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SENATE BILL 6777

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State of Washington

54th Legislature

1996 Regular Session

By Senators Sutherland and Swecker

Read first time 02/21/96. Referred to Committee on Ways & Means.

1 AN ACT Relating to a property tax credit for residential property;  
2 amending RCW 84.52.080 and 84.56.050; adding a new section to chapter  
3 84.52 RCW; adding a new section to chapter 84.55 RCW; providing a  
4 contingent effective date; and providing for submission of this act to  
5 a vote of the people.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.52 RCW  
8 to read as follows:

9 (1) There is allowed a credit against state and local regular real  
10 property taxes equal to the tax imposed on the first twenty-five  
11 thousand dollars of assessed valuation of residential property,  
12 adjusted to the state equalized value in accordance with the indicated  
13 ratio fixed by the state department of revenue. The credit in any tax  
14 year shall not exceed the amount of regular property taxes imposed on  
15 the property.

16 (2) The credit in this section is in addition to any other property  
17 tax relief that may be provided by law.

18 (3) As used in this section, "residential property" means a single-  
19 family dwelling unit, regardless of whether such unit shares a common

1 wall with one or more other units, including the land upon which such  
2 dwelling stands, and that is owned in its entirety either by a natural  
3 person or persons, a housing cooperative, or a trust. "Residential  
4 property" also includes a mobile home that has substantially lost its  
5 identity as a mobile unit by virtue of its being fixed in location upon  
6 land owned or leased by the owner of the mobile home and placed upon a  
7 foundation (posts or blocks) with fixed pipe connections with sewer,  
8 water, or other utilities. "Residential property" does not include a  
9 dwelling unit primarily used in the conduct of a commercial enterprise  
10 or a dwelling unit located upon real property that is primarily used in  
11 the conduct of a commercial enterprise. Property is considered  
12 primarily used in the conduct of a commercial enterprise if more than  
13 one-half of the total square footage of the property is devoted to  
14 commercial use.

15 **Sec. 2.** RCW 84.52.080 and 1989 c 378 s 16 are each amended to read  
16 as follows:

17 (1) The county assessor shall extend the taxes upon the tax rolls  
18 in the form herein prescribed. The rate percent necessary to raise the  
19 amounts of taxes levied for state and county purposes, and for purposes  
20 of taxing districts coextensive with the county, shall be computed upon  
21 the assessed value of the property of the county; the rate percent  
22 necessary to raise the amount of taxes levied for any taxing district  
23 within the county shall be computed upon the assessed value of the  
24 property of the district; all taxes assessed against any property shall  
25 be added together and extended on the rolls in a column headed  
26 consolidated or total tax. In extending any tax, whenever it amounts  
27 to a fractional part of a cent greater than five mills it shall be made  
28 one cent, and whenever it amounts to five mills or less than five mills  
29 it shall be dropped. The amount of all taxes shall be entered in the  
30 proper columns, as shown by entering the rate percent necessary to  
31 raise the consolidated or total tax and the total tax assessed against  
32 the property.

33 (2) After entering the amounts under subsection (1) of this  
34 section, the county assessor shall compute the amount of credit  
35 authorized under section 1 of this act for each parcel of property.  
36 The credit allowed for any property shall be extended on the rolls in  
37 a column headed tax credit. The county treasurer shall subtract the

1 amount of the credit from the total tax and enter this amount in a  
2 column headed tax payable.

3 (3) For the purpose of computing the rate necessary to raise the  
4 amount of any excess levy in a taxing district which has classified or  
5 designated forest land under chapter 84.33 RCW, other than the state,  
6 the county assessor shall add the district's timber assessed value, as  
7 defined in RCW 84.33.035, to the assessed value of the property:  
8 PROVIDED, That for school districts maintenance and operations levies  
9 only one-half of the district's timber assessed value or eighty percent  
10 of the timber roll of such district in calendar year 1983 as determined  
11 under chapter 84.33 RCW, whichever is greater, shall be added.

12 ((+3)) (4) Upon the completion of such tax extension, it shall be  
13 the duty of the county assessor to make in each assessment book, tax  
14 roll or list a certificate in the following form:

15 I, . . . . ., assessor of . . . . . county, state of  
16 Washington, do hereby certify that the foregoing is a correct list of  
17 taxes levied on the real and personal property in the county of  
18 . . . . . for the year ((one thousand nine hundred and)) . . . . .

19 Witness my hand this . . . . day of . . . . ., ((19)) . . . .  
20 . . . . ., County Assessor

21 ((+4)) (5) The county assessor shall deliver said tax rolls to the  
22 county treasurer, on or before the fifteenth day of January, taking  
23 receipt therefor, and at the same time the county assessor shall  
24 provide the county auditor with an abstract of the tax rolls showing  
25 the total amount of taxes collectible in each of the taxing districts.

26 **Sec. 3.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to read  
27 as follows:

28 (1) On receiving the tax rolls the treasurer shall post all real  
29 and personal property taxes from the rolls to the treasurer's tax roll,  
30 and shall carry forward to the current tax rolls a memorandum of all  
31 delinquent taxes on each and every description of property, and enter  
32 the same on the property upon which the taxes are delinquent showing  
33 the amounts for each year. The treasurer shall notify each taxpayer in  
34 the county, at the expense of the county, of the amount of the real and  
35 personal property, and the current and delinquent amount of tax due on  
36 the same((+and)). The treasurer shall have printed on the notice the  
37 name of each tax ((and)), the levy made on the same, the amount of any

1 credit under section 1 of this act, and the tax payable. The credit  
2 authorized in section 1 of this section shall be prorated among the  
3 taxing districts levying a tax against the property in the proportion  
4 that the taxing district's regular property tax bears to the total  
5 regular property tax on the property. The county treasurer shall be  
6 the sole collector of all delinquent taxes and all other taxes due and  
7 collectible on the tax rolls of the county(~~(:—PROVIDED, That)~~).

8 (2) The term "taxpayer" as used in this section shall mean any  
9 person charged, or whose property is charged, with property tax; and  
10 the person to be notified is that person whose name appears on the tax  
11 roll herein mentioned(~~(:—PROVIDED, FURTHER, That)~~). If no name so  
12 appears the person to be notified is that person shown by the  
13 treasurer's tax rolls or duplicate tax receipts of any preceding year  
14 as the payer of the tax last paid on the property in question.

15 NEW SECTION. Sec. 4. A new section is added to chapter 84.55 RCW  
16 to read as follows:

17 In order to prevent a shift in taxes in future years from  
18 residential property receiving a credit under section 1 of this act to  
19 other property, the amount of taxes that may be levied by a taxing  
20 district under this chapter shall be reduced by any reduction in taxes  
21 for the appropriate year resulting from the tax credit under section 1  
22 of this act and levies collected before any reduction under this  
23 section shall not be used as a base for calculating limits for state  
24 levies for collection in following years.

25 NEW SECTION. Sec. 5. This act shall take effect for taxes payable  
26 in 1998 if the proposed amendment to Article VII of the state  
27 Constitution (SJR . . .) (S-5294.1/96) is validly submitted to and is  
28 approved and ratified by the voters at a general election held in  
29 November 1996. If the proposed amendment is not so approved and  
30 ratified, this act shall be null and void in its entirety.

31 NEW SECTION. Sec. 6. This act shall be submitted to the people  
32 for their adoption and ratification, or rejection, at the next  
33 succeeding general election to be held in this state, in accordance

1 with Article II, section 1 of the state Constitution, as amended, and  
2 the laws adopted to facilitate the operation thereof.

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