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**SUBSTITUTE HOUSE BILL 1277**

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**State of Washington**

**55th Legislature**

**1997 Regular Session**

**By** House Committee on Finance (originally sponsored by Representatives B. Thomas, Dunshee, Carrell, Thompson and D. Schmidt; by request of Department of Revenue)

Read first time 02/28/97.

1 AN ACT Relating to confidentiality of property tax information;  
2 amending RCW 84.40.020 and 84.40.340; reenacting and amending RCW  
3 42.17.310; adding a new section to chapter 84.08 RCW; and prescribing  
4 penalties.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.08 RCW  
7 to read as follows:

8 (1) For purposes of this section, "tax information" means  
9 confidential income data and proprietary business information obtained  
10 by the department in the course of carrying out the duties now or  
11 hereafter imposed upon it in this title and refers to information that  
12 has been communicated in confidence in connection with the assessment  
13 of property, which has not been publicly disseminated by the taxpayer  
14 or made known to more than a limited number of individuals, the  
15 disclosure of which would be either highly offensive to a reasonable  
16 person and not a legitimate concern to the public, or would result in  
17 unfair competitive disadvantage to the taxpayer.

1 (2) Tax information is confidential and privileged, and except as  
2 authorized by this section, neither the department nor any other person  
3 may disclose tax information.

4 (3) Subsection (2) of this section, however, does not prohibit the  
5 department from:

6 (a) Disclosing tax information to any county assessor or county  
7 treasurer;

8 (b) Disclosing tax information in a civil or criminal judicial  
9 proceeding or an administrative proceeding in respect to taxes or  
10 penalties imposed under this title or Title 82 RCW or in respect to  
11 assessment or valuation for tax purposes of the property to which the  
12 information or facts relate;

13 (c) Disclosing tax information with the written permission of the  
14 taxpayer;

15 (d) Disclosing tax information to the proper officer of the tax  
16 department of any state responsible for the imposition or collection of  
17 property taxes, or for the valuation of property for tax purposes, if  
18 the other state grants substantially similar privileges to the proper  
19 officers of this state;

20 (e) Disclosing tax information that is also maintained by another  
21 Washington state or local governmental agency as a public record  
22 available for inspection and copying under chapter 42.17 RCW or is a  
23 document maintained by a court of record not otherwise prohibited from  
24 disclosure; or

25 (f) Disclosing tax information to a peace officer as defined in RCW  
26 9A.04.110 or county prosecutor, for official purposes. The disclosure  
27 may be made only in response to a search warrant, subpoena, or other  
28 court order, unless the disclosure is for the purpose of criminal tax  
29 enforcement. A peace officer or county prosecutor who receives the tax  
30 information may disclose the tax information only for use in the  
31 investigation and a related court proceeding, or in the court  
32 proceeding for which the tax information originally was sought.

33 (4) A violation of this section constitutes a gross misdemeanor.

34 **Sec. 2.** RCW 84.40.020 and 1973 c 69 s 1 are each amended to read  
35 as follows:

36 All real property in this state subject to taxation shall be listed  
37 and assessed every year, with reference to its value on the first day  
38 of January of the year in which it is assessed. Such listing and all

1 supporting documents and records shall be open to public inspection  
2 during the regular office hours of the assessor's office: PROVIDED,  
3 That confidential income data is exempted from public inspection  
4 (~~pursuant to RCW 42.17.310~~). All personal property in this state  
5 subject to taxation shall be listed and assessed every year, with  
6 reference to its value and ownership on the first day of January of the  
7 year in which it is assessed: PROVIDED, That if the stock of goods,  
8 wares, merchandise or material, whether in a raw or finished state or  
9 in process of manufacture, owned or held by any taxpayer on January 1  
10 of any year does not fairly represent the average stock carried by such  
11 taxpayer, such stock shall be listed and assessed upon the basis of the  
12 monthly average of stock owned or held by such taxpayer during the  
13 preceding calendar year or during such portion thereof as the taxpayer  
14 was engaged in business.

15 **Sec. 3.** RCW 84.40.340 and 1973 1st ex.s. c 74 s 1 are each amended  
16 to read as follows:

17 For the purpose of verifying any list, statement, or schedule  
18 required to be furnished to the assessor by any taxpayer, any assessor  
19 or his trained and qualified deputy at any reasonable time may visit,  
20 investigate and examine any personal property, and for this purpose the  
21 records, accounts and inventories also shall be subject to any such  
22 visitation, investigation and examination which shall aid in  
23 determining the amount and valuation of such property. Such powers and  
24 duties may be performed at any office of the taxpayer in this state,  
25 and the taxpayer shall furnish or make available all such information  
26 pertaining to property in this state to the assessor although the  
27 records may be maintained at any office outside this state.

28 Any information or facts obtained pursuant to this section shall be  
29 used by the assessor only for the purpose of determining the assessed  
30 valuation of the taxpayer's property: PROVIDED, That such information  
31 or facts shall also be made available to the department of revenue upon  
32 request for the purpose of determining any sales or use tax liability  
33 with respect to personal property, and except in a (~~court action~~  
34 ~~pertaining~~) civil or criminal judicial proceeding or an administrative  
35 proceeding in respect to penalties imposed pursuant to RCW 84.40.130,  
36 to such sales or use taxes, or to the assessment or valuation for tax  
37 purposes of the property to which such information and facts relate,  
38 shall not be disclosed by the assessor or the department of revenue

1 without the permission of the taxpayer to any person other than public  
2 officers or employees whose duties relate to valuation of property for  
3 tax purposes or to the imposition and collection of sales and use  
4 taxes, and any violation of this secrecy provision shall constitute a  
5 gross misdemeanor.

6 **Sec. 4.** RCW 42.17.310 and 1996 c 305 s 2, 1996 c 253 s 302, 1996  
7 c 191 s 88, and 1996 c 80 s 1 are each reenacted and amended to read as  
8 follows:

9 (1) The following are exempt from public inspection and copying:

10 (a) Personal information in any files maintained for students in  
11 public schools, patients or clients of public institutions or public  
12 health agencies, or welfare recipients.

13 (b) Personal information in files maintained for employees,  
14 appointees, or elected officials of any public agency to the extent  
15 that disclosure would violate their right to privacy.

16 (c) Information (~~required of~~) pertaining to any taxpayer (~~in~~  
17 ~~connection with the assessment or collection of any tax~~) if the  
18 disclosure of the information to other persons would (i) be prohibited  
19 to such persons by section 1 of this act, RCW 82.32.330, 84.40.020, or  
20 84.40.340 or (ii) violate the taxpayer's right to privacy or result in  
21 unfair competitive disadvantage to the taxpayer.

22 (d) Specific intelligence information and specific investigative  
23 records compiled by investigative, law enforcement, and penology  
24 agencies, and state agencies vested with the responsibility to  
25 discipline members of any profession, the nondisclosure of which is  
26 essential to effective law enforcement or for the protection of any  
27 person's right to privacy.

28 (e) Information revealing the identity of persons who are witnesses  
29 to or victims of crime or who file complaints with investigative, law  
30 enforcement, or penology agencies, other than the public disclosure  
31 commission, if disclosure would endanger any person's life, physical  
32 safety, or property. If at the time a complaint is filed the  
33 complainant, victim or witness indicates a desire for disclosure or  
34 nondisclosure, such desire shall govern. However, all complaints filed  
35 with the public disclosure commission about any elected official or  
36 candidate for public office must be made in writing and signed by the  
37 complainant under oath.

1 (f) Test questions, scoring keys, and other examination data used  
2 to administer a license, employment, or academic examination.

3 (g) Except as provided by chapter 8.26 RCW, the contents of real  
4 estate appraisals, made for or by any agency relative to the  
5 acquisition or sale of property, until the project or prospective sale  
6 is abandoned or until such time as all of the property has been  
7 acquired or the property to which the sale appraisal relates is sold,  
8 but in no event shall disclosure be denied for more than three years  
9 after the appraisal.

10 (h) Valuable formulae, designs, drawings, and research data  
11 obtained by any agency within five years of the request for disclosure  
12 when disclosure would produce private gain and public loss.

13 (i) Preliminary drafts, notes, recommendations, and intra-agency  
14 memorandums in which opinions are expressed or policies formulated or  
15 recommended except that a specific record shall not be exempt when  
16 publicly cited by an agency in connection with any agency action.

17 (j) Records which are relevant to a controversy to which an agency  
18 is a party but which records would not be available to another party  
19 under the rules of pretrial discovery for causes pending in the  
20 superior courts.

21 (k) Records, maps, or other information identifying the location of  
22 archaeological sites in order to avoid the looting or depredation of  
23 such sites.

24 (l) Any library record, the primary purpose of which is to maintain  
25 control of library materials, or to gain access to information, which  
26 discloses or could be used to disclose the identity of a library user.

27 (m) Financial information supplied by or on behalf of a person,  
28 firm, or corporation for the purpose of qualifying to submit a bid or  
29 proposal for (i) a ferry system construction or repair contract as  
30 required by RCW 47.60.680 through 47.60.750 or (ii) highway  
31 construction or improvement as required by RCW 47.28.070.

32 (n) Railroad company contracts filed prior to July 28, 1991, with  
33 the utilities and transportation commission under RCW 81.34.070, except  
34 that the summaries of the contracts are open to public inspection and  
35 copying as otherwise provided by this chapter.

36 (o) Financial and commercial information and records supplied by  
37 private persons pertaining to export services provided pursuant to  
38 chapter 43.163 RCW and chapter 53.31 RCW, and by persons pertaining to  
39 export projects pursuant to RCW 43.23.035.

1 (p) Financial disclosures filed by private vocational schools under  
2 chapters 28B.85 and 28C.10 RCW.

3 (q) Records filed with the utilities and transportation commission  
4 or attorney general under RCW 80.04.095 that a court has determined are  
5 confidential under RCW 80.04.095.

6 (r) Financial and commercial information and records supplied by  
7 businesses or individuals during application for loans or program  
8 services provided by chapters 43.163, 43.160, 43.330, and 43.168 RCW,  
9 or during application for economic development loans or program  
10 services provided by any local agency.

11 (s) Membership lists or lists of members or owners of interests of  
12 units in timeshare projects, subdivisions, camping resorts,  
13 condominiums, land developments, or common-interest communities  
14 affiliated with such projects, regulated by the department of  
15 licensing, in the files or possession of the department.

16 (t) All applications for public employment, including the names of  
17 applicants, resumes, and other related materials submitted with respect  
18 to an applicant.

19 (u) The residential addresses and residential telephone numbers of  
20 employees or volunteers of a public agency which are held by the agency  
21 in personnel records, employment or volunteer rosters, or mailing lists  
22 of employees or volunteers.

23 (v) The residential addresses and residential telephone numbers of  
24 the customers of a public utility contained in the records or lists  
25 held by the public utility of which they are customers.

26 (w)(i) The federal social security number of individuals governed  
27 under chapter 18.130 RCW maintained in the files of the department of  
28 health, except this exemption does not apply to requests made directly  
29 to the department from federal, state, and local agencies of  
30 government, and national and state licensing, credentialing,  
31 investigatory, disciplinary, and examination organizations; (ii) the  
32 current residential address and current residential telephone number of  
33 a health care provider governed under chapter 18.130 RCW maintained in  
34 the files of the department, if the provider requests that this  
35 information be withheld from public inspection and copying, and  
36 provides to the department an accurate alternate or business address  
37 and business telephone number. On or after January 1, 1995, the  
38 current residential address and residential telephone number of a  
39 health care provider governed under RCW 18.130.140 maintained in the

1 files of the department shall automatically be withheld from public  
2 inspection and copying unless the provider specifically requests the  
3 information be released, and except as provided for under RCW  
4 42.17.260(9).

5 (x) Information obtained by the board of pharmacy as provided in  
6 RCW 69.45.090.

7 (y) Information obtained by the board of pharmacy or the department  
8 of health and its representatives as provided in RCW 69.41.044,  
9 69.41.280, and 18.64.420.

10 (z) Financial information, business plans, examination reports, and  
11 any information produced or obtained in evaluating or examining a  
12 business and industrial development corporation organized or seeking  
13 certification under chapter 31.24 RCW.

14 (aa) Financial and commercial information supplied to the state  
15 investment board by any person when the information relates to the  
16 investment of public trust or retirement funds and when disclosure  
17 would result in loss to such funds or in private loss to the providers  
18 of this information.

19 (bb) Financial and valuable trade information under RCW 51.36.120.

20 (cc) Client records maintained by an agency that is a domestic  
21 violence program as defined in RCW 70.123.020 or 70.123.075 or a rape  
22 crisis center as defined in RCW 70.125.030.

23 (dd) Information that identifies a person who, while an agency  
24 employee: (i) Seeks advice, under an informal process established by  
25 the employing agency, in order to ascertain his or her rights in  
26 connection with a possible unfair practice under chapter 49.60 RCW  
27 against the person; and (ii) requests his or her identity or any  
28 identifying information not be disclosed.

29 (ee) Investigative records compiled by an employing agency  
30 conducting a current investigation of a possible unfair practice under  
31 chapter 49.60 RCW or of a possible violation of other federal, state,  
32 or local laws prohibiting discrimination in employment.

33 (ff) Business related information protected from public inspection  
34 and copying under RCW 15.86.110.

35 (gg) Financial, commercial, operations, and technical and research  
36 information and data submitted to or obtained by the clean Washington  
37 center in applications for, or delivery of, program services under  
38 chapter 70.95H RCW.

1 (hh) Information and documents created specifically for, and  
2 collected and maintained by a quality improvement committee pursuant to  
3 RCW 43.70.510, regardless of which agency is in possession of the  
4 information and documents.

5 (ii) Personal information in files maintained in a data base  
6 created under RCW 43.07.360.

7 (jj) Names of individuals residing in emergency or transitional  
8 housing that are furnished to the department of revenue or a county  
9 assessor in order to substantiate a claim for property tax exemption  
10 under RCW 84.36.043.

11 (2) Except for information described in subsection (1)(c)(i) of  
12 this section and confidential income data exempted from public  
13 inspection pursuant to RCW 84.40.020, the exemptions of this section  
14 are inapplicable to the extent that information, the disclosure of  
15 which would violate personal privacy or vital governmental interests,  
16 can be deleted from the specific records sought. No exemption may be  
17 construed to permit the nondisclosure of statistical information not  
18 descriptive of any readily identifiable person or persons.

19 (3) Inspection or copying of any specific records exempt under the  
20 provisions of this section may be permitted if the superior court in  
21 the county in which the record is maintained finds, after a hearing  
22 with notice thereof to every person in interest and the agency, that  
23 the exemption of such records is clearly unnecessary to protect any  
24 individual's right of privacy or any vital governmental function.

25 (4) Agency responses refusing, in whole or in part, inspection of  
26 any public record shall include a statement of the specific exemption  
27 authorizing the withholding of the record (or part) and a brief  
28 explanation of how the exemption applies to the record withheld.

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