 novo and without the necessity of any pleadings other than the notice
14 of appeal. At trial, the burden (~~shall~~) rests upon the taxpayer to
15 prove that the tax as paid by the taxpayer is incorrect, either in
16 whole or in part, and to establish the correct amount of the tax. In
17 such proceeding the taxpayer (~~shall be~~) is deemed the plaintiff, and
18 the state, the defendant; and both parties (~~shall be~~) are entitled to
19 subpoena the attendance of witnesses as in other civil actions and to
20 produce evidence that is competent, relevant, and material to determine
21 the correct amount of the tax that should be paid by the taxpayer.
22 Either party may seek appellate review in the same manner as other
23 civil actions are appealed to the appellate courts.

24 (3) It (~~shall not be~~) is not necessary for the taxpayer to
25 protest against the payment of any tax or to make any demand to have
26 the same refunded or to petition the director for a hearing in order to
27 appeal to the superior court, but no court action or proceeding of any
28 kind (~~shall~~) may be maintained by the taxpayer to recover any tax
29 paid, or any part thereof, except as herein provided.

30 (4) The provisions of this section (~~shall~~) do not apply to any
31 tax payment which has been the subject of an appeal to the (~~board of~~
32 ~~tax appeals with respect to which appeal a formal hearing has been~~
33 ~~elected~~) tax tribunal created in section 3 of this act.

34 **Sec. 34.** RCW 82.49.060 and 1993 c 33 s 1 are each amended to read
35 as follows:

36 (1) Any vessel owner disputing an appraised value under RCW

1 82.49.050 or disputing whether the vessel is taxable, may petition for
2 a conference with the department as provided under RCW 82.32.160, or
3 for reduction of the tax due as provided under RCW 82.32.170.

4 (2) Any vessel owner having received a notice of denial of a
5 petition or a notice of determination made for the owner's vessel under
6 RCW 82.32.160 or 82.32.170 may appeal to the ~~((board of tax appeals))~~
7 tax tribunal created in section 3 of this act as provided under ~~((RCW~~
8 ~~82.03.190))~~ chapter 82.--- RCW (the new chapter created in section 48
9 of this act). In deciding a case appealed under this section, the
10 ~~((board of tax appeals))~~ tax tribunal may require an independent
11 appraisal of the vessel. The cost of the independent appraisal
12 ~~((shall))~~ must be apportioned between the department and the vessel
13 owner as provided by the ~~((board))~~ tax tribunal.

14 **Sec. 35.** RCW 84.08.060 and 1988 c 222 s 9 are each amended to read
15 as follows:

16 (1) The department ~~((of revenue shall have))~~ has power to direct
17 and to order any county board of equalization to raise or lower the
18 valuation of any taxable property, or to add any property to the
19 assessment list, or to perform or complete any other duty required by
20 statute. The department ~~((of revenue))~~ may require any such board of
21 equalization to reconvene after its adjournment for the purpose of
22 performing any order or requirement made by the department ~~((of~~
23 ~~revenue))~~ and may make such orders as it ~~((shall))~~ determines to be
24 just and necessary.

25 (2) The department may require any county board of equalization to
26 reconvene at any time for the purpose of performing or completing any
27 duty or taking any action it might lawfully have performed or taken at
28 any of its previous meetings. No board may be reconvened later than
29 three years after the date of adjournment of its regularly convened
30 session. If such board of equalization ~~((shall))~~ fails or refuses
31 ~~((forthwith))~~ to comply with any such order or requirement of the
32 department ~~((of revenue))~~, the department ~~((of revenue shall have))~~ has
33 the power to take any other appropriate action, or to make such
34 correction or change in the assessment list, and such corrections and
35 changes ~~((shall))~~ must be a part of the record of the proceedings of
36 the ~~((said))~~ board of equalization~~((:—PROVIDED, That))~~. However, in
37 all cases where the department ~~((of revenue shall))~~ raises the

1 valuation of any property or adds property to the assessment list, (~~it~~
2 ~~shall~~) the department must give notice either for the same time and in
3 the same manner as is now required in like cases of county boards of
4 equalization, or if (~~it shall~~) the department deems such method of
5 giving notice impracticable it (~~shall~~) must give notice by
6 publication thereof in a newspaper of general circulation within the
7 county in which the property affected is situated once each week for
8 two consecutive weeks, and the department (~~of revenue shall~~) may not
9 proceed to raise such valuation or add such property to the assessment
10 list until a period of five days (~~shall have~~) has elapsed subsequent
11 to the date of the last publication of such notice(~~—PROVIDED~~
12 ~~FURTHER, That~~). Moreover, appeals to the (~~board of tax appeals~~) tax
13 tribunal created in section 3 of this act by any taxpayer or taxing
14 unit concerning any action of the county board of equalization
15 (~~shall~~) may not raise the valuation of the property to an amount
16 greater than the larger of either the valuation of the property by the
17 county assessor or the valuation of the property assigned by the county
18 board of equalization. Such notice (~~shall~~) must give the legal
19 description of each tract of land involved, or a general description in
20 case of personal property; the tax record-owner thereof; the assessed
21 value thereof determined by the county board of equalization in case
22 the property is on the assessment roll; and the assessed value thereof
23 as determined by the department (~~of revenue~~) and (~~shall~~) must state
24 that the department (~~of revenue~~) proposes to increase the assessed
25 valuation of such property to the amount stated and to add such
26 property to the assessment list at the assessed valuation stated. The
27 necessary expense incurred by the department of revenue in making such
28 reassessment and/or adding such property to the assessment list
29 (~~shall~~) must be borne by the county or township in which the property
30 as reassessed and/or so added to the assessment list is situated and
31 (~~shall~~) must be paid out of the proper funds of such county upon the
32 order of the department (~~of revenue~~).

33 **Sec. 36.** RCW 84.08.130 and 1998 c 54 s 3 are each amended to read
34 as follows:

35 (1) Any taxpayer or taxing unit feeling aggrieved by the action of
36 any county board of equalization may appeal to the (~~board of tax~~
37 ~~appeals~~) tax tribunal created in section 3 of this act by filing with

1 the (~~board of tax appeals~~) tax tribunal in accordance with RCW
2 1.12.070 a notice of appeal within thirty days after the mailing of the
3 decision of such board of equalization, which notice (~~shall~~) must
4 specify the actions complained of; and in like manner any county
5 assessor may appeal to the (~~board of tax appeals~~) tax tribunal from
6 any action of any county board of equalization. (~~There shall be~~) No
7 fee may be charged for the filing of an appeal. The board (~~shall~~)
8 must transmit a copy of the notice of appeal to all named parties
9 within thirty days of its receipt by the board. Appeals which are not
10 filed as provided in this section (~~shall~~) must be dismissed. The
11 (~~board of tax appeals shall~~) tax tribunal must require the board
12 appealed from to file a true and correct copy of its decision in such
13 action and all evidence taken in connection therewith, and may receive
14 further evidence, and (~~shall~~) must make such order as in its judgment
15 is just and proper.

16 (2) The (~~board of tax appeals~~) tax tribunal may enter an order,
17 pursuant to subsection (1) of this section, that has effect up to the
18 end of the assessment cycle used by the assessor, if there has been no
19 intervening change in the value during that time.

20 **Sec. 37.** RCW 84.33.091 and 1998 c 311 s 13 are each amended to
21 read as follows:

22 (1) The department (~~of revenue shall~~) must designate areas
23 containing timber having similar growing, harvesting, and marketing
24 conditions to be used as units for the preparation and application of
25 stumpage values. Each year on or before December 31st for use the
26 following January through June 30th, and on or before June 30th for use
27 the following July through December 31st, the department (~~shall~~) must
28 prepare tables of stumpage values of each species or subclassification
29 of timber within these units. The stumpage value (~~shall be~~) is the
30 amount that each such species or subclassification would sell for at a
31 voluntary sale made in the ordinary course of business for purposes of
32 immediate harvest. These stumpage values, expressed in terms of a
33 dollar amount per thousand board feet or other unit measure, (~~shall~~)
34 must be determined in a manner which makes reasonable and adequate
35 allowances for age, size, quality, costs of removal, accessibility to
36 point of conversion, market conditions, and all other relevant factors
37 from:

1 (a) Gross proceeds from sales on the stump of similar timber of
2 like quality and character at similar locations, and in similar
3 quantities;

4 (b) Gross proceeds from sales of logs adjusted to reflect only the
5 portion of such proceeds attributable to value on the stump immediately
6 prior to harvest; or

7 (c) A combination of (a) and (b) of this subsection.

8 (2) Upon application from any person who plans to harvest damaged
9 timber, the stumpage values for which have been materially reduced from
10 the values shown in the applicable tables due to damage resulting from
11 fire, blow down, ice storm, flood, or other sudden unforeseen cause,
12 the department (~~shall~~) must revise the stumpage value tables for any
13 area in which such timber is located and (~~shall~~) must specify any
14 additional accounting or other requirements to be complied with in
15 reporting and paying the tax.

16 (3) The preliminary area designations and stumpage value tables and
17 any revisions thereof are subject to review by the ways and means
18 committees of the house of representatives and senate prior to
19 finalization. Tables of stumpage values (~~shall~~) must be signed by
20 the director or the director's designee. A copy thereof (~~shall~~) must
21 be mailed to anyone who has submitted to the department a written
22 request for a copy.

23 (4) On or before the sixtieth day after the date of final adoption
24 of any stumpage value tables, any harvester may appeal to the (~~board~~
25 ~~of tax appeals~~) tax tribunal created in section 3 of this act for a
26 revision of stumpage values for an area determined pursuant to
27 subsection (3) of this section.

28 **Sec. 38.** RCW 84.34.065 and 2001 c 249 s 13 are each amended to
29 read as follows:

30 (1) The true and fair value of farm and agricultural land (~~shall~~)
31 must be determined by consideration of the earning or productive
32 capacity of comparable lands from crops grown most typically in the
33 area averaged over not less than five years, capitalized at indicative
34 rates. The earning or productive capacity of farm and agricultural
35 lands (~~shall be~~) is the "net cash rental," capitalized at a "rate of
36 interest" charged on long term loans secured by a mortgage on farm or
37 agricultural land plus a component for property taxes. The current use

1 value of land under RCW 84.34.020(2)((~~e~~—shall)) (f) must be
2 established as: The prior year's average value of open space farm and
3 agricultural land used in the county plus the value of land
4 improvements such as septic, water, and power used to serve the
5 residence. This (~~shall~~) may not be interpreted to require the
6 assessor to list improvements to the land with the value of the land.

7 (2) For the purposes of the (~~above~~) computation in subsection (1)
8 of this section:

9 (~~(1) The term~~) (a)(i) "Net cash rental" (~~shall~~) means the
10 average rental paid on an annual basis, in cash, for the land being
11 appraised and other farm and agricultural land of similar quality and
12 similarly situated that is available for lease for a period of at least
13 three years to any reliable person without unreasonable restrictions on
14 its use for production of agricultural crops. There (~~shall~~) must be
15 allowed as a deduction from the rental received or computed any costs
16 of crop production charged against the landlord if the costs are such
17 as are customarily paid by a landlord. If "net cash rental" data is
18 not available, the earning or productive capacity of farm and
19 agricultural lands (~~shall be~~) is determined by the cash value of
20 typical or usual crops grown on land of similar quality and similarly
21 situated averaged over not less than five years. Standard costs of
22 production (~~shall~~) must be allowed as a deduction from the cash value
23 of the crops.

24 (ii) The current "net cash rental" or "earning capacity" (~~shall~~)
25 is be determined by the assessor with the advice of the advisory
26 committee as provided in RCW 84.34.145, and through a continuing
27 internal study, assisted by studies of the department (~~of revenue~~).
28 This net cash rental figure as it applies to any farm and agricultural
29 land may be challenged before the same boards or authorities as would
30 be the case with regard to assessed values on general property.

31 (~~(2) The term~~) (b)(i) "Rate of interest" (~~shall~~) means the rate
32 of interest charged by the farm credit administration and other large
33 financial institutions regularly making loans secured by farm and
34 agricultural lands through mortgages or similar legal instruments,
35 averaged over the immediate past five years.

36 (ii) The "rate of interest" (~~shall be~~) is determined annually by
37 a rule adopted by the department (~~of revenue~~) and such rule (~~shall~~)
38 must be published in the state register not later than January 1st of

1 each year for use in that assessment year. The department ((of
2 revenue)) determination may be appealed to the ((state board of tax
3 appeals)) tax tribunal created in section 3 of this act within thirty
4 days after the date of publication by any owner of farm or agricultural
5 land or the assessor of any county containing farm and agricultural
6 land.

7 ((+3) The) (c) "Component for property taxes" ((shall be)) means
8 a figure obtained by dividing the assessed value of all property in the
9 county into the property taxes levied within the county in the year
10 preceding the assessment and multiplying the quotient obtained by one
11 hundred.

12 **Sec. 39.** RCW 84.36.850 and 2013 c 23 s 352 are each amended to
13 read as follows:

14 (1) Any applicant aggrieved by the department's ((of revenue's))
15 denial of an exemption application may petition the ((state board of
16 tax appeals)) tax tribunal created in section 3 of this act to review
17 an application for either real or personal property tax exemption and
18 the ((board shall)) tribunal must consider any appeals to determine
19 ((+1)): If the property is entitled to an exemption((7)); and ((+2))
20 the amount or portion thereof.

21 (2) A county assessor of the county in which the exempted property
22 is located ((shall be)) is empowered to appeal to the ((state board of
23 tax appeals)) tax tribunal to review any real or personal property tax
24 exemption approved by the department ((of revenue which)) that he or
25 she feels is not warranted.

26 (3) Appeals from a department ((of revenue)) decision must be made
27 within thirty days after the mailing of the approval or denial.

28 **Sec. 40.** RCW 84.39.020 and 2005 c 253 s 2 are each amended to read
29 as follows:

30 (1) Each claimant applying for assistance under RCW 84.39.010
31 ((shall)) must file a claim with the department, on forms prescribed by
32 the department, no later than thirty days before the tax is due. The
33 department may waive this requirement for good cause shown. The
34 department ((shall)) must supply forms to the county assessor to allow
35 persons to apply for the program at the county assessor's office.

1 (2) The claim (~~shall~~) must designate the property to which the
2 assistance applies and shall include a statement setting forth (~~(a)~~):
3 A list of all members of the claimant's household(~~(b)~~); facts
4 establishing the eligibility under this section(~~(7)~~)i and (~~(e)~~) any
5 other relevant information required by the rules of the department.
6 Each copy (~~shall~~) must be signed by the claimant subject to the
7 penalties as provided in chapter 9A.72 RCW for false swearing. The
8 first claim (~~shall~~) must include proof of the claimant's age
9 acceptable to the department.

10 (3)(a) The following documentation (~~shall~~) must be filed with a
11 claim along with any other documentation required by the department:

12 (~~(a)~~) (i) The deceased veteran's DD 214 report of separation, or
13 its equivalent, that must be under honorable conditions;

14 (~~(b)~~) (ii) A copy of the applicant's certificate of marriage to
15 the deceased;

16 (~~(c)~~) (iii) A copy of the deceased veteran's death certificate;
17 and

18 (~~(d)~~) (iv) A letter from the United States veterans'
19 administration certifying that the death of the veteran meets the
20 requirements of RCW 84.39.010(2).

21 (b) The department of veterans affairs (~~shall~~) must assist an
22 eligible widow or widower in the preparation and submission of an
23 application and the procurement of necessary substantiating
24 documentation.

25 (4) The department (~~shall~~) must determine if each claimant is
26 eligible each year. Any applicant aggrieved by the department's denial
27 of assistance may petition the (~~state board of tax appeals~~) tax
28 tribunal created in section 3 of this act to review the denial and the
29 (~~board shall~~) tax tribunal must consider any appeals to determine
30 (~~(a)~~): If the claimant is entitled to assistance; and (~~(b)~~) the
31 amount or portion thereof.

32 **Sec. 41.** RCW 84.40.0301 and 1994 c 301 s 35 are each amended to
33 read as follows:

34 Upon review by any court, or appellate body, of a determination of
35 the valuation of property for purposes of taxation, it (~~shall be~~) is
36 presumed that the determination of the public official charged with the

1 duty of establishing such value is correct but this presumption
2 (~~shall~~) is not (~~be~~) a defense against any correction indicated by
3 (~~clear, cogent and convincing~~) a preponderance of the evidence.

4 **Sec. 42.** RCW 84.40.038 and 2011 c 84 s 1 are each amended to read
5 as follows:

6 (1) The owner or person responsible for payment of taxes on any
7 property may petition the county board of equalization for a change in
8 the assessed valuation placed upon such property by the county assessor
9 or for any other reason specifically authorized by statute. Such
10 petition must be made on forms prescribed or approved by the department
11 of revenue and any petition not conforming to those requirements or not
12 properly completed may not be considered by the board. The petition
13 must be filed with the board on or before July 1st of the year of the
14 assessment or determination, within thirty days after the date an
15 assessment, value change notice, or other notice has been mailed, or
16 within a time limit of up to sixty days adopted by the county
17 legislative authority, whichever is later. If a county legislative
18 authority sets a time limit, the authority may not change the limit for
19 three years from the adoption of the limit.

20 (2) The board of equalization may waive the filing deadline if the
21 petition is filed within a reasonable time after the filing deadline
22 and the petitioner shows good cause for the late filing. However, the
23 board of equalization must waive the filing deadline for the
24 circumstance described under (f) of this subsection if the petition is
25 filed within a reasonable time after the filing deadline. The decision
26 of the board of equalization regarding a waiver of the filing deadline
27 is final and not appealable under RCW 84.08.130. Good cause may be
28 shown by one or more of the following events or circumstances:

29 (a) Death or serious illness of the taxpayer or his or her
30 immediate family;

31 (b) The taxpayer was absent from the address where the taxpayer
32 normally receives the assessment or value change notice, was absent for
33 more than fifteen days of the days allowed in subsection (1) of this
34 section before the filing deadline, and the filing deadline is after
35 July 1;

36 (c) Incorrect written advice regarding filing requirements received

1 from board of equalization staff, county assessor's staff, or staff of
2 the property tax advisor designated under RCW 84.48.140;

3 (d) Natural disaster such as flood or earthquake;

4 (e) Delay or loss related to the delivery of the petition by the
5 postal service, and documented by the postal service;

6 (f) The taxpayer was not sent a revaluation notice under RCW
7 84.40.045 for the current assessment year and the taxpayer can
8 demonstrate both of the following:

9 (i) The taxpayer's property value did not change from the previous
10 year; and

11 (ii) The taxpayer's property is located in an area revalued by the
12 assessor for the current assessment year; or

13 (g) Other circumstances as the department may provide by rule.

14 (3) The owner or person responsible for payment of taxes on any
15 property may request that the appeal be heard by ~~((the state board of
16 tax appeals))~~ tax tribunal created in section 3 of this act without a
17 hearing by the county board of equalization when the assessor, the
18 owner or person responsible for payment of taxes on the property, and
19 a majority of the county board of equalization agree that a direct
20 appeal to the ~~((state board of tax appeals))~~ tax tribunal is
21 appropriate. The ~~((state board of tax appeals))~~ tax tribunal may
22 reject the appeal, in which case the county board of equalization must
23 consider the appeal under RCW 84.48.010. Notice of such a rejection,
24 together with the reason therefor, ~~((shall))~~ must be provided to the
25 affected parties and the county board of equalization within thirty
26 days of receipt of the direct appeal by the ~~((state board))~~ tax
27 tribunal.

28 **Sec. 43.** RCW 84.48.080 and 2008 c 86 s 502 are each amended to
29 read as follows:

30 (1) Annually during the months of September and October, the
31 department ~~((of revenue shall))~~ must examine and compare the returns of
32 the assessment of the property in the several counties of the state,
33 and the assessment of the property of railroad and other companies
34 assessed by the department, and proceed to equalize the same, so that
35 each county in the state ~~((shall))~~ pays its due and just proportion of
36 the taxes for state purposes for such assessment year, according to the

1 ratio the valuation of the property in each county bears to the total
2 valuation of all property in the state.

3 (a) The department (~~shall~~) must classify all property, real and
4 personal, and (~~shall~~) must raise and lower the valuation of any class
5 of property in any county to a value that (~~shall be~~) equals, so far
6 as possible, to the true and fair value of such class as of January 1st
7 of the current year for the purpose of ascertaining the just amount of
8 tax due from each county for state purposes. In equalizing personal
9 property as of January 1st of the current year, the department
10 (~~shall~~) must use valuation data with respect to personal property
11 from the three years immediately preceding the current assessment year
12 in a manner it deems appropriate. Such classification may be on the
13 basis of types of property, geographical areas, or both. For purposes
14 of this section, for each county that has not provided the department
15 with an assessment return by December 1st, the department (~~shall~~)
16 must proceed, using facts and information and in a manner it deems
17 appropriate, to estimate the value of each class of property in the
18 county.

19 (b) The department (~~shall~~) must keep a full record of its
20 proceedings and the same (~~shall~~) must be published annually by the
21 department.

22 (2) The department (~~shall~~) must levy the state taxes authorized
23 by law. The amount levied in any one year for general state purposes
24 (~~shall~~) may not exceed the lawful dollar rate on the dollar of the
25 assessed value of the property of the entire state, which assessed
26 value (~~shall~~) must be one hundred percent of the true and fair value
27 of the property in money. The department (~~shall~~) must apportion the
28 amount of tax for state purposes levied by the department, among the
29 several counties, in proportion to the valuation of the taxable
30 property of the county for the year as equalized by the department(~~(+~~
31 ~~PROVIDED, That~~)). However, for purposes of this apportionment, the
32 department (~~shall~~) must recompute the previous year's levy and the
33 apportionment thereof to correct for changes and errors in taxable
34 values reported to the department after October 1st of the preceding
35 year and (~~shall~~) must adjust the apportioned amount of the current
36 year's state levy for each county by the difference between the
37 apportioned amounts established by the original and revised levy
38 computations for the previous year. For purposes of this section,

1 changes in taxable values mean a final adjustment made by a county
2 board of equalization, the (~~state board of tax appeals~~) tax tribunal
3 created in section 3 of this act, or a court of competent jurisdiction
4 and (~~shall~~) must include additions of omitted property, other
5 additions or deletions from the assessment or tax rolls, any assessment
6 return provided by a county to the department subsequent to December
7 1st, or a change in the indicated ratio of a county. Errors in taxable
8 values mean errors corrected by a final reviewing body.

9 (3) The department (~~shall have~~) has authority to adopt rules and
10 regulations to enforce obedience to its orders in all matters in
11 relation to the returns of county assessments, the equalization of
12 values, and the apportionment of the state levy by the department.

13 (4) After the completion of the duties prescribed in this section,
14 the director of the department (~~shall~~) must certify the record of the
15 proceedings of the department under this section, the tax levies made
16 for state purposes and the apportionment thereof among the counties,
17 and the certification (~~shall~~) must be available for public
18 inspection.

19 **Sec. 44.** RCW 84.52.018 and 1994 c 124 s 37 are each amended to
20 read as follows:

21 (1) Whenever any property value or claim for exemption or
22 cancellation of a property assessment is appealed to the (~~state board~~
23 ~~of tax appeals or court of competent jurisdiction~~) tax tribunal
24 created in section 3 of this act or court of competent jurisdiction and
25 the dollar difference between the total value asserted by the taxpayer
26 and the total value asserted by the opposing party exceeds one-fourth
27 of one percent of the total assessed value of property in the county,
28 the assessor (~~shall~~) may use only that portion of the total value
29 which is not in controversy for purposes of computing the levy rates
30 and extending the tax on the tax roll in accordance with this chapter,
31 unless the (~~state board of tax appeals~~) tax tribunal or court of
32 competent jurisdiction has issued its determination at the time of
33 extending the tax.

34 (2) When the (~~state board of tax appeals or court of competent~~
35 ~~jurisdiction~~) tax tribunal makes its final determination, the proper
36 amount of tax (~~shall~~) must be extended and collected for each taxing
37 district if this has not already been done. The amount of tax

1 collected and extended (~~shall~~) must include interest at the rate of
2 nine percent per year on the amount of the (~~board's~~) tax tribunal's
3 final determination minus the amount not in controversy. The interest
4 (~~shall~~) accrues from the date the taxes on the amount not in
5 controversy were first due and payable. Any amount extended in excess
6 of that permitted by chapter 84.55 RCW (~~shall~~) must be held in
7 abeyance and used to reduce the levy rates of the next succeeding levy.

8 **Sec. 45.** RCW 84.56.290 and 1991 c 245 s 37 are each amended to
9 read as follows:

10 (1) Whenever any tax (~~shall have been heretofore, or shall be~~
11 ~~hereafter,)~~ has been canceled, reduced or modified in any final
12 judicial, county board of equalization, (~~state board of tax appeals~~)
13 tax tribunal created in section 3 of this act, or administrative
14 proceeding; or whenever any tax (~~shall have been heretofore, or shall~~
15 ~~be hereafter~~) has been canceled by sale of property to any irrigation
16 district under foreclosure proceedings for delinquent irrigation
17 district assessments; or whenever any contracts or leases on public
18 lands (~~shall have been heretofore, or shall be hereafter,)~~ has been
19 canceled and the tax thereon remains unpaid for a period of two years,
20 the director of revenue (~~shall~~) must, upon receipt from the county
21 treasurer of a certified copy of the final judgment, order, or decree
22 canceling, reducing, or modifying taxes, or of a certificate from the
23 county treasurer of the cancellation by sale to an irrigation district,
24 or of a certificate from the commissioner of public lands and the
25 county treasurer of the cancellation of public land contracts or leases
26 and nonpayment of taxes thereon, as the case may be, make corresponding
27 entries and corrections on the director's records of the state's
28 portion of reduced or canceled tax.

29 (2) Upon canceling taxes deemed uncollectible, the county
30 commissioners (~~shall~~) must notify the county treasurer of such
31 action, whereupon the county treasurer (~~shall~~) must deduct on the
32 treasurer's records the amount of such uncollectible taxes due the
33 various state funds and (~~shall~~) must immediately notify the
34 department (~~of revenue~~) of the treasurer's action and of the reason
35 therefor; which uncollectible tax (~~shall not then nor thereafter be~~)
36 is not due or owing the various state funds and the necessary

1 corrections (~~shall~~) must be made by the county treasurer upon the
2 quarterly settlement next following.

3 (3) When any assessment of property is made which does not appear
4 on the assessment list certified by the county board of equalization to
5 the department (~~of revenue~~) the county assessor (~~shall~~) must
6 indicate to the county treasurer the assessments and the taxes due
7 therefrom when the list is delivered to the county treasurer on
8 December 15th. The county treasurer (~~shall~~) must then notify the
9 department (~~of revenue~~) of the taxes due the state from the
10 assessments which did not appear on the assessment list certified by
11 the county board of equalization to the department (~~of revenue~~). The
12 county treasurer (~~shall~~) must make proper accounting of all sums
13 collected as either advance tax, compensating or additional tax, or
14 supplemental or omitted tax and (~~shall~~) must notify the department
15 (~~of revenue~~) of the amounts due the various state funds according to
16 the levy used in extending such tax, and those amounts (~~shall~~)
17 immediately become due and owing to the various state funds, to be paid
18 to the state treasurer in the same manner as taxes extended on the
19 regular tax roll.

20 **Sec. 46.** RCW 84.69.020 and 2005 c 502 s 9 are each amended to read
21 as follows:

22 (1) On the order of the county treasurer, ad valorem taxes paid
23 before or after delinquency (~~shall~~) must be refunded if they were:

24 ((+1)) (a) Paid more than once;

25 ((+2)) (b) Paid as a result of manifest error in description;

26 ((+3)) (c) Paid as a result of a clerical error in extending the
27 tax rolls;

28 ((+4)) (d) Paid as a result of other clerical errors in listing
29 property;

30 ((+5)) (e) Paid with respect to improvements which did not exist
31 on assessment date;

32 ((+6)) (f) Paid under levies or statutes adjudicated to be illegal
33 or unconstitutional;

34 ((+7)) (g) Paid as a result of mistake, inadvertence, or lack of
35 knowledge by any person exempted from paying real property taxes or a
36 portion thereof pursuant to RCW 84.36.381 through 84.36.389, as now or
37 hereafter amended;

1 ~~((+8))~~ (h) Paid as a result of mistake, inadvertence, or lack of
2 knowledge by either a public official or employee or by any person with
3 respect to real property in which the person paying the same has no
4 legal interest;

5 ~~((+9))~~ (i) Paid on the basis of an assessed valuation which was
6 appealed to the county board of equalization and ordered reduced by the
7 board;

8 ~~((+10))~~ (j) Paid on the basis of an assessed valuation which was
9 appealed to the ~~((state board of tax appeals))~~ tax tribunal created in
10 section 3 of this act and ordered reduced by the ~~((board: PROVIDED,~~
11 ~~That))~~ tax tribunal. However, the amount refunded under this
12 subsection~~((s (9) and (10))~~ and (j) of this subsection (1) of this
13 section ~~((shall))~~ may only be for the difference between the tax paid
14 on the basis of the appealed valuation and the tax payable on the
15 valuation adjusted in accordance with the board's order;

16 ~~((+11))~~ (k) Paid as a state property tax levied upon property, the
17 assessed value of which has been established by the ~~((state board of~~
18 ~~tax appeals))~~ tax tribunal for the year of such levy~~((: PROVIDED,~~
19 ~~HOWEVER, That))~~. However, the amount refunded ~~((shall))~~ may only be
20 for the difference between the state property tax paid and the amount
21 of state property tax which would, when added to all other property
22 taxes within the one percent limitation of Article VII, section 2 of
23 the state Constitution equal one percent of the assessed value
24 established by the board;

25 ~~((+12))~~ (l) Paid on the basis of an assessed valuation which was
26 adjudicated to be unlawful or excessive~~((: PROVIDED, That))~~. However,
27 the amount refunded ~~((shall))~~ must be for the difference between the
28 amount of tax which was paid on the basis of the valuation adjudged
29 unlawful or excessive and the amount of tax payable on the basis of the
30 assessed valuation determined as a result of the proceeding;

31 ~~((+13))~~ (m) Paid on property acquired under RCW 84.60.050, and
32 canceled under RCW 84.60.050(2);

33 ~~((+14))~~ (n) Paid on the basis of an assessed valuation that was
34 reduced under RCW 84.48.065;

35 ~~((+15))~~ (o) Paid on the basis of an assessed valuation that was
36 reduced under RCW 84.40.039; or

37 ~~((+16))~~ (p) Abated under RCW 84.70.010.

1 (8) RCW 82.03.080 (Chair) and 2013 c 23 s 313 & 1967 ex.s. c 26 s
2 37;

3 (9) RCW 82.03.090 (Office of board--Quorum--Hearings) and 1967
4 ex.s. c 26 s 38;

5 (10) RCW 82.03.100 (Findings and decisions--Signing--Filing--Public
6 inspection) and 1967 ex.s. c 26 s 39;

7 (11) RCW 82.03.110 (Publication of findings and decisions) and 1967
8 ex.s. c 26 s 40;

9 (12) RCW 82.03.120 (Journal of final findings and decisions) and
10 1988 c 222 s 3 & 1967 ex.s. c 26 s 41;

11 (13) RCW 82.03.130 (Appeals to board--Jurisdiction as to types of
12 appeals--Filing) and 2005 c 253 s 7, 1998 c 54 s 1, 1994 c 123 s 3,
13 1992 c 206 s 9, 1989 c 378 s 4, 1982 1st ex.s. c 46 s 6, 1977 ex.s. c
14 284 s 2, & 1967 ex.s. c 26 s 42;

15 (14) RCW 82.03.140 (Appeals to board--Election of formal or
16 informal hearing) and 2000 c 103 s 1, 1988 c 222 s 4, 1982 1st ex.s. c
17 46 s 8, & 1967 ex.s. c 26 s 43;

18 (15) RCW 82.03.150 (Appeals to board--Informal hearings, powers of
19 board or tax referees--Assistance) and 2000 c 103 s 2, 1988 c 222 s 5,
20 & 1967 ex.s. c 26 s 44;

21 (16) RCW 82.03.160 (Appeals to board--Formal hearings, powers of
22 board or tax referees--Assistance) and 2000 c 103 s 3, 1989 c 175 s
23 175, 1988 c 222 s 6, & 1967 ex.s. c 26 s 45;

24 (17) RCW 82.03.170 (Rules of practice and procedure) and 1988 c 222
25 s 7 & 1967 ex.s. c 26 s 46;

26 (18) RCW 82.03.180 (Judicial review) and 2000 c 103 s 4, 1989 c 175
27 s 176, 1982 1st ex.s. c 46 s 9, & 1967 ex.s. c 26 s 47;

28 (19) RCW 82.03.190 (Appeal to board from denial of petition or
29 notice of determination as to reduction or refund--Procedure--Notice)
30 and 2012 c 39 s 3, 1998 c 54 s 2, 1989 c 378 s 5, 1983 c 3 s 211, 1979
31 ex.s. c 209 s 50, 1975 1st ex.s. c 158 s 3, & 1967 ex.s. c 26 s 48; and

32 (20) RCW 82.03.200 (Appeals from county board of equalization--
33 Evidence submission in advance of hearing) and 1994 c 301 s 17.

34 NEW SECTION. **Sec. 48.** Sections 1 through 24 of this act
35 constitute a new chapter in Title 82 RCW.

1 NEW SECTION. **Sec. 49.** (1) Except for section 4 of this act, this
2 act takes effect January 1, 2015.

3 (2) Section 4 of this act takes effect July 1, 2014.

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