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**SUBSTITUTE HOUSE BILL 2324**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representatives Winsley, H. Sommers, Dellwo and Zellinsky)

Read first time 02/11/92.

1       AN ACT Relating to penalties and interest on assessments of omitted  
2 property; amending RCW 84.40.080; and creating a new section.

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

4       **Sec. 1.** RCW 84.40.080 and 1973 2nd ex.s. c 8 s 1 are each amended  
5 to read as follows:

6       (1) The assessor, upon his or her own motion, or upon the  
7 application of any taxpayer, shall enter in the detail and assessment  
8 list of the current year any property shown to have been omitted from  
9 the assessment list of any preceding year, at the valuation of that  
10 year, or if not then valued, at such valuation as the assessor shall  
11 determine from the preceding year, and such valuation shall be stated  
12 in a separate line from the valuation of the current year. Where  
13 improvements have not been valued and assessed as a part of the real  
14 estate upon which the same may be located, as evidenced by the

1 assessment rolls, they may be separately valued and assessed as omitted  
2 property under this section: PROVIDED, That no such assessment shall  
3 be made in any case where a bona fide purchaser, encumbrancer, or  
4 contract buyer has acquired any interest in said property prior to the  
5 time such improvements are assessed(~~(. When such an omitted assessment~~  
6 ~~is made, the taxes levied thereon may be paid within one year of the~~  
7 ~~due date of the taxes for the year in which the assessment is made~~  
8 ~~without penalty or interest))): AND PROVIDED FURTHER, That in the  
9 assessment of personal property, the assessor shall assess the omitted  
10 value not reported by the taxpayer as evidenced by an inspection of  
11 either the property or the books and records of said taxpayer by the  
12 assessor.~~

13 (2) When an omitted assessment is made, the taxes levied thereon  
14 may be paid within one year of the due date of the taxes for the year  
15 in which the assessment is made without penalty or interest, unless:

16 (a) The property was omitted from the assessment list as a result  
17 of the taxpayer failing to obtain a necessary building permit; or

18 (b) The taxpayer knows or has a reasonable basis to know that the  
19 property was omitted from the assessment list and fails to inform the  
20 assessor of the omission before the first due date for taxes levied  
21 during the year of the omission.

22 NEW SECTION. Sec. 2. This act shall be effective for  
23 assessments made after December 31, 1991.