

1 **HB 2089** - H AMDS to AMD (H2861.1) **844 4/13/95 ADOPTED**

2 By Representative B. Thomas

3 On page 1, after line 4, strike the remainder of the amendment
4 and insert "On page 22, after line 31, insert:

5 "NEW SECTION. **Sec. 20.** The legislature finds:

6 (1) The property tax remains a key component of the state-
7 local tax system, and by far the largest source of local government
8 revenues;

9 (2) Average levy rates and effective tax rates have risen
10 substantially over the last ten years;

11 (3) Property assessments may increase rapidly in certain
12 geographic areas, resulting in sharp increases in taxes on many
13 homeowners, without corresponding increases in ability to pay;

14 (4) Property tax increases may place financial hardships on
15 many low-income and middle-income families;

16 (5) Current constitutional provisions relating to the property
17 tax may not provide sufficient protections from such financial
18 hardships;

19 (6) Some property tax relief measures that may be proposed to
20 address this problem would result in unfair tax shifts and other
21 inequities; and

22 (7) Some property tax relief measures that may be proposed to
23 address this problem would result in costly administrative burdens
24 upon state and local government budgets.

25
26 NEW SECTION. **Sec. 21.** There is hereby created a joint select
27 committee on property tax reform composed of twelve members, with
28 six members of the senate, three from each of the two largest
29 caucuses, to be appointed by the president of the senate; and six
30 members of the house of representatives, three from each of the two
31 largest caucuses, to be appointed by the speaker of the house of

1 representatives. The speaker of the house of representatives and
2 the president of the senate shall designate cochairs of the
3 committee. The expenses of the committee members shall be paid by
4 the legislature under chapter 44.04 RCW. Staff support for the
5 committee shall be provided by senate committee services and house
6 of representatives office of program research as mutually agreed by
7 the cochairs of the joint select committee. The committee may also
8 use the research services provided to the legislature by the
9 department of revenue under RCW 82.01.060(4).

10
11 NEW SECTION. **Sec. 22.** The joint select committee on
12 property tax reform shall complete a thorough review of this
13 state's property tax system, addressing the following issues:

14 (1) What is the nature and intent of the constitutional
15 requirement of uniformity in property taxation?

16 (2) Is fair market value the only constitutionally permitted
17 basis for property taxation?

18 (3) Does the current property tax administration comply with
19 the uniformity requirement?

20 (4) Assuming the greatest practicable compliance with the
21 uniformity requirement, is the current property tax system fair and
22 equitable?

23 (5) Is the current property tax system perceived by the
24 taxpayers to be a fair and equitable property tax system?

25 (6) What changes, if any, should the legislature make in the
26 property tax system?

27 (7) Would these changes require an amendment of the state
28 Constitution?

29 (8) What would be the consequences of these changes on
30 individual taxpayers, classes of taxpayers, and state and local
31 government budgets?
32

1 NEW SECTION. **Sec. 23.** The joint select committee on property
2 tax reform shall submit its final report to the legislature by
3 December 31, 1995."

4
5 Renumber sections consecutively, correct any internal
6 references accordingly, and correct the title.