

2 **ESSB 5212 - H AMD 023 ADOPTED 2/10/97**

3 By Representative B. Thomas

4

5 Strike everything after the enacting clause and insert the
6 following:

7

"PART I

8

VALUE AVERAGING

9 NEW SECTION. **Sec. 101.** A new section is added to chapter 84.04
10 RCW to read as follows:

11 "Appraised value of property" means the aggregate true and fair
12 value of the property as last determined by the county assessor
13 according to the revaluation program approved under chapter 84.41 RCW,
14 including revaluations based on statistical data between physical
15 inspections.

16 **Sec. 102.** RCW 84.04.030 and 1961 c 15 s 84.04.030 are each amended
17 to read as follows:

18 "Assessed value of property" shall be held and construed to mean
19 the aggregate valuation of the property subject to taxation by any
20 taxing district as determined under section 105 of this act, reduced by
21 the value of any applicable exemptions under RCW 84.36.381 or other
22 law, and placed on the last completed and balanced tax rolls of the
23 county preceding the date of any tax levy.

24 **Sec. 103.** RCW 84.40.020 and 1973 c 69 s 1 are each amended to read
25 as follows:

26 All real property in this state subject to taxation shall be listed
27 and assessed every year, with reference to its appraised and assessed
28 values on the first day of January of the year in which it is assessed.
29 Such listing and all supporting documents and records shall be open to
30 public inspection during the regular office hours of the assessor's
31 office: PROVIDED, That confidential income data is exempted from
32 public inspection pursuant to RCW 42.17.310. All personal property in
33 this state subject to taxation shall be listed and assessed every year,

1 with reference to its value and ownership on the first day of January
2 of the year in which it is assessed: PROVIDED, That if the stock of
3 goods, wares, merchandise or material, whether in a raw or finished
4 state or in process of manufacture, owned or held by any taxpayer on
5 January 1 of any year does not fairly represent the average stock
6 carried by such taxpayer, such stock shall be listed and assessed upon
7 the basis of the monthly average of stock owned or held by such
8 taxpayer during the preceding calendar year or during such portion
9 thereof as the taxpayer was engaged in business.

10 **Sec. 104.** RCW 84.40.030 and 1994 c 124 s 20 are each amended to
11 read as follows:

12 All personal property shall be valued at one hundred percent of its
13 true and fair value in money and assessed on the same basis unless
14 specifically provided otherwise by law.

15 All real property shall be appraised at one hundred percent of its
16 true and fair value in money and assessed as provided in section 105 of
17 this act unless specifically provided otherwise by law.

18 Taxable leasehold estates shall be valued at such price as they
19 would bring at a fair, voluntary sale for cash without any deductions
20 for any indebtedness owed including rentals to be paid.

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

24 (1) Any sales of the property being appraised or similar properties
25 with respect to sales made within the past five years. The appraisal
26 shall be consistent with the comprehensive land use plan, development
27 regulations under chapter 36.70A RCW, zoning, and any other
28 governmental policies or practices in effect at the time of appraisal
29 that affect the use of property, as well as physical and environmental
30 influences. The appraisal shall also take into account: (a) In the
31 use of sales by real estate contract as similar sales, the extent, if
32 any, to which the stated selling price has been increased by reason of
33 the down payment, interest rate, or other financing terms; and (b) the
34 extent to which the sale of a similar property actually represents the
35 general effective market demand for property of such type, in the
36 geographical area in which such property is located. Sales involving
37 deed releases or similar seller-developer financing arrangements shall
38 not be used as sales of similar property.

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

13 (3) In valuing any tract or parcel of real property, the true and
14 fair value of the land, exclusive of structures thereon shall be
15 determined; also the true and fair value of structures thereon, but the
16 appraised valuation shall not exceed the true and fair value of the
17 total property as it exists. In valuing agricultural land, growing
18 crops shall be excluded.

19 NEW SECTION. Sec. 105. A new section is added to chapter 84.40
20 RCW to read as follows:

21 (1) As used in this section:

22 (a) "Previous assessed value" means the assessed value for the year
23 immediately preceding the year for which a calculation is being made
24 under this section.

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

27 (c) "Total value increase" means the current appraised value minus
28 the previous assessed value. Total value increase can never be less
29 than zero.

30 (d) "Improvement increase" means the portion of the total value
31 increase attributable to any physical improvements made to the property
32 since the previous assessment, other than improvements exempt under RCW
33 84.36.400 for the year for which a calculation is being made under this
34 section. Improvement increase can never be less than zero.

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

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

4 (a) The improvement increase plus one hundred fifteen percent of
5 the previous assessed value; or

6 (b) The sum of:

7 (i) The previous assessed value;

8 (ii) The improvement increase; and

9 (iii) Twenty-five percent of the market increase.

10 (3) Upon loss of preferential tax treatment for property that
11 qualifies for preferential tax treatment under chapter 84.14, 84.26,
12 84.33, 84.34, or 84.36 RCW, the previous assessed value shall be the
13 assessed value the property would have had without the preferential tax
14 treatment.

15 **Sec. 106.** RCW 84.40.040 and 1988 c 222 s 15 are each amended to
16 read as follows:

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

24 The assessor shall actually determine as nearly as practicable the
25 true and fair value of each tract or lot of land listed for taxation
26 and of each improvement located thereon and shall enter as the
27 appraised value one hundred percent of the true and fair value of such
28 land and of the total true and fair value of such improvements,
29 together with the total of such one hundred percent valuations,
30 opposite each description of property on the assessment list and tax
31 roll.

32 The assessor shall determine the assessed value, under section 105
33 of this act, for each tract or lot of land listed for taxation,
34 including improvements located thereon, and shall also enter this value
35 opposite each description of property on the assessment list and tax
36 roll.

37 The assessor shall make an alphabetical list of the names of all
38 persons in the county liable to assessment of personal property, and

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

29 **Sec. 107.** RCW 84.40.045 and 1994 c 301 s 36 are each amended to
30 read as follows:

31 The assessor shall give notice of any change in the (~~true and~~
32 ~~fair~~) assessed value of real property for the tract or lot of land and
33 any improvements thereon no later than thirty days after appraisal:
34 PROVIDED, That no such notice shall be mailed during the period from
35 January 15 to February 15 of each year: PROVIDED FURTHER, That no
36 notice need be sent with respect to changes in valuation of forest land
37 made pursuant to chapter 84.33 RCW.

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

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

9 If any taxpayer, as shown by the tax rolls, holds solely a security
10 interest in the real property which is the subject of the notice,
11 pursuant to a mortgage, contract of sale, or deed of trust, such
12 taxpayer shall, upon written request of the assessor, supply, within
13 thirty days of receipt of such request, to the assessor the name and
14 address of the person making payments pursuant to the mortgage,
15 contract of sale, or deed of trust, and thereafter such person shall
16 also receive a copy of the notice provided for in this section.
17 Willful failure to comply with such request within the time limitation
18 provided for herein shall make such taxpayer subject to a maximum civil
19 penalty of five thousand dollars. The penalties provided for herein
20 shall be recoverable in an action by the county prosecutor, and when
21 recovered shall be deposited in the county current expense fund. The
22 assessor shall make the request provided for by this section during the
23 month of January.

24 **Sec. 108.** RCW 84.41.041 and 1987 c 319 s 4 are each amended to
25 read as follows:

26 Each county assessor shall cause taxable real property to be
27 physically inspected and valued at least once every six years in
28 accordance with RCW 84.41.030, and in accordance with a plan filed with
29 and approved by the department of revenue. Such revaluation plan shall
30 provide that a reasonable portion of all taxable real property within
31 a county shall be revalued and these newly-determined values placed on
32 the assessment rolls each year. The department may approve a plan that
33 provides that all property in the county be revalued every two years.
34 If the revaluation plan provides for physical inspection at least once
35 each four years, during the intervals between each physical inspection
36 of real property, the appraised valuation of such property may be
37 adjusted to its current true and fair value, such adjustments to be
38 based upon appropriate statistical data. If the revaluation plan

1 provides for physical inspection less frequently than once each four
2 years, during the intervals between each physical inspection of real
3 property, the appraised valuation of such property shall be adjusted to
4 its current true and fair value, such adjustments to be made once each
5 year and to be based upon appropriate statistical data. If the
6 appraised valuation is changed, the assessed value shall be
7 recalculated under section 105 of this act.

8 The assessor may require property owners to submit pertinent data
9 respecting taxable property in their control including data respecting
10 any sale or purchase of said property within the past five years, the
11 cost and characteristics of any improvement on the property and other
12 facts necessary for appraisal of the property.

13 **Sec. 109.** RCW 84.48.010 and 1988 c 222 s 20 are each amended to
14 read as follows:

15 Prior to July 15th, the county legislative authority shall form a
16 board for the equalization of the assessment of the property of the
17 county. The members of said board shall receive a per diem amount as
18 set by the county legislative authority for each day of actual
19 attendance of the meeting of the board of equalization to be paid out
20 of the current expense fund of the county: PROVIDED, That when the
21 county legislative authority constitute the board they shall only
22 receive their compensation as members of the county legislative
23 authority. The board of equalization shall meet in open session for
24 this purpose annually on the 15th day of July and, having each taken an
25 oath fairly and impartially to perform their duties as members of such
26 board, they shall examine and compare the returns of the assessment of
27 the property of the county and proceed to equalize the same, so that
28 the appraised value of each tract or lot of real property and each
29 article or class of personal property shall be entered on the
30 assessment list at its true and fair value, according to the measure of
31 value used by the county assessor in such assessment year, (~~which is~~
32 presumed to be correct pursuant to RCW 84.40.0301)) and so that the
33 assessed value of each tract or lot of real property is entered on the
34 assessment list at its correct amount, and subject to the following
35 rules:

36 First. They shall raise the appraised valuation of each tract or
37 lot or item of real property which is returned below its true and fair
38 value to such price or sum as to be the true and fair value thereof,

1 and raise the assessed valuation of each tract or lot or item of real
2 property which is returned below its correct amount to the correct
3 amount after at least five days' notice shall have been given in
4 writing to the owner or agent.

5 Second. They shall reduce the appraised valuation of each tract or
6 lot or item which is returned above its true and fair value to such
7 price or sum as to be the true and fair value thereof and reduce the
8 assessed valuation of each tract or lot or item of real property which
9 is returned above its correct amount to the correct amount.

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

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

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

30 The clerk of the board shall keep an accurate journal or record of
31 the proceedings and orders of said board showing the facts and evidence
32 upon which their action is based, and the said record shall be
33 published the same as other proceedings of county legislative
34 authority, and shall make a true record of the changes of the
35 descriptions and ((~~assessed~~)) appraised values ordered by the county
36 board of equalization. The assessor shall recalculate assessed values
37 and correct the real and personal assessment rolls in accordance with
38 the changes made by the said county board of equalization, and the
39 assessor shall make duplicate abstracts of such corrected values, one

1 copy of which shall be retained in the office, and one copy forwarded
2 to the department of revenue on or before the eighteenth day of August
3 next following the meeting of the county board of equalization.

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

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

14 County legislative authorities as such shall at no time have any
15 authority to change the valuation of the property of any person or to
16 release or commute in whole or in part the taxes due on the property of
17 any person.

18 **Sec. 110.** RCW 84.48.065 and 1996 c 296 s 1 are each amended to
19 read as follows:

20 (1) The county assessor or treasurer may cancel or correct
21 assessments on the assessment or tax rolls which are erroneous due to
22 manifest errors in description, double assessments, clerical errors in
23 extending the rolls, clerical errors in calculating the assessed value
24 under section 105 of this act, and such manifest errors in the listing
25 of the property which do not involve a revaluation of property, except
26 in the case that a taxpayer produces proof that an authorized land use
27 authority has made a definitive change in the property's land use
28 designation. In such a case, correction of the assessment or tax rolls
29 may be made notwithstanding the fact that the action involves a
30 revaluation of property. Manifest errors that do not involve a
31 revaluation of property include the assessment of property exempted by
32 law from taxation or the failure to deduct the exemption allowed by law
33 to the head of a family. When the county assessor cancels or corrects
34 an assessment, the assessor shall send a notice to the taxpayer in
35 accordance with RCW 84.40.045, advising the taxpayer that the action
36 has been taken and notifying the taxpayer of the right to appeal the
37 cancellation or correction to the county board of equalization, in
38 accordance with RCW 84.40.038. When the county assessor or treasurer

1 cancels or corrects an assessment, a record of such action shall be
2 prepared, setting forth therein the facts relating to the error. The
3 record shall also set forth by legal description all property belonging
4 exclusively to the state, any county, or any municipal corporation
5 whose property is exempt from taxation, upon which there remains,
6 according to the tax roll, any unpaid taxes. No manifest error
7 cancellation or correction, including a cancellation or correction made
8 due to a definitive change of land use designation, shall be made for
9 any period more than three years preceding the year in which the error
10 is discovered.

11 (2)(a) In the case of a definitive change of land use designation,
12 an assessor shall make corrections that involve a revaluation of
13 property to the assessment roll when:

14 (i) The assessor and taxpayer have signed an agreement as to the
15 true and fair value of the taxpayer's property setting forth in the
16 agreement the valuation information upon which the agreement is based;
17 and

18 (ii) The assessment roll has previously been certified in
19 accordance with RCW 84.40.320.

20 (b) In all other cases, an assessor shall make corrections that
21 involve a revaluation of property to the assessment roll when:

22 (i) The assessor and taxpayer have signed an agreement as to the
23 true and fair value of the taxpayer's property setting forth in the
24 agreement the valuation information upon which the agreement is based;
25 and

26 (ii) The following conditions are met:

27 (A) The assessment roll has previously been certified in accordance
28 with RCW 84.40.320;

29 (B) The taxpayer has timely filed a petition with the county board
30 of equalization pursuant to RCW 84.40.038 for the current assessment
31 year;

32 (C) The county board of equalization has not yet held a hearing on
33 the merits of the taxpayer's petition.

34 (3) The assessor shall issue a supplementary roll or rolls
35 including such cancellations and corrections, and the assessment and
36 levy shall have the same force and effect as if made in the first
37 instance, and the county treasurer shall proceed to collect the taxes
38 due on the rolls as modified.

1 **Sec. 111.** RCW 84.48.075 and 1988 c 222 s 23 are each amended to
2 read as follows:

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

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

17 (3) The department shall review each county's preliminary ratio
18 with the assessor, a landowner, or an owner of an intercounty public
19 utility or private car company of that county, if requested by the
20 assessor, a landowner, or an owner of an intercounty public utility or
21 private car company of that county, respectively, between the first and
22 third Mondays of September. Prior to equalization of assessments
23 pursuant to RCW 84.48.080 and after the third Monday of September, the
24 department shall certify to each county assessor the real and personal
25 property ratio for that county.

26 (4) The department of revenue shall also examine procedures used by
27 the assessor to assess real and personal property in the county,
28 including calculations, use of prescribed value schedules, and efforts
29 to locate all taxable property in the county. If any examination by
30 the department discloses other than market value is being listed as as
31 appraised value on the county assessment rolls of the county by the
32 assessor and, after due notification by the department, is not
33 corrected, the department of revenue shall, in accordance with rules
34 adopted by the department, adjust the ratio of that type of property,
35 which adjustment shall be used for determining the county's indicated
36 ratio.

37 **Sec. 112.** RCW 84.48.080 and 1995 2nd sp.s. c 13 s 3 are each
38 amended to read as follows:

1 (1) Annually during the months of September and October, the
2 department of revenue shall examine and compare the returns of the
3 assessment of the property in the several counties of the state, and
4 the assessment of the property of railroad and other companies assessed
5 by the department, and proceed to equalize the same, so that each
6 county in the state shall pay its due and just proportion of the taxes
7 for state purposes for such assessment year, according to the ratio the
8 assessed valuation of the property in each county bears to the correct
9 total assessed valuation of all property in the state.

10 First. The department shall classify all property, real and
11 personal, and shall raise and lower the assessed valuation of any class
12 of property in any county to a value that shall be equal, so far as
13 possible, to the (~~true and fair~~) correct assessed value of such class
14 as of January 1st of the current year, after determining the correct
15 appraised value, and any adjustment applicable under section 105 of
16 this act for the property, for the purpose of ascertaining the just
17 amount of tax due from each county for state purposes. In equalizing
18 personal property as of January 1st of the current year, the department
19 shall use the assessment level of the preceding year. Such
20 classification may be on the basis of types of property, geographical
21 areas, or both. For purposes of this section, for each county that has
22 not provided the department with an assessment return by December 1st,
23 the department shall proceed, using facts and information and in a
24 manner it deems appropriate, to estimate the value of each class of
25 property in the county.

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

28 (2) The department shall levy the state taxes authorized by law.
29 The amount levied in any one year for general state purposes shall not
30 exceed the lawful dollar rate on the dollar of the assessed value of
31 the property of the entire state(~~(, which assessed value shall be one~~
32 ~~hundred percent of the true and fair value of such property in money))~~
33 as equalized under this section. The department shall apportion the
34 amount of tax for state purposes levied by the department, among the
35 several counties, in proportion to the assessed valuation of the
36 taxable property of the county for the year as equalized by the
37 department: PROVIDED, That for purposes of this apportionment, the
38 department shall recompute the previous year's levy and the
39 apportionment thereof to correct for changes and errors in taxable

1 values reported to the department after October 1 of the preceding year
2 and shall adjust the apportioned amount of the current year's state
3 levy for each county by the difference between the apportioned amounts
4 established by the original and revised levy computations for the
5 previous year. For purposes of this section, changes in taxable values
6 mean a final adjustment made by a county board of equalization, the
7 state board of tax appeals, or a court of competent jurisdiction and
8 shall include additions of omitted property, other additions or
9 deletions from the assessment or tax rolls, any assessment return
10 provided by a county to the department subsequent to December 1st, or
11 a change in the indicated ratio of a county. Errors in taxable values
12 mean errors corrected by a final reviewing body.

13 In addition to computing a levy under this subsection that is
14 reduced under RCW 84.55.012, the department shall compute a
15 hypothetical levy without regard to the reduction under RCW 84.55.012.
16 This hypothetical levy shall also be apportioned among the several
17 counties in proportion to the valuation of the taxable property of the
18 county for the year, as equalized by the department, in the same manner
19 as the actual levy and shall be used by the county assessors for the
20 purpose of recomputing and establishing a consolidated levy under RCW
21 84.52.010.

22 (3) The department shall have authority to adopt rules and
23 regulations to enforce obedience to its orders in all matters in
24 relation to the returns of county assessments, the equalization of
25 values, and the apportionment of the state levy by the department.

26 (4) After the completion of the duties prescribed in this section,
27 the director of the department shall certify the record of the
28 proceedings of the department under this section, the tax levies made
29 for state purposes and the apportionment thereof among the counties,
30 and the certification shall be available for public inspection.

31 **Sec. 113.** RCW 84.12.270 and 1994 c 301 s 20 are each amended to
32 read as follows:

33 The department of revenue shall annually make an assessment of the
34 operating property of all companies; and between the fifteenth day of
35 March and the first day of July of each of said years shall prepare an
36 assessment roll upon which it shall enter (~~and assess~~) the (~~true and~~
37 ~~fair~~) assessed value of all the operating property of each of such
38 companies as of the first day of January of the year in which the

1 assessment is made. For the purpose of determining the (~~true and~~
2 ~~fair~~) assessed value of such property the department of revenue may
3 inspect the property belonging to said companies and may take into
4 consideration any information or knowledge obtained by it from such
5 examination and inspection of such property, or of the books, records
6 and accounts of such companies, the statements filed as required by
7 this chapter, the reports, statements or returns of such companies
8 filed in the office of any board, office or commission of this state or
9 any county thereof, the earnings and earning power of such companies,
10 the franchises owned or used by such companies, the assessed valuation
11 of any and all property of such companies, whether operating or
12 nonoperating property, and whether situated within or outside the
13 state, and any other facts, evidence or information that may be
14 obtainable bearing upon the value of the operating property: PROVIDED,
15 That in no event shall any statement or report required from any
16 company by this chapter be conclusive upon the department of revenue
17 in determining the amount, character and (~~true and fair~~) assessed
18 value of the operating property of such company.

19 **Sec. 114.** RCW 84.12.280 and 1987 c 153 s 2 are each amended to
20 read as follows:

21 (1) In making the assessment of the operating property of any
22 railroad or logging railroad company and in the apportionment of the
23 values and the taxation thereof, all land occupied and claimed
24 exclusively as the right-of-way for railroads, with all the tracks and
25 substructures and superstructures which support the same, together with
26 all side tracks, second tracks, turn-outs, station houses, depots,
27 round houses, machine shops, or other buildings belonging to the
28 company, used in the operation thereof, without separating the same
29 into land and improvements, shall be assessed as real property. And
30 the rolling stock and other movable property belonging to any railroad
31 or logging railroad company shall be considered as personal property
32 and taxed as such: PROVIDED, That all of the operating property of
33 street railway companies shall be assessed and taxed as personal
34 property.

35 (2) All of the operating property of airplane companies, telegraph
36 companies, pipe line companies, water companies and toll bridge
37 companies; the floating equipment of steamboat companies, and all of
38 the operating property other than lands and buildings of electric light

1 and power companies, telephone companies, gas companies and heating
2 companies shall be assessed and taxed as personal property.

3 (3) Notwithstanding subsections (1) and (2) of this section, the
4 limit provided under section 105 of this act shall be applied in the
5 assessment of property under this section to the same extent as that
6 limit is generally applied to property not assessed under this chapter.

7 **Sec. 115.** RCW 84.12.310 and 1994 c 301 s 21 are each amended to
8 read as follows:

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

20 **Sec. 116.** RCW 84.12.330 and 1994 c 301 s 22 are each amended to
21 read as follows:

22 Upon the assessment roll shall be placed after the name of each
23 company a general description of the operating property of the company,
24 which shall be considered sufficient if described in the language of
25 (~~subdivision (17) of~~) RCW 84.12.200(13), as applied to (~~said~~) the
26 company, following which shall be entered the (~~true and fair~~)
27 assessed value of the operating property as determined by the
28 department of revenue. No assessment shall be invalidated by reason of
29 a mistake in the name of the company assessed, or the omission of the
30 name of the owner or by the entry as owner of a name other than that of
31 the true owner. When the department of revenue shall have prepared the
32 assessment roll and entered thereon the (~~true and fair~~) assessed
33 value of the operating property of the company, as herein required, it
34 shall notify the company by mail of the valuation determined by it and
35 entered upon (~~said~~) the roll.

1 **Sec. 117.** RCW 84.12.350 and 1994 c 301 s 23 are each amended to
2 read as follows:

3 Upon determination by the department of revenue of the (~~true and~~
4 ~~fair~~) assessed value of the property appearing on such rolls it shall
5 apportion such value to the respective counties entitled thereto, as
6 hereinafter provided, and shall determine the equalized assessed
7 valuation of such property in each such county and in the several
8 taxing districts therein, by applying to such actual apportioned value
9 the same ratio as the ratio of assessed to (~~actual~~) the correct
10 assessed value of the general property in such county: PROVIDED, That,
11 whenever the amount of the true and correct assessed value of the
12 operating property of any company otherwise apportionable to any county
13 or other taxing district shall be less than two hundred fifty dollars,
14 such amount need not be apportioned to such county or taxing district
15 but may be added to the amount apportioned to an adjacent county or
16 taxing district.

17 **Sec. 118.** RCW 84.12.360 and 1994 c 301 s 24 are each amended to
18 read as follows:

19 The (~~true and fair~~) value of the operating property assessed to
20 a company, as fixed and determined by the department of revenue, shall
21 be apportioned by the department of revenue to the respective counties
22 and to the taxing districts thereof wherein such property is located in
23 the following manner:

24 (1) Property of all railroad companies other than street railroad
25 companies, telegraph companies and pipe line companies«upon the basis
26 of that proportion of the value of the total operating property within
27 the state which the mileage of track, as classified by the department
28 of revenue (in case of railroads), mileage of wire (in the case of
29 telegraph companies), and mileage of pipe line (in the case of pipe
30 line companies) within each county or taxing district bears to the
31 total mileage thereof within the state, at the end of the calendar year
32 last past. For the purpose of such apportionment the department may
33 classify railroad track.

34 (2) Property of street railroad companies, telephone companies,
35 electric light and power companies, gas companies, water companies,
36 heating companies and toll bridge companies«upon the basis of relative
37 value of the operating property within each county and taxing district
38 to the value of the total operating property within the state to be

1 determined by such factors as the department of revenue shall deem
2 proper.

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

8 All other property of airplane companies and steamboat companies upon
9 the basis set forth in subsection (2) of this section.

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

17 **Sec. 119.** RCW 84.16.040 and 1994 c 301 s 26 are each amended to
18 read as follows:

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

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

4 **Sec. 120.** RCW 84.16.050 and 1994 c 301 s 27 are each amended to
5 read as follows:

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

24 **Sec. 121.** RCW 84.16.090 and 1994 c 301 s 28 are each amended to
25 read as follows:

26 Upon the assessment roll shall be placed after the name of each
27 company a general description of the operating property of the company,
28 which shall be considered sufficient if described in the language of
29 (~~subsection (3) of~~) RCW 84.16.010(3) or otherwise, following which
30 shall be entered the (~~true and fair~~) assessed value of the operating
31 property as determined by the department of revenue. No assessment
32 shall be invalid by a mistake in the name of the company assessed, by
33 omission of the name of the owner or by the entry of a name other than
34 that of the true owner. When the department of revenue shall have
35 prepared the assessment roll and entered thereon the (~~true and fair~~)
36 assessed value of the operating property of the company, as (~~herein~~)
37 required, it shall notify the company by mail of the valuation

1 determined by it and entered upon (~~said~~) the roll; and thereupon such
2 assessed valuation shall become the (~~true and fair~~) assessed value of
3 the operating property of the company, subject to revision or
4 correction by the department of revenue as hereinafter provided; and
5 shall be the valuation upon which, after equalization by the department
6 of revenue as hereinafter provided, the taxes of such company shall be
7 based and computed.

8 **Sec. 122.** RCW 84.16.110 and 1994 c 301 s 29 are each amended to
9 read as follows:

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

23 **Sec. 123.** RCW 84.16.120 and 1994 c 301 s 30 are each amended to
24 read as follows:

25 The (~~true and fair~~) assessed value of the property of each
26 company as fixed and determined by the department of revenue as herein
27 provided shall be apportioned to the respective counties in the
28 following manner:

29 (1) If all the operating property of the company is situated
30 entirely within a county and none of such property is located within,
31 extends into, or through or is operated into or through any other
32 county, the entire value thereof shall be apportioned to the county
33 within which such property is (~~situate [situated]~~) situated, located,
34 and operated.

35 (2) If the operating property of any company is situated or located
36 within, extends into or is operated into or through more than one
37 county, the value thereof shall be apportioned to the respective

1 counties into or through which its cars are operated in the proportion
2 that the length of main line track of the respective railroads moving
3 such cars in such counties bears to the total length of main line track
4 of such respective railroads in this state.

5 (3) If the property of any company is of such character that it
6 will not be reasonable, feasible or fair to apportion the value as
7 hereinabove provided, the value thereof shall be apportioned between
8 the respective counties into or through which such property extends or
9 is operated or in which the same is located in such manner as may be
10 reasonable, feasible and fair.

11 **Sec. 124.** RCW 84.36.041 and 1993 c 151 s 1 are each amended to
12 read as follows:

13 (1) All real and personal property used by a nonprofit home for the
14 aging that is reasonably necessary for the purposes of the home is
15 exempt from taxation if the benefit of the exemption inures to the home
16 and:

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

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

23 (2) All real and personal property used by a nonprofit home for the
24 aging that is reasonably necessary for the purposes of the home is
25 exempt from taxation if the benefit of the exemption inures to the home
26 and the construction, rehabilitation, acquisition, or refinancing of
27 the home is financed under a program using bonds exempt from federal
28 income tax if at least seventy-five percent of the total amount
29 financed uses the tax exempt bonds and the financing program requires
30 the home to reserve a percentage of all dwelling units so financed for
31 low-income residents. The initial term of the exemption under this
32 subsection shall equal the term of the tax exempt bond used in
33 connection with the financing program, or the term of the requirement
34 to reserve dwelling units for low-income residents, whichever is
35 shorter. If the financing program involves less than the entire home,
36 only those dwelling units included in the financing program are
37 eligible for total exemption. The department of revenue shall provide

1 by rule the requirements for monitoring compliance with the provisions
2 of this subsection and the requirements for exemption including:

3 (a) The number or percentage of dwelling units required to be
4 occupied by low-income residents, and a definition of low income;

5 (b) The type and character of the dwelling units, whether
6 independent units or otherwise; and

7 (c) Any particular requirements for continuing care retirement
8 communities.

9 (3) A home for the aging is eligible for a partial exemption on the
10 real property and a total exemption for the home's personal property if
11 the home does not meet the requirements of subsection (1) of this
12 section because fewer than fifty percent of the occupied dwelling units
13 are occupied by eligible residents, as follows:

14 (a) A partial exemption shall be allowed for each dwelling unit in
15 a home occupied by a resident requiring assistance with activities of
16 daily living.

17 (b) A partial exemption shall be allowed for each dwelling unit in
18 a home occupied by an eligible resident.

19 (c) A partial exemption shall be allowed for an area jointly used
20 by a home for the aging and by a nonprofit organization, association,
21 or corporation currently exempt from property taxation under one of the
22 other provisions of this chapter. The shared area must be reasonably
23 necessary for the purposes of the nonprofit organization, association,
24 or corporation exempt from property taxation under one of the other
25 provisions of this chapter, such as kitchen, dining, and laundry areas.

26 (d) The amount of exemption shall be calculated by multiplying the
27 assessed value of the property reasonably necessary for the purposes of
28 the home, less the assessed value of any area exempt under (c) of this
29 subsection, by a fraction. The numerator of the fraction is the number
30 of dwelling units occupied by eligible residents and by residents
31 requiring assistance with activities of daily living. The denominator
32 of the fraction is the total number of occupied dwelling units as of
33 January 1st of the year for which exemption is claimed.

34 (4) To be exempt under this section, the property must be used
35 exclusively for the purposes for which the exemption is granted, except
36 as provided in RCW 84.36.805.

37 (5) A home for the aging is exempt from taxation only if the
38 organization operating the home is exempt from income tax under section
39 501(c) of the federal internal revenue code as existing on January 1,

1 1989, or such subsequent date as the director may provide by rule
2 consistent with the purposes of this section.

3 (6) In order for the home to be eligible for exemption under
4 subsections (1)(a) and (2)(b) of this section, each eligible resident
5 of a home for the aging shall submit an income verification form to the
6 county assessor by July 1st of the assessment year in which the
7 application for exemption is made. The income verification form shall
8 be prescribed and furnished by the department of revenue. An eligible
9 resident who has filed a form for a previous year need not file a new
10 form until there is a change in status affecting the person's
11 eligibility.

12 (7) In determining the (~~true and fair~~) assessed value of a home
13 for the aging for purposes of the partial exemption provided by
14 subsection (3) of this section, the assessor shall apply the
15 computation method provided by RCW 84.34.060 and shall consider only
16 the use to which such property is applied during the years for which
17 such partial exemptions are available and shall not consider potential
18 uses of such property.

19 (8) A home for the aging that was exempt or partially exempt for
20 taxes levied in 1993 for collection in 1994 is partially exempt for
21 taxes levied in 1994 for collection in 1995, has an increase in taxable
22 value for taxes levied in 1994 for collection in 1995 due to the change
23 prescribed by chapter 151, Laws of 1993 with respect to the numerator
24 of the fraction used to determine the amount of a partial exemption,
25 and is not fully exempt under this section is entitled to partial
26 exemptions as follows:

27 (a) For taxes levied in 1994 for collection in 1995, the home shall
28 pay taxes based upon the taxable value in 1993 plus one-third of the
29 increase in the taxable value from 1993 to the nonexempt value
30 calculated under subsection (3)(d) of this section for 1994.

31 (b) For taxes levied in 1995 for collection in 1996, the home shall
32 pay taxes based upon the taxable value for 1994 as calculated in (a) of
33 this subsection plus one-half of the increase in the taxable value from
34 1994 to the nonexempt value calculated under subsection (3)(d) of this
35 section for 1995. For taxes levied in 1996 for collection in 1997 and
36 for taxes levied thereafter, this subsection (8) does not apply, and
37 the home shall pay taxes without reference to this subsection (8).

1 (c) For purposes of this subsection (8), "taxable value" means the
2 value of the home upon which the tax rate is applied in order to
3 determine the amount of taxes due.

4 (9) As used in this section:

5 (a) "Eligible resident" means a person who:

6 (i) Occupied the dwelling unit as a principal place of residence as
7 of January 1st of the year for which the exemption is claimed.
8 Confinement of the person to a hospital or nursing home does not
9 disqualify the claim of exemption if the dwelling unit is temporarily
10 unoccupied or if the dwelling unit is occupied by a spouse, a person
11 financially dependent on the claimant for support, or both; and

12 (ii) Is sixty-one years of age or older on December 31st of the
13 year in which the exemption claim is filed, or is, at the time of
14 filing, retired from regular gainful employment by reason of physical
15 disability. Any surviving spouse of a person who was receiving an
16 exemption at the time of the person's death shall qualify if the
17 surviving spouse is fifty-seven years of age or older and otherwise
18 meets the requirements of this subsection; and

19 (iii) Has a combined disposable income of no more than the greater
20 of twenty-two thousand dollars or eighty percent of the median income
21 adjusted for family size as most recently determined by the federal
22 department of housing and urban development for the county in which the
23 person resides. For the purposes of determining eligibility under this
24 section, a "cotenant" means a person who resides with an eligible
25 resident and who shares personal financial resources with the eligible
26 resident.

27 (b) "Combined disposable income" means the disposable income of the
28 person submitting the income verification form, plus the disposable
29 income of his or her spouse, and the disposable income of each cotenant
30 occupying the dwelling unit for the preceding calendar year, less
31 amounts paid by the person submitting the income verification form or
32 his or her spouse or cotenant during the previous year for the
33 treatment or care of either person received in the dwelling unit or in
34 a nursing home. If the person submitting the income verification form
35 was retired for two months or more of the preceding year, the combined
36 disposable income of such person shall be calculated by multiplying the
37 average monthly combined disposable income of such person during the
38 months such person was retired by twelve. If the income of the person
39 submitting the income verification form is reduced for two or more

1 months of the preceding year by reason of the death of the person's
2 spouse, the combined disposable income of such person shall be
3 calculated by multiplying the average monthly combined disposable
4 income of such person after the death of the spouse by twelve.

5 (c) "Disposable income" means adjusted gross income as defined in
6 the federal internal revenue code, as amended prior to January 1, 1989,
7 or such subsequent date as the director may provide by rule consistent
8 with the purpose of this section, plus all of the following items to
9 the extent they are not included in or have been deducted from adjusted
10 gross income:

11 (i) Capital gains, other than nonrecognized gain on the sale of a
12 principal residence under section 1034 of the federal internal revenue
13 code, or gain excluded from income under section 121 of the federal
14 internal revenue code to the extent it is reinvested in a new principal
15 residence;

16 (ii) Amounts deducted for loss;

17 (iii) Amounts deducted for depreciation;

18 (iv) Pension and annuity receipts;

19 (v) Military pay and benefits other than attendant-care and
20 medical-aid payments;

21 (vi) Veterans benefits other than attendant-care and medical-aid
22 payments;

23 (vii) Federal social security act and railroad retirement benefits;

24 (viii) Dividend receipts; and

25 (ix) Interest received on state and municipal bonds.

26 (d) "Resident requiring assistance with activities of daily living"
27 means a person who requires significant assistance with the activities
28 of daily living and who would be at risk of nursing home placement
29 without this assistance.

30 (e) "Home for the aging" means a residential housing facility that
31 (i) provides a housing arrangement chosen voluntarily by the resident,
32 the resident's guardian or conservator, or another responsible person;
33 (ii) has only residents who are at least sixty-one years of age or who
34 have needs for care generally compatible with persons who are at least
35 sixty-one years of age; and (iii) provides varying levels of care and
36 supervision, as agreed to at the time of admission or as determined
37 necessary at subsequent times of reappraisal.

38 (10) A for-profit home for the aging that converts to nonprofit
39 status after June 11, 1992, and would otherwise be eligible for tax

1 exemption under this section may not receive the tax exemption until
2 five years have elapsed since the conversion. The exemption shall then
3 be ratably granted over the next five years.

4 **Sec. 125.** RCW 84.52.063 and 1973 1st ex.s. c 195 s 105 are each
5 amended to read as follows:

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

25 **Sec. 126.** RCW 84.70.010 and 1994 c 301 s 56 are each amended to
26 read as follows:

27 (1) If, on or before December 31 in any calendar year, any real or
28 personal property placed upon the assessment roll of that year is
29 destroyed in whole or in part, or is in an area that has been declared
30 a disaster area by the governor and has been reduced in value by more
31 than twenty percent as a result of a natural disaster, the (~~((true and~~
32 ~~fair))~~) assessed value of such property shall be reduced for that year
33 by an amount determined as follows:

34 (a) First take the (~~((true and fair))~~) assessed value of such taxable
35 property before destruction or reduction in value and deduct therefrom
36 the true and fair value of the remaining property after destruction or
37 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 and fair~~) assessed value shall be
6 made more than three years after the date of destruction or reduction
7 in 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 1st of
18 the year of reduction, whichever is later. The board shall reconvene,
19 if necessary, to hear the appeal.

20 **PART II**
21 **106 PERCENT LIMIT**

22 **Sec. 201.** RCW 84.55.005 and 1994 c 301 s 49 are each amended to
23 read as follows:

24 As used in this chapter(~~, the term~~):

25 (1) "Inflation" means the percentage change in the implicit price
26 deflator for personal consumption expenditures for the United States as
27 published for the most recent twelve-month period by the bureau of
28 economic analysis of the federal department of commerce in September of
29 the year before the taxes are payable;

30 (2) "Limit factor" means:

31 (a) For taxing districts with a population of less than ten
32 thousand in the calendar year prior to the assessment year, one hundred
33 six percent;

34 (b) For taxing districts for which a limit factor is authorized
35 under section 204 of this act, the lesser of the limit factor
36 authorized under that section or one hundred six percent;

1 (c) For all other districts, the lesser of one hundred six percent
2 or one hundred percent plus inflation; and

3 (3) "Regular property taxes" has the meaning given it in RCW
4 84.04.140, and also includes amounts received in lieu of regular
5 property taxes.

6 **Sec. 202.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended
7 to read as follows:

8 Except as provided in this chapter, the levy for a taxing district
9 in any year shall be set so that the regular property taxes payable in
10 the following year shall not exceed ((one hundred six percent of)) the
11 limit factor multiplied by the amount of regular property taxes
12 lawfully levied for such district in the highest of the three most
13 recent years in which such taxes were levied for such district plus an
14 additional dollar amount calculated by multiplying the increase in
15 assessed value in that district resulting from new construction,
16 improvements to property, and any increase in the assessed value of
17 state-assessed property by the regular property tax levy rate of that
18 district for the preceding year.

19 **Sec. 203.** RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended
20 to read as follows:

21 Notwithstanding the limitation set forth in RCW 84.55.010, the
22 first levy for a taxing district created from consolidation of similar
23 taxing districts shall be set so that the regular property taxes
24 payable in the following year shall not exceed ((one hundred six
25 percent of)) the limit factor multiplied by the sum of the amount of
26 regular property taxes lawfully levied for each component taxing
27 district in the highest of the three most recent years in which such
28 taxes were levied for such district plus the additional dollar amount
29 calculated by multiplying the increase in assessed value in each
30 component district resulting from new construction and improvements to
31 property by the regular property tax rate of each component district
32 for the preceding year.

33 NEW SECTION. **Sec. 204.** A new section is added to chapter 84.55
34 RCW to read as follows:

35 Upon a finding of substantial need, the legislative authority of a
36 taxing district other than the state may provide for the use of a limit

1 factor under this chapter of one hundred six percent or less. In
2 districts with legislative authorities of four members or less, two-
3 thirds of the members must approve an ordinance or resolution under
4 this section. In districts with more than four members, a majority
5 plus one vote must approve an ordinance or resolution under this
6 section. The new limit factor shall be effective for taxes collected
7 in the following year only.

8 **Sec. 205.** RCW 35.61.210 and 1990 c 234 s 3 are each amended to
9 read as follows:

10 The board of park commissioners may levy or cause to be levied a
11 general tax on all the property located in said park district each year
12 not to exceed fifty cents per thousand dollars of assessed value of the
13 property in such park district. In addition, the board of park
14 commissioners may levy or cause to be levied a general tax on all
15 property located in said park district each year not to exceed twenty-
16 five cents per thousand dollars of assessed valuation. Although park
17 districts are authorized to impose two separate regular property tax
18 levies, the levies shall be considered to be a single levy for purposes
19 of the ((one hundred six percent)) limitation provided for in chapter
20 84.55 RCW.

21 The board is hereby authorized to levy a general tax in excess of
22 its regular property tax levy or levies when authorized so to do at a
23 special election conducted in accordance with and subject to all the
24 requirements of the Constitution and laws of the state now in force or
25 hereafter enacted governing the limitation of tax levies. The board is
26 hereby authorized to call a special election for the purpose of
27 submitting to the qualified voters of the park district a proposition
28 to levy a tax in excess of the seventy-five cents per thousand dollars
29 of assessed value herein specifically authorized. The manner of
30 submitting any such proposition, of certifying the same, and of giving
31 or publishing notice thereof, shall be as provided by law for the
32 submission of propositions by cities or towns.

33 The board shall include in its general tax levy for each year a
34 sufficient sum to pay the interest on all outstanding bonds and may
35 include a sufficient amount to create a sinking fund for the redemption
36 of all outstanding bonds. The levy shall be certified to the proper
37 county officials for collection the same as other general taxes and
38 when collected, the general tax shall be placed in a separate fund in

1 the office of the county treasurer to be known as the "metropolitan
2 park district fund" and paid out on warrants.

3 **Sec. 206.** RCW 70.44.060 and 1990 c 234 s 2 are each amended to
4 read as follows:

5 All public hospital districts organized under the provisions of
6 this chapter shall have power:

7 (1) To make a survey of existing hospital and other health care
8 facilities within and without such district.

9 (2) To construct, condemn and purchase, purchase, acquire, lease,
10 add to, maintain, operate, develop and regulate, sell and convey all
11 lands, property, property rights, equipment, hospital and other health
12 care facilities and systems for the maintenance of hospitals,
13 buildings, structures, and any and all other facilities, and to
14 exercise the right of eminent domain to effectuate the foregoing
15 purposes or for the acquisition and damaging of the same or property of
16 any kind appurtenant thereto, and such right of eminent domain shall be
17 exercised and instituted pursuant to a resolution of the commission and
18 conducted in the same manner and by the same procedure as in or may be
19 provided by law for the exercise of the power of eminent domain by
20 incorporated cities and towns of the state of Washington in the
21 acquisition of property rights: PROVIDED, That no public hospital
22 district shall have the right of eminent domain and the power of
23 condemnation against any health care facility.

24 (3) To lease existing hospital and other health care facilities and
25 equipment and/or other property used in connection therewith, including
26 ambulances, and to pay such rental therefor as the commissioners shall
27 deem proper; to provide hospital and other health care services for
28 residents of said district by facilities located outside the boundaries
29 of said district, by contract or in any other manner said commissioners
30 may deem expedient or necessary under the existing conditions; and said
31 hospital district shall have the power to contract with other
32 communities, corporations, or individuals for the services provided by
33 said hospital district; and they may further receive in said hospitals
34 and other health care facilities and furnish proper and adequate
35 services to all persons not residents of said district at such
36 reasonable and fair compensation as may be considered proper:
37 PROVIDED, That it must at all times make adequate provision for the
38 needs of the district and residents of said district shall have prior

1 rights to the available hospital and other health care facilities of
2 said district, at rates set by the district commissioners.

3 (4) For the purpose aforesaid, it shall be lawful for any district
4 so organized to take, condemn and purchase, lease, or acquire, any and
5 all property, and property rights, including state and county lands,
6 for any of the purposes aforesaid, and any and all other facilities
7 necessary or convenient, and in connection with the construction,
8 maintenance, and operation of any such hospitals and other health care
9 facilities, subject, however, to the applicable limitations provided in
10 subsection (2) of this section.

11 (5) To contract indebtedness or borrow money for corporate purposes
12 on the credit of the corporation or the revenues of the hospitals
13 thereof, and the revenues of any other facilities or services that the
14 district is or hereafter may be authorized by law to provide, and to
15 issue and sell: (a) Revenue bonds, revenue warrants, or other revenue
16 obligations therefor payable solely out of a special fund or funds into
17 which the district may pledge such amount of the revenues of the
18 hospitals thereof, and the revenues of any other facilities or services
19 that the district is or hereafter may be authorized by law to provide,
20 to pay the same as the commissioners of the district may determine,
21 such revenue bonds, warrants, or other obligations to be issued and
22 sold in the same manner and subject to the same provisions as provided
23 for the issuance of revenue bonds, warrants, or other obligations by
24 cities or towns under the Municipal Revenue Bond Act, chapter 35.41
25 RCW, as may hereafter be amended; (b) general obligation bonds therefor
26 in the manner and form as provided in RCW 70.44.110 and 70.44.130, as
27 may hereafter be amended; or (c) interest-bearing warrants to be drawn
28 on a fund pending deposit in such fund of money sufficient to redeem
29 such warrants and to be issued and paid in such manner and upon such
30 terms and conditions as the board of commissioners may deem to be in
31 the best interest of the district; and to assign or sell hospital
32 accounts receivable, and accounts receivable for the use of other
33 facilities or services that the district is or hereafter may be
34 authorized by law to provide, for collection with or without recourse.
35 General obligation bonds shall be issued and sold in accordance with
36 chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue
37 obligations may be issued and sold in accordance with chapter 39.46
38 RCW.

1 (6) To raise revenue by the levy of an annual tax on all taxable
2 property within such public hospital district not to exceed fifty cents
3 per thousand dollars of assessed value, and an additional annual tax on
4 all taxable property within such public hospital district not to exceed
5 twenty-five cents per thousand dollars of assessed value, or such
6 further amount as has been or shall be authorized by a vote of the
7 people. Although public hospital districts are authorized to impose
8 two separate regular property tax levies, the levies shall be
9 considered to be a single levy for purposes of the (~~one hundred six~~
10 ~~percent~~)) limitation provided for in chapter 84.55 RCW. Public
11 hospital districts are authorized to levy such a general tax in excess
12 of their regular property taxes when authorized so to do at a special
13 election conducted in accordance with and subject to all of the
14 requirements of the Constitution and the laws of the state of
15 Washington now in force or hereafter enacted governing the limitation
16 of tax levies. The said board of district commissioners is authorized
17 and empowered to call a special election for the purpose of submitting
18 to the qualified voters of the hospital district a proposition or
19 propositions to levy taxes in excess of its regular property taxes.
20 The superintendent shall prepare a proposed budget of the contemplated
21 financial transactions for the ensuing year and file the same in the
22 records of the commission on or before the first Monday in September.
23 Notice of the filing of said proposed budget and the date and place of
24 hearing on the same shall be published for at least two consecutive
25 weeks in a newspaper printed and of general circulation in said county.
26 On the first Monday in October the commission shall hold a public
27 hearing on said proposed budget at which any taxpayer may appear and be
28 heard against the whole or any part of the proposed budget. Upon the
29 conclusion of said hearing, the commission shall, by resolution, adopt
30 the budget as finally determined and fix the final amount of
31 expenditures for the ensuing year. Taxes levied by the commission
32 shall be certified to and collected by the proper county officer of the
33 county in which such public hospital district is located in the same
34 manner as is or may be provided by law for the certification and
35 collection of port district taxes. The commission is authorized, prior
36 to the receipt of taxes raised by levy, to borrow money or issue
37 warrants of the district in anticipation of the revenue to be derived
38 by such district from the levy of taxes for the purpose of such
39 district, and such warrants shall be redeemed from the first money

1 available from such taxes when collected, and such warrants shall not
2 exceed the anticipated revenues of one year, and shall bear interest at
3 a rate or rates as authorized by the commission.

4 (7) To enter into any contract with the United States government or
5 any state, municipality, or other hospital district, or any department
6 of those governing bodies, for carrying out any of the powers
7 authorized by this chapter.

8 (8) To sue and be sued in any court of competent jurisdiction:
9 PROVIDED, That all suits against the public hospital district shall be
10 brought in the county in which the public hospital district is located.

11 (9) To pay actual necessary travel expenses and living expenses
12 incurred while in travel status for (a) qualified physicians who are
13 candidates for medical staff positions, and (b) other qualified persons
14 who are candidates for superintendent or other managerial and technical
15 positions, when the district finds that hospitals or other health care
16 facilities owned and operated by it are not adequately staffed and
17 determines that personal interviews with said candidates to be held in
18 the district are necessary or desirable for the adequate staffing of
19 said facilities.

20 (10) To make contracts, employ superintendents, attorneys, and
21 other technical or professional assistants and all other employees; to
22 make contracts with private or public institutions for employee
23 retirement programs; to print and publish information or literature;
24 and to do all other things necessary to carry out the provisions of
25 this chapter.

26 **Sec. 207.** RCW 84.08.115 and 1991 c 218 s 2 are each amended to
27 read as follows:

28 (1) The department shall prepare a clear and succinct explanation
29 of the property tax system, including but not limited to:

30 (a) The standard of true and fair value as the basis of the
31 property tax.

32 (b) How the assessed value for particular parcels is determined.

33 (c) The procedures and timing of the assessment process.

34 (d) How district levy rates are determined, including the ((~~one~~
35 ~~hundred six percent~~)) limit under chapter 84.55 RCW.

36 (e) How the composite tax rate is determined.

37 (f) How the amount of tax is calculated.

1 (g) How a taxpayer may appeal an assessment, and what issues are
2 appropriate as a basis of appeal.

3 (h) A summary of tax exemption and relief programs, along with the
4 eligibility standards and application processes.

5 (2) Each county assessor shall provide copies of the explanation to
6 taxpayers on request, free of charge. Each revaluation notice shall
7 include information regarding the availability of the explanation.

8 NEW SECTION. **Sec. 208.** It is the intent of sections 201 through
9 207 of this act to lower the one hundred six percent limit while still
10 allowing taxing districts to raise revenues in excess of the limit if
11 approved by a majority of the voters as provided in RCW 84.55.050.

12 **Sec. 209.** RCW 84.55.120 and 1995 c 251 s 1 are each amended to
13 read as follows:

14 A taxing district, other than the state, that collects regular
15 levies shall hold a public hearing on revenue sources for the
16 district's following year's current expense budget. The hearing must
17 include consideration of possible increases in property tax revenues
18 and shall be held prior to the time the taxing district levies the
19 taxes or makes the request to have the taxes levied. The county
20 legislative authority, or the taxing district's governing body if the
21 district is a city, town, or other type of district, shall hold the
22 hearing. For purposes of this section, "current expense budget" means
23 that budget which is primarily funded by taxes and charges and reflects
24 the provision of ongoing services. It does not mean the capital,
25 enterprise, or special assessment budgets of cities, towns, counties,
26 or special purpose districts.

27 If the taxing district is otherwise required to hold a public
28 hearing on its proposed regular tax levy, a single public hearing may
29 be held on this matter.

30 No increase in property tax revenue, other than that resulting from
31 the addition of new construction and improvements to property and any
32 increase in the value of state-assessed property, may be authorized by
33 a taxing district, other than the state, except by adoption of a
34 separate ordinance or resolution, pursuant to notice, specifically
35 authorizing the increase in terms of both dollars and percentage. The
36 ordinance or resolution may cover a period of up to two years, but the

1 ordinance shall specifically state for each year the dollar increase
2 and percentage change in the levy from the previous year.

3 **PART III**
4 **MISCELLANEOUS**

5 NEW SECTION. **Sec. 301.** (1) Sections 101 through 126 of this act
6 apply to taxes levied for collection in 1999 and thereafter.

7 (2) Sections 201 through 207 of this act apply to taxes levied for
8 collection in 1998 and thereafter.

9 NEW SECTION. **Sec. 302.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 303.** Part headings used in this act are not any
14 part of the law."

15 Correct the title accordingly.

--- END ---