

HB 1277

Bill Analysis

February 6, 1997

Brief Description: Providing for confidentiality of property tax information.

Bill Sponsors: Representatives B. Thomas, Dunshee, Carrell, Thompson, and D. Schmidt.

Staff: Rick Peterson (786-7150)

Background: Generally, information held by a public agency is available for inspection and copying. There are a number of exemptions to the public records laws. Many of these exemptions relate to personal information and proprietary business information.

The county assessor's records related to real property tax valuations are open to public inspection. However, confidential income data obtained by the assessor is not available for inspection.

Owners of personal property subject to property tax are required to provide the county assessor a list of the property. The county assessor may inspect business records and accounts to determine the amount and value of personal property. Generally, the assessor may use this information only for valuing the property and cannot disclose the information except with the permission of the owner. However, the assessor may share this information with the Department of Revenue for the purpose of determining sales or use tax liability. The information may be used in a court action related to penalties for failure to provide a list of personal property or providing a false list, a court action regarding the value of the property, or a court action related to sales or use taxes on the property. Violation of the disclosure rules is a gross misdemeanor.

The Department of Revenue is responsible for establishing values for multicounty utilities such as railroad companies, light and power companies, airline companies, gas companies and others. These companies are required to file reports containing proprietary business information. The Department of Revenue uses this information to determine the value of the company's real and personal property. The Department may also inspect the company's books, accounts and other records.

A property tax exemption is available for emergency or transitional housing for low income homeless persons. Low income means income below 80 percent of median income. Applications with the Department of Revenue for exemption may contain information on

persons using these facilities.

Summary of Bill: Information about personal property obtained by assessors may be used in administrative proceedings regarding penalties for failure to provide a list of personal property or providing a false list, the value of the property, or sales or use taxes due on the property. The Department of Revenue is made subject to the same penalty as the assessor for violation of the disclosure rules.

Confidential income data and proprietary business information obtained by the Department of Revenue in administering the property tax laws may not be disclosed. Exceptions to this disclosure prohibition are:

1. Disclosure to a county assessor or treasurer;
2. Disclosure in a civil, criminal or administrative proceeding regarding taxes, penalties or valuation;
3. Disclosure with written permission of the taxpayer;
4. Disclosure to a property tax official in a state which provides Washington officials the same privilege;
5. Disclosure of information held by another agency as a public record; and
6. Disclosure to a peace officer or county prosecutor in response to a search warrant, subpoena or court order.

Fiscal Note: Available

Effective Date: Ninety days after adjournment of session in which bill is passed.