
SENATE BILL 5849

State of Washington

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By Senators McDonald, Rinehart, Bluechel, Gaspard, Hayner, Skratek, Erwin, Sellar, Murray, Thorsness, Bailey, Roach, Anderson, von Reichbauer, Nelson, Cantu and L. Smith.

Read first time February 26, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to averaging large property tax valuation
2 increases; amending RCW 84.04.030, 84.40.020, 84.40.030, 84.40.040,
3 84.40.045, 84.41.041, 84.48.010, 84.48.065, 84.48.075, 84.48.080,
4 84.12.270, 84.12.310, 84.12.330, 84.12.350, 84.12.360, 84.16.040,
5 84.16.050, 84.16.090, 84.16.110, 84.16.120, 84.24.040, 84.36.041,
6 84.52.063, and 84.70.010; adding a new section to chapter 84.04 RCW;
7 adding a new section to chapter 84.40 RCW; creating a new section; and
8 declaring an emergency.

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

10 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.04 RCW
11 to read as follows:

12 "Appraised value of property" means:

13 (1) For real property, the aggregate true and fair value of the
14 property as last determined by the county assessor according to the
15 revaluation program approved under chapter 84.41 RCW, including

1 revaluations based on statistical data between physical inspections;
2 and

3 (2) For personal property, the aggregate true and fair value of the
4 property as last determined by the county assessor.

5 **Sec. 2.** RCW 84.04.030 and 1961 c 15 s 84.04.030 are each amended
6 to read as follows:

7 "Assessed value of property" shall be held and construed to mean
8 the aggregate valuation of the property subject to taxation by any
9 taxing district as determined under section 5 of this act, reduced by
10 the value of any applicable exemptions under RCW 84.36.381 or other
11 law, and placed on the last completed and balanced tax rolls of the
12 county preceding the date of any tax levy.

13 **Sec. 3.** RCW 84.40.020 and 1973 c 69 s 1 are each amended to read
14 as follows:

15 All real property in this state subject to taxation shall be listed
16 and assessed every year, with reference to its appraised and assessed
17 values on the first day of January of the year in which it is assessed.
18 Such listing and all supporting documents and records shall be open to
19 public inspection during the regular office hours of the assessor's
20 office: PROVIDED, That confidential income data is exempted from
21 public inspection pursuant to RCW 42.17.310. All personal property in
22 this state subject to taxation shall be listed and assessed every year,
23 with reference to its appraised and assessed values and ownership on
24 the first day of January of the year in which it is assessed:
25 PROVIDED, That if the stock of goods, wares, merchandise or material,
26 whether in a raw or finished state or in process of manufacture, owned
27 or held by any taxpayer on January 1 of any year does not fairly
28 represent the average stock carried by such taxpayer, such stock shall

1 be listed and assessed upon the basis of the monthly average of stock
2 owned or held by such taxpayer during the preceding calendar year or
3 during such portion thereof as the taxpayer was engaged in business.

4 **Sec. 4.** RCW 84.40.030 and 1988 c 222 s 14 are each amended to read
5 as follows:

6 All property shall be ~~((valued))~~ appraised at one hundred percent
7 of its true and fair value in money ~~((and assessed on the same basis))~~
8 unless specifically provided otherwise by law and assessed as provided
9 in section 5 of this act.

10 Taxable leasehold estates shall be valued at such price as they
11 would bring at a fair, voluntary sale for cash without any deductions
12 for any indebtedness owed including rentals to be paid.
13 ~~((Notwithstanding any other provisions of this section or of any other
14 statute, when the value of any taxable leasehold estate created prior
15 to January 1, 1971 is being determined for assessment years prior to
16 the assessment year 1973, there shall be deducted from what would
17 otherwise be the value thereof the present worth of the rentals and
18 other consideration which may be required of the lessee by the lessor
19 for the unexpired term thereof:— PROVIDED, That the foregoing
20 provisions of this sentence shall not apply to any extension or
21 renewal, made after December 31, 1970 of the term of any such estate,
22 or to any such estate after the date, if any, provided for in the
23 agreement for rental renegotiation.))~~

24 The true and fair value of real property for taxation purposes
25 (including property upon which there is a coal or other mine, or stone
26 or other quarry) shall be based upon the following criteria:

27 (1) Any sales of the property being appraised or similar properties
28 with respect to sales made within the past five years. The appraisal
29 shall take into consideration political restrictions such as zoning as

1 well as physical and environmental influences. The appraisal shall
2 also take into account, (a) in the use of sales by real estate contract
3 as similar sales, the extent, if any, to which the stated selling price
4 has been increased by reason of the down payment, interest rate, or
5 other financing terms; and (b) the extent to which the sale of a
6 similar property actually represents the general effective market
7 demand for property of such type, in the geographical area in which
8 such property is located. Sales involving deed releases or similar
9 seller-developer financing arrangements shall not be used as sales of
10 similar property.

11 (2) In addition to sales as defined in subsection (1) of this
12 section, consideration may be given to cost, cost less depreciation,
13 reconstruction cost less depreciation, or capitalization of income that
14 would be derived from prudent use of the property. In the case of
15 property of a complex nature, or being used under terms of a franchise
16 from a public agency, or operating as a public utility, or property not
17 having a record of sale within five years and not having a significant
18 number of sales of similar property in the general area, the provisions
19 of this subsection (2) shall be the dominant factors in valuation.
20 When provisions of this subsection (2) are relied upon for establishing
21 values the property owner shall be advised upon request of the factors
22 used in arriving at such value.

23 (3) In valuing any tract or parcel of real property, the true and
24 fair value of the land, exclusive of structures thereon shall be
25 determined; also the true and fair value of structures thereon, but the
26 appraised valuation shall not exceed the true and fair value of the
27 total property as it exists. In valuing agricultural land, growing
28 crops shall be excluded.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.40 RCW
2 to read as follows:

3 (1) As used in this section:

4 (a) "Previous assessed value" means the assessed value for the year
5 immediately preceding the year for which a calculation is being made
6 under this section. For property taxes payable in 1992, the previous
7 assessed value shall be the assessed value that would have been used
8 for property taxes payable in 1991 if this section applied to property
9 taxes payable in 1991.

10 (b) "Current appraised value" means the appraised value for the
11 year for which a calculation is being made under this section.

12 (c) "Total value increase" means the current appraised value minus
13 the previous assessed value. Total value increase can never be less
14 than zero.

15 (d) "Improvement increase" means the portion of the total value
16 increase attributable to any physical improvements made to the property
17 since the previous assessment, other than improvements exempt under RCW
18 84.36.400 for the year for which a calculation is being made under this
19 section. Improvement increase can never be less than zero.

20 (e) "Market increase" means the total value increase minus the
21 improvement increase. Market increase can never be less than zero.

22 (2) The assessed value of property is equal to the lesser of the
23 current appraised value or a limited value determined under this
24 section. The limited value is equal to the greater of:

25 (a) One hundred six percent of the previous assessed value; or

26 (b) The sum of:

27 (i) The previous assessed value;

28 (ii) The improvement increase; and

29 (iii) One-quarter of the market increase.

1 **Sec. 6.** RCW 84.40.040 and 1988 c 222 s 15 are each amended to read
2 as follows:

3 The assessor shall begin the preliminary work for each assessment
4 not later than the first day of December of each year in all counties
5 in the state. The assessor shall also complete the duties of listing
6 and placing valuations on all property by May 31st of each year, except
7 that the listing and valuation of construction and mobile homes under
8 RCW ((~~36.21.040 through~~)) 36.21.080 and 36.21.090 shall be completed by
9 August 31st of each year, and in the following manner, to wit:

10 The assessor shall actually determine as nearly as practicable the
11 true and fair value of each tract or lot of land listed for taxation
12 and of each improvement located thereon and shall enter as the
13 appraised value one hundred percent of the true and fair value of such
14 land and of the total true and fair value of such improvements,
15 together with the total of such one hundred percent valuations,
16 opposite each description of property on the assessment list and tax
17 roll.

18 The assessor shall determine the assessed value, under section 5 of
19 this act, for each tract or lot of land listed for taxation, including
20 improvements located thereon, and shall also enter this value opposite
21 each description of property on the assessment list and tax roll.

22 The assessor shall make an alphabetical list of the names of all
23 persons in the county liable to assessment of personal property, and
24 require each person to make a correct list and statement of such
25 property according to the standard form prescribed by the department of
26 revenue, which statement and list shall include, if required by the
27 form, the year of acquisition and total original cost of personal
28 property in each category of the prescribed form, and shall be signed
29 and verified under penalty of perjury by the person listing the
30 property: PROVIDED, That the assessor may list and value improvements

1 on publicly owned land in the same manner as real property is listed
2 and valued, including conformance with the revaluation program required
3 under chapter 84.41 RCW. Such list and statement shall be filed on or
4 before the last day of April. The assessor shall on or before the 1st
5 day of January of each year mail a notice to all such persons at their
6 last known address that such statement and list is required, such
7 notice to be accompanied by the form on which the statement or list is
8 to be made: PROVIDED, That the notice mailed by the assessor to each
9 taxpayer each year shall, if practicable, include the statement and
10 list of personal property of the taxpayer for the preceding year. Upon
11 receipt of such statement and list the assessor shall thereupon
12 determine the true and fair value of the property included in such
13 statement and enter as the appraised value one hundred percent of the
14 same on the assessment roll opposite the name of the party assessed(~~+~~
15 ~~and~~)). The assessor shall determine the assessed value of the property
16 under section 5 of this act and shall also enter this value on the
17 assessment roll opposite the name of the party assessed. In making
18 such entry in the assessment list, the assessor shall give the name and
19 post office address of the party listing the property, and if the party
20 resides in a city the assessor shall give the street and number or
21 other brief description of the party's residence or place of business.
22 The assessor may, after giving written notice of the action to the
23 person to be assessed, add to the assessment list any taxable property
24 which should be included in such list.

25 **Sec. 7.** RCW 84.40.045 and 1977 ex.s. c 181 s 1 are each amended to
26 read as follows:

27 The assessor shall give notice of any change in the (~~true and~~
28 ~~fair~~) assessed value of real or personal property (~~for the tract or~~
29 ~~lot of land and any improvements thereon~~) no later than thirty days

1 after (~~appraisal~~) the change: PROVIDED, That no such notice shall be
2 mailed during the period from January 15 to February 15 of each year:
3 PROVIDED FURTHER, That no notice need be sent with respect to changes
4 in valuation of forest land made pursuant to chapter 84.33 RCW.

5 The notice shall contain a statement of both the prior and the new
6 (~~true and fair~~) appraised and assessed values (~~and the ratio of the~~
7 ~~assessed value to the true and fair value on which the assessment of~~
8 ~~the property is based~~)), stating separately land and improvement
9 appraised values for real property, and a brief statement of the
10 procedure for appeal to the board of equalization and the time, date,
11 and place of the meetings of the board.

12 The notice shall be mailed by the assessor to the taxpayer.

13 If any taxpayer, as shown by the tax rolls, holds solely a security
14 interest in the real property which is the subject of the notice,
15 pursuant to a mortgage, contract of sale, or deed of trust, such
16 taxpayer shall, upon written request of the assessor, supply, within
17 thirty days of receipt of such request, to the assessor the name and
18 address of the person making payments pursuant to the mortgage,
19 contract of sale, or deed of trust, and thereafter such person shall
20 also receive a copy of the notice provided for in this section.
21 Willful failure to comply with such request within the time limitation
22 provided for herein shall make such taxpayer subject to a civil penalty
23 of five dollars for each parcel of real property within the scope of
24 the request in which it holds the security interest, the aggregate of
25 such penalties in any one year not to exceed five thousand dollars.
26 The penalties provided for herein shall be recoverable in an action by
27 the county prosecutor, and when recovered shall be deposited in the
28 county current expense fund. The assessor shall make the request
29 provided for by this section during the month of January.

1 **Sec. 8.** RCW 84.41.041 and 1987 c 319 s 4 are each amended to read
2 as follows:

3 Each county assessor shall cause taxable real property to be
4 physically inspected and valued at least once every six years in
5 accordance with RCW 84.41.030, and in accordance with a plan filed with
6 and approved by the department of revenue. Such revaluation plan shall
7 provide that a reasonable portion of all taxable real property within
8 a county shall be revalued and these newly-determined values placed on
9 the assessment rolls each year. The department may approve a plan that
10 provides that all property in the county be revalued every two years.
11 If the revaluation plan provides for physical inspection at least once
12 each four years, during the intervals between each physical inspection
13 of real property, the appraised valuation of such property may be
14 adjusted to its current true and fair value, such adjustments to be
15 based upon appropriate statistical data. If the revaluation plan
16 provides for physical inspection less frequently than once each four
17 years, during the intervals between each physical inspection of real
18 property, the appraised valuation of such property shall be adjusted to
19 its current true and fair value, such adjustments to be made once each
20 year and to be based upon appropriate statistical data. If the
21 appraised valuation is changed, the assessed value shall be
22 recalculated under section 5 of this act.

23 The assessor may require property owners to submit pertinent data
24 respecting taxable property in their control including data respecting
25 any sale or purchase of said property within the past five years, the
26 cost and characteristics of any improvement on the property and other
27 facts necessary for appraisal of the property.

28 **Sec. 9.** RCW 84.48.010 and 1988 c 222 s 20 are each amended to read
29 as follows:

1 Prior to July 15th, the county legislative authority shall form a
2 board for the equalization of the assessment of the property of the
3 county. The members of said board shall receive a per diem amount as
4 set by the county legislative authority for each day of actual
5 attendance of the meeting of the board of equalization to be paid out
6 of the current expense fund of the county: PROVIDED, That when the
7 county legislative authority constitute the board they shall only
8 receive their compensation as members of the county legislative
9 authority. The board of equalization shall meet in open session for
10 this purpose annually on the 15th day of July and, having each taken an
11 oath fairly and impartially to perform their duties as members of such
12 board, they shall examine and compare the returns of the assessment of
13 the property of the county and proceed to equalize the same, so that
14 the appraised value of each tract or lot of real property and each
15 article or class of personal property shall be entered on the
16 assessment list at its true and fair value, ((according to the measure
17 of value used by the county assessor in such assessment year, which is
18 presumed to be correct pursuant to RCW 84.40.0301)) and so that the
19 assessed value of each tract or lot of real property and each article
20 or class of personal property are entered on the assessment list at its
21 correct amount, and subject to the following rules:

22 First. They shall raise the appraised valuation of each tract or
23 lot or item of real property which is returned below its true and fair
24 value to such price or sum as to be the true and fair value thereof,
25 and raise the assessed valuation of each tract or lot or item of real
26 property which is returned below its correct amount to the correct
27 amount after at least five days' notice shall have been given in
28 writing to the owner or agent.

29 Second. They shall reduce the appraised valuation of each tract or
30 lot or item which is returned above its true and fair value to such

1 price or sum as to be the true and fair value thereof and reduce the
2 assessed valuation of each tract or lot or item of real property which
3 is returned above its correct amount to the correct amount.

4 Third. They shall raise the appraised valuation of each class of
5 personal property which is returned below its true and fair value to
6 such price or sum as to be the true and fair value thereof, and they
7 shall raise the aggregate appraised value of the personal property of
8 each individual whenever the aggregate appraised value is less than the
9 true valuation of the taxable personal property possessed by such
10 individual, to such sum or amount as to be the true value thereof, and
11 raise the aggregate assessed valuation of the personal property of each
12 individual which is returned below its correct amount to the correct
13 amount, after at least five days' notice shall have been given in
14 writing to the owner or agent thereof.

15 Fourth. They shall reduce the appraised valuation of each class of
16 personal property enumerated on the detail and assessment list of the
17 current year, which is returned above its true and fair value, to such
18 price or sum as to be the true and fair value thereof; and they shall
19 reduce the aggregate assessed valuation of the personal property of
20 such individual who has been assessed at too large a sum to such sum or
21 amount ((~~as was the true and fair value of the personal property~~)) to
22 the correct amount.

23 Fifth. The board may review all claims for either real or personal
24 property tax exemption as determined by the county assessor, and shall
25 consider any taxpayer appeals from the decision of the assessor thereon
26 to determine (1) if the taxpayer is entitled to an exemption, and (2)
27 if so, the amount thereof.

28 The clerk of the board shall keep an accurate journal or record of
29 the proceedings and orders of said board showing the facts and evidence
30 upon which their action is based, and the said record shall be

1 published the same as other proceedings of county legislative
2 authority, and shall make a true record of the changes of the
3 descriptions and ((assessed)) appraised values ordered by the county
4 board of equalization. The assessor shall recalculate assessed values
5 and correct the real and personal assessment rolls in accordance with
6 the changes made by the said county board of equalization, and the
7 assessor shall make duplicate abstracts of such corrected values, one
8 copy of which shall be retained in the office, and one copy forwarded
9 to the department of revenue on or before the eighteenth day of August
10 next following the meeting of the county board of equalization.

11 The county board of equalization shall meet on the 15th day of July
12 and may continue in session and adjourn from time to time during a
13 period not to exceed four weeks, but shall remain in session not less
14 than three days: PROVIDED, That the county board of equalization with
15 the approval of the county legislative authority may convene at any
16 time when petitions filed exceed twenty-five, or ten percent of the
17 number of appeals filed in the preceding year, whichever is greater.

18 No taxes, except special taxes, shall be extended upon the tax
19 rolls until the property valuations are equalized by the department of
20 revenue for the purpose of raising the state revenue.

21 County legislative authorities as such shall at no time have any
22 authority to change the valuation of the property of any person or to
23 release or commute in whole or in part the taxes due on the property of
24 any person.

25 **Sec. 10.** RCW 84.48.065 and 1989 c 378 s 14 are each amended to
26 read as follows:

27 The county assessor or treasurer may cancel or correct assessments
28 on the assessment or tax rolls which are erroneous due to manifest
29 errors in description, double assessments, clerical errors in extending

1 the rolls, clerical errors in calculating the assessed value under
2 section 5 of this act, and such manifest errors in the listing of the
3 property which do not involve a revaluation of property, such as the
4 assessment of property exempted by law from taxation or the failure to
5 deduct the exemption allowed by law to the head of a family. When the
6 county assessor cancels or corrects an assessment, the assessor shall
7 send a notice to the taxpayer advising the taxpayer that the action of
8 the county assessor is not final and shall be considered by the county
9 board of equalization, and that such notice shall constitute legal
10 notice of such fact. When the county assessor or treasurer cancels or
11 corrects an assessment, a record of such action shall be prepared and
12 filed with the county board of equalization, setting forth therein the
13 facts relating to the error. The record shall also set forth by legal
14 description all property belonging exclusively to the state, any
15 county, or any municipal corporation whose property is exempt from
16 taxation, upon which there remains, according to the tax roll, any
17 unpaid taxes.

18 The county board of equalization shall consider only such matters
19 as appear in the record filed with it by the county assessor or
20 treasurer and shall correct only such matters as are set forth in the
21 record, but it shall have no power to change or alter the assessment of
22 any person, or change the aggregate value of the taxable property of
23 the county, except insofar as it is necessary to correct the errors
24 mentioned in this section. If the county board of equalization finds
25 that the action of the assessor was not correct, it shall issue a
26 supplementary roll including such corrections as are necessary, and the
27 assessment and levy shall have the same force and effect as if made in
28 the first instance, and the county treasurer shall proceed to collect
29 the taxes due on the supplementary roll. The board shall make findings
30 of the facts upon which it bases its decision on all matters submitted

1 to it, and when so made the assessment and levy shall have the same
2 force as if made in the first instance, and the county treasurer shall
3 proceed to collect the taxes due on the rolls as modified.

4 The county board of equalization shall convene on a day fixed by
5 the board for the purpose of considering such matters as appear in the
6 record filed by the county assessor or treasurer.

7 **Sec. 11.** RCW 84.48.075 and 1988 c 222 s 23 are each amended to
8 read as follows:

9 (1) The department of revenue shall annually, prior to the first
10 Monday in September, determine and submit to each assessor a
11 preliminary indicated ratio for each county: PROVIDED, That the
12 department shall establish rules and regulations pertinent to the
13 determination of the indicated ratio, the indicated real property ratio
14 and the indicated personal property ratio: PROVIDED FURTHER, That
15 these rules and regulations may provide that data, as is necessary for
16 said determination, which is available from the county assessor of any
17 county and which has been audited as to its validity by the department,
18 shall be utilized by the department in determining the indicated ratio.

19 (2) To such extent as is reasonable, the department may define use
20 classes of property for the purposes of determination of the indicated
21 ratio. Such use classes may be defined with respect to property use
22 and may include agricultural, open space, timber and forest lands.

23 (3) The department shall review each county's preliminary ratio
24 with the assessor, a landowner, or an owner of an intercounty public
25 utility or private car company of that county, if requested by the
26 assessor, a landowner, or an owner of an intercounty public utility or
27 private car company of that county, respectively, between the first and
28 third Mondays of September. Prior to equalization of assessments
29 pursuant to RCW 84.48.080 and after the third Monday of September, the

1 department shall certify to each county assessor the real and personal
2 property ratio for that county.

3 (4) The department of revenue shall also examine procedures used by
4 the assessor to assess real and personal property in the county,
5 including calculations, use of prescribed value schedules, and efforts
6 to locate all taxable property in the county. If any examination by
7 the department discloses other than market value is being listed as
8 appraised value on the county assessment rolls of the county by the
9 assessor and, after due notification by the department, is not
10 corrected, the department of revenue shall, in accordance with rules
11 adopted by the department, adjust the ratio of that type of property,
12 which adjustment shall be used for determining the county's indicated
13 ratio.

14 **Sec. 12.** RCW 84.48.080 and 1990 c 283 s 1 are each amended to read
15 as follows:

16 Annually during the months of September and October, the department
17 of revenue shall examine and compare the returns of the assessment of
18 the property in the several counties of the state, and the assessment
19 of the property of railroad and other companies assessed by the
20 department, and proceed to equalize the same, so that each county in
21 the state shall pay its due and just proportion of the taxes for state
22 purposes for such assessment year, according to the ratio the assessed
23 valuation of the property in each county bears to the correct total
24 assessed valuation of all property in the state.

25 First. The department shall classify all property, real and
26 personal, and shall raise and lower the assessed valuation of any class
27 of property in any county to a value that shall be equal, so far as
28 possible, to the (~~true and fair~~) correct assessed value of such class
29 as of January 1st of the current year, after determining the correct

1 appraised value, and any adjustment applicable under section 5 of this
2 act for the property, for the purpose of ascertaining the just amount
3 of tax due from each county for state purposes. In equalizing personal
4 property as of January 1st of the current year, the department shall
5 use the assessment level of the preceding year. Such classification
6 may be on the basis of types of property, geographical areas, or both.

7 Second. The department shall keep a full record of its proceedings
8 and the same shall be published annually by the department.

9 The department shall levy the state taxes authorized by law:
10 PROVIDED, That the amount levied in any one year for general state
11 purposes shall not exceed the lawful dollar rate on the dollar of the
12 assessed value of the property of the entire state(~~(, which assessed~~
13 ~~value shall be one hundred percent of the true and fair value of such~~
14 ~~property in money)) as equalized under this section. The department
15 shall apportion the amount of tax for state purposes levied by the
16 department, among the several counties, in proportion to the assessed
17 valuation of the taxable property of the county for the year as
18 equalized by the department: PROVIDED, That for purposes of this
19 apportionment, the department shall recompute the previous year's levy
20 and the apportionment thereof to correct for changes and errors in
21 taxable values reported to the department after October 1 of the
22 preceding year and shall adjust the apportioned amount of the current
23 year's state levy for each county by the difference between the
24 apportioned amounts established by the original and revised levy
25 computations for the previous year. For purposes of this section,
26 changes in taxable values mean a final adjustment made by a county
27 board of equalization, the state board of tax appeals, or a court of
28 competent jurisdiction and shall include additions of omitted property,
29 other additions or deletions from the assessment or tax rolls, or a~~

1 change in the indicated ratio of a county. Errors in taxable values
2 mean errors corrected by a final reviewing body.

3 The department shall have authority to adopt rules and regulations
4 to enforce obedience to its orders in all matters in relation to the
5 returns of county assessments, the equalization of values, and the
6 apportionment of the state levy by the department.

7 After the completion of the duties hereinabove prescribed, the
8 director of the department shall certify the record of the proceedings
9 of the department under this section, the tax levies made for state
10 purposes and the apportionment thereof among the counties, and the
11 certification shall be available for public inspection.

12 **Sec. 13.** RCW 84.12.270 and 1975 1st ex.s. c 278 s 165 are each
13 amended to read as follows:

14 The department of revenue shall annually make an assessment of the
15 operating property of all companies; and between the fifteenth day of
16 March and the first day of July of each of said years shall prepare an
17 assessment roll upon which it shall enter ~~((and assess))~~ the ~~((true~~
18 ~~cash))~~ appraised and assessed values of all the operating property of
19 each of such companies as of the first day of January of the year in
20 which the assessment is made. For the purpose of determining the
21 ~~((true—cash))~~ appraised value of such property the department of
22 revenue may inspect the property belonging to said companies and may
23 take into consideration any information or knowledge obtained by it
24 from such examination and inspection of such property, or of the books,
25 records and accounts of such companies, the statements filed as
26 required by this chapter, the reports, statements or returns of such
27 companies filed in the office of any board, office or commission of
28 this state or any county thereof, the earnings and earning power of
29 such companies, the franchises owned or used by such companies, the

1 ((~~assessed~~)) valuation of any and all property of such companies,
2 whether operating or nonoperating property, and whether situated within
3 or outside the state, and any other facts, evidence or information that
4 may be obtainable bearing upon the value of the operating property:
5 PROVIDED, That in no event shall any statement or report required from
6 any company by this chapter be conclusive upon the department of
7 revenue in determining the amount, character and ((~~true-cash~~)) value of
8 the operating property of such company.

9 **Sec. 14.** RCW 84.12.310 and 1975 1st ex.s. c 278 s 167 are each
10 amended to read as follows:

11 For the purpose of determining the system value of the operating
12 property of any such company, the department of revenue shall deduct
13 from the ((~~actual-cash~~)) assessed value of the total assets of such
14 company, the ((~~actual-cash~~)) assessed value of all nonoperating
15 property owned by such company. For such purpose the department of
16 revenue may require of the assessors of the various counties within
17 this state a detailed list of such company's properties assessed by
18 them, together with the assessable or assessed value thereof:
19 PROVIDED, That such assessed or assessable value shall be advisory only
20 and not conclusive on the department of revenue as to the value
21 thereof.

22 **Sec. 15.** RCW 84.12.330 and 1975 1st ex.s. c 278 s 168 are each
23 amended to read as follows:

24 Upon the assessment roll shall be placed after the name of each
25 company a general description of the operating property of the company,
26 which shall be considered sufficient if described in the language of
27 ((~~subdivision (17) of~~)) RCW 84.12.200(17), as applied to ((~~said~~)) the
28 company, following which shall be entered the ((~~actual-cash~~)) appraised

1 and assessed values of the operating property as determined by the
2 department of revenue. No assessment shall be invalidated by reason of
3 a mistake in the name of the company assessed, or the omission of the
4 name of the owner or by the entry as owner of a name other than that of
5 the true owner. When the department of revenue shall have prepared the
6 assessment roll and entered thereon the (~~actual cash~~) appraised and
7 assessed values of the operating property of the company, as (~~herein~~)
8 required, it shall notify the company by mail of the valuation
9 determined by it and entered upon (~~said~~) the roll.

10 **Sec. 16.** RCW 84.12.350 and 1967 ex.s. c 26 s 17 are each amended
11 to read as follows:

12 Upon determination by the department of revenue of the true and
13 correct (~~actual cash~~) assessed value of the property appearing on
14 such rolls it shall apportion such value to the respective counties
15 entitled thereto, as hereinafter provided, and shall determine the
16 equalized assessed valuation of such property in each such county and
17 in the several taxing districts therein, by applying the county-
18 indicated ratio to such actual apportioned value (~~the same ratio as~~
19 ~~the ratio of assessed to actual value of the general property in such~~
20 ~~county~~): PROVIDED, That, whenever the amount of the true and correct
21 assessed value of the operating property of any company otherwise
22 apportionable to any county or other taxing district shall be less than
23 two hundred fifty dollars, such amount need not be apportioned to such
24 county or taxing district but may be added to the amount apportioned to
25 an adjacent county or taxing district.

26 **Sec. 17.** RCW 84.12.360 and 1987 c 153 s 3 are each amended to read
27 as follows:

1 The ((~~actual-cash~~)) value of the operating property assessed to a
2 company, as fixed and determined by the state board of equalization,
3 shall be apportioned by the department of revenue to the respective
4 counties and to the taxing districts thereof wherein such property is
5 located in the following manner:

6 (1) Property of steam, suburban, and interurban railroad companies,
7 telegraph companies and pipe line companies--upon the basis of that
8 proportion of the value of the total operating property within the
9 state which the mileage of track, as classified by the department of
10 revenue (in case of railroads), mileage of wire (in the case of
11 telegraph companies) and mileage of pipe line (in the case of pipe line
12 companies) within each county or taxing district bears to the total
13 mileage thereof within the state, at the end of the calendar year last
14 past. For the purpose of such apportionment the department may
15 classify railroad track.

16 (2) Property of street railroad companies, telephone companies,
17 electric light and power companies, gas companies, water companies,
18 heating companies and toll bridge companies--upon the basis of relative
19 value of the operating property within each county and taxing district
20 to the value of the total operating property within the state to be
21 determined by such factors as the department of revenue shall deem
22 proper.

23 (3) Planes or other aircraft of airplane companies and watercraft
24 of steamboat companies--upon the basis of such factor or factors of
25 allocation, to be determined by the department of revenue, as will
26 secure a substantially fair and equitable division between counties and
27 other taxing districts.

28 All other property of airplane companies and steamboat companies--
29 upon the basis set forth in ((~~subdivision~~)) subsection (2) ((~~hereof~~))
30 of this section.

1 The basis of apportionment with reference to all public utility
2 companies above prescribed shall not be deemed exclusive and the
3 department of revenue in apportioning values of such companies may also
4 take into consideration such other information, facts, circumstances,
5 or allocation factors as will enable it to make a substantially just
6 and correct valuation of the operating property of such companies
7 within the state and within each county thereof.

8 **Sec. 18.** RCW 84.16.040 and 1975 1st ex.s. c 278 s 179 are each
9 amended to read as follows:

10 The department of revenue shall annually make an assessment of the
11 operating property of each private car company; and between the first
12 day of May and the first day of July of each of said years shall
13 prepare an assessment roll upon which it shall enter (~~and assess~~) the
14 (~~true cash~~) appraised and assessed values of all the operating
15 property of each of such companies as of the first day of January of
16 the year in which the assessment is made. For the purpose of
17 determining the (~~true cash~~) appraised value of such property the
18 department of revenue may take into consideration any information or
19 knowledge obtained by it from an examination and inspection of such
20 property, or of the books, records and accounts of such companies, the
21 statements filed as required by this chapter, the reports, statements
22 or returns of such companies filed in the office of any board, office
23 or commission of this state or any county thereof, the earnings and
24 earning power of such companies, the franchises owned or used by such
25 companies, the (~~assessed~~) valuation of any and all property of such
26 companies, whether operating property or nonoperating property, and
27 whether situated within or without the state, and any other facts,
28 evidences or information that may be obtainable bearing upon the value
29 of the operating property: PROVIDED, That in no event shall any

1 statement or report required from any company by this chapter be
2 conclusive upon the department of revenue in determining the amount,
3 character and (~~true cash~~) value of the operating property of such
4 company.

5 **Sec. 19.** RCW 84.16.050 and 1975 1st ex.s. c 278 s 180 are each
6 amended to read as follows:

7 The department of revenue may, in determining the (~~actual cash~~)
8 assessed value of the operating property to be placed on the assessment
9 roll value the entire property as a unit. If the company owns, leases,
10 operates or uses property partly within and partly without the state,
11 the department of revenue may determine the value of the operating
12 property within this state by the proportion that the value of such
13 property bears to the value of the entire operating property of the
14 company, both within and without this state. In determining the
15 operating property which is located within this state the department of
16 revenue may consider and base such determination on the proportion
17 which the number of car miles of the various classes of cars made in
18 this state bears to the total number of car miles made by the same cars
19 within and without this state, or to the total number of car miles made
20 by all cars of the various classes within and without this state. If
21 the value of the operating property of the company cannot be fairly
22 determined in such manner the department of revenue may use any other
23 reasonable and fair method to determine the value of the operating
24 property of the company within this state.

25 **Sec. 20.** RCW 84.16.090 and 1975 1st ex.s. c 278 s 181 are each
26 amended to read as follows:

27 Upon the assessment roll shall be placed after the name of each
28 company a general description of the operating property of the company,

1 which shall be considered sufficient if described in the language of
2 (~~subdivision (3) of~~) RCW 84.16.010(3) or otherwise, following which
3 shall be entered the (~~actual cash~~) appraised and assessed values of
4 the operating property as determined by the department of revenue. No
5 assessment shall be invalid by a mistake in the name of the company
6 assessed, by omission of the name of the owner or by the entry of a
7 name other than that of the true owner. When the department of revenue
8 shall have prepared the assessment roll and entered thereon the
9 (~~actual cash~~) appraised and assessed values of the operating property
10 of the company, as (~~herein~~) required, it shall notify the company by
11 mail of the valuations determined by it and entered upon (~~said~~) the
12 roll; and thereupon such assessed valuation shall become the (~~actual~~
13 ~~cash~~) assessed value of the operating property of the company, subject
14 to revision or correction by the state board of equalization as
15 hereinafter provided; and shall be the valuation upon which, after
16 equalization by the state board of equalization as hereinafter
17 provided, the taxes of such company shall be based and computed.

18 **Sec. 21.** RCW 84.16.110 and 1967 ex.s. c 26 s 18 are each amended
19 to read as follows:

20 Upon determination by the department of revenue of the true and
21 correct (~~actual cash~~) assessed value of the property appearing on
22 such rolls the department shall apportion such value to the respective
23 counties entitled thereto as hereinafter provided, and shall determine
24 the equalized or assessed valuation of such property in such counties
25 by applying the county-indicated ratio to such actual apportioned value
26 (~~the same ratio as the ratio of assessed to actual value of the~~
27 ~~general property of the respective counties~~): PROVIDED, That,
28 whenever the amount of the true and correct assessed value of the
29 operating property of any company otherwise apportionable to any county

1 shall be less than two hundred fifty dollars, such amount need not be
2 apportioned to such county but may be added to the amount apportioned
3 to an adjacent county.

4 **Sec. 22.** RCW 84.16.120 and 1961 c 15 s 84.16.120 are each amended
5 to read as follows:

6 The ((~~actual-cash~~)) assessed value of the property of each company
7 as fixed and determined by the state board of equalization as herein
8 provided shall be apportioned to the respective counties in the
9 following manner:

10 (1) If all the operating property of the company is situated
11 entirely within a county and none of such property is located within,
12 extends into, or through or is operated into or through any other
13 county, the entire value thereof shall be apportioned to the county
14 within which such property is situate, located and operated.

15 (2) If the operating property of any company is situated or located
16 within, extends into or is operated into or through more than one
17 county, the value thereof shall be apportioned to the respective
18 counties into or through which its cars are operated in the proportion
19 that the length of main line track of the respective railroads moving
20 such cars in such counties bears to the total length of main line track
21 of such respective railroads in this state.

22 (3) If the property of any company is of such character that it
23 will not be reasonable, feasible or fair to apportion the value as
24 hereinabove provided, the value thereof shall be apportioned between
25 the respective counties into or through which such property extends or
26 is operated or in which the same is located in such manner as may be
27 reasonable, feasible and fair.

1 **Sec. 23.** RCW 84.24.040 and 1975 1st ex.s. c 278 s 186 are each
2 amended to read as follows:

3 A hearing shall be had at the time and place set forth in the
4 notice provided for in RCW 84.24.030, and thereafter the department of
5 revenue shall determine, as of the original assessment date, and in the
6 manner provided by existing law, the ~~((cash market))~~ assessed value of
7 the property in question ~~((, and the ratio between cash market value and
8 assessed value of the other taxable property in the county where such
9 property is located, and shall fix the equalized value of the property
10 in question at that percentage of its cash market value as of the
11 original assessment date, which the equalized assessed value of the
12 general taxable property in the county where such reassessed property
13 is located, bore to its cash market value))~~: PROVIDED, HOWEVER, That
14 in case of a protest, complaint or petition based upon an alleged
15 excessive assessment, the reassessment shall not exceed the original
16 assessment.

17 **Sec. 24.** RCW 84.36.041 and 1989 c 379 s 2 are each amended to read
18 as follows:

19 (1) All real and personal property used by a nonprofit home for the
20 aging that is reasonably necessary for the purposes of the home is
21 exempt from taxation if the benefit of the exemption inures to the home
22 and:

23 (a) At least fifty percent of the occupied dwelling units in the
24 home are occupied by eligible residents; or

25 (b) The home is subsidized under a federal department of housing
26 and urban development program. The department of revenue shall provide
27 by rule a definition of homes eligible for exemption under this
28 subsection (b), consistent with the purposes of this section.

1 (2) A home for the aging is eligible for a partial exemption if the
2 home does not meet the requirements of subsection (1) of this section
3 because fewer than fifty percent of the occupied dwelling units are
4 occupied by eligible residents. The amount of exemption shall be
5 calculated by multiplying the assessed value of the property reasonably
6 necessary for the purposes of the home by a fraction. The numerator of
7 the fraction is the number of dwelling units occupied by eligible
8 persons multiplied by two. The denominator of the fraction is the
9 total number of occupied dwelling units. The fraction shall never
10 exceed one.

11 (3) To be exempt under this section, the property must be used
12 exclusively for the purposes for which the exemption is granted, except
13 as provided in RCW 84.36.805.

14 (4) A home for the aging is exempt from taxation only if the
15 organization operating the home is exempt from income tax under section
16 501(c) of the federal internal revenue code as existing on January 1,
17 1989, or such subsequent date as the director may provide by rule
18 consistent with the purposes of this section.

19 (5) Each eligible resident of a home for the aging shall submit the
20 form required under RCW 84.36.385 to the county assessor by July 1st of
21 the assessment year. An eligible resident who has filed a form for a
22 previous year need not file a new form until there is a change in
23 status affecting the person's eligibility.

24 (6) In determining the (~~true and fair~~) appraised value of a home
25 for the aging for purposes of the partial exemption provided by
26 subsection (2) of this section, the assessor shall apply the
27 computation method provided by RCW 84.34.060 and shall consider only
28 the use to which such property is applied during the years for which
29 such partial exemptions are available and shall not consider potential
30 uses of such property.

1 (7) A home for the aging that was exempt for taxes levied for
2 collection in 1990 and is not fully exempt under this section is
3 entitled to partial exemptions as follows:

4 (a) For taxes levied for collection in 1991, two-thirds of the
5 assessed value that would otherwise be subject to tax under this
6 section is exempt from taxation.

7 (b) For taxes levied for collection in 1992, one-third of the
8 assessed value that would otherwise be subject to tax under this
9 section is exempt from taxation.

10 (8) As used in this section:

11 (a) "Eligible resident" means a person who would be eligible for an
12 exemption under RCW 84.36.381 if the person owned a single-family
13 dwelling. For the purposes of determining eligibility under this
14 section, a "cotenant" as used in RCW 84.36.383 means a person who
15 resides with an eligible resident and who shares personal financial
16 resources with the eligible resident.

17 (b) "Home for the aging" means a residential housing facility that
18 (i) provides a housing arrangement chosen voluntarily by the resident,
19 the resident's guardian or conservator, or another responsible person;
20 (ii) has only residents who are at least sixty-two years of age or who
21 have needs for care generally compatible with persons who are at least
22 sixty-two years of age; and (iii) provides varying levels of care and
23 supervision, as agreed to at the time of admission or as determined
24 necessary at subsequent times of reappraisal.

25 **Sec. 25.** RCW 84.52.063 and 1973 1st ex.s. c 195 s 105 are each
26 amended to read as follows:

27 A rural library district may impose a regular property tax levy in
28 an amount equal to that which would be produced by a levy of fifty
29 cents per thousand dollars of assessed value multiplied by an equalized

1 assessed valuation (~~equal to one hundred percent of the true and fair~~
2 ~~value of the taxable property in the rural library district~~)), as
3 determined by the department of revenue's indicated county ratio:
4 PROVIDED, That when any county assessor shall find that the aggregate
5 rate of levy on any property will exceed the limitation set forth in
6 RCW 84.52.043 and ((RCW)) 84.52.050, as now or hereafter amended,
7 before recomputing and establishing a consolidated levy in the manner
8 set forth in RCW 84.52.010, the assessor shall first reduce the levy of
9 any rural library district, by such amount as may be necessary, but the
10 levy of any rural library district shall not be reduced to less than
11 fifty cents per thousand dollars against the value of the taxable
12 property, as determined by the county, prior to any further adjustments
13 pursuant to RCW 84.52.010. For purposes of this section "regular
14 property tax levy" shall mean a levy subject to the limitations
15 provided for in Article VII, section 2 of the state Constitution and/or
16 by statute.

17 **Sec. 26.** RCW 84.70.010 and 1987 c 319 s 6 are each amended to read
18 as follows:

19 (1) If, on or before December 31 in any calendar year, any real or
20 personal property placed upon the assessment roll of that year is
21 destroyed in whole or in part, or is in an area that has been declared
22 a disaster area by the governor and has been reduced in value by more
23 than twenty percent as a result of a natural disaster, the ((true
24 cash)) assessed value of such property shall be reduced for that year
25 by an amount determined as follows:

26 (a) First take the ((true-cash)) assessed value of such taxable
27 property before destruction or reduction in value and deduct therefrom
28 the true cash value of the remaining property after destruction or
29 reduction in value.

1 (b) Then divide any amount remaining by the number of days in the
2 year and multiply the quotient by the number of days remaining in the
3 calendar year after the date of the destruction or reduction in value
4 of the property.

5 (2) No reduction in the (~~true-cash~~) assessed value shall be made
6 more than three years after the date of destruction or reduction in
7 value.

8 (3) The assessor shall make such reduction on his or her own
9 motion; however, the taxpayer may make application for reduction on
10 forms prepared by the department and provided by the assessor. The
11 assessor shall notify the taxpayer of the amount of reduction.

12 (4) If destroyed property is replaced prior to the valuation dates
13 contained in RCW 36.21.080 and 36.21.090, the total taxable value for
14 that year shall not exceed the value as of the appropriate valuation
15 date in RCW 36.21.080 or 36.21.090, whichever is appropriate.

16 (5) The taxpayer may appeal the amount of reduction to the county
17 board of equalization within thirty days of notification or July 15th
18 of the year of reduction, whichever is later. The board shall
19 reconvene, if necessary, to hear the appeal.

20 NEW SECTION. **Sec. 27.** This act applies to taxes levied in 1991
21 for collection in 1992, and thereafter.

22 NEW SECTION. **Sec. 28.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and shall take
25 effect immediately.