
HOUSE BILL 1549

State of Washington

55th Legislature

1997 Regular Session

By Representatives H. Sommers, Reams, Scott, B. Thomas, Dunshee, Gombosky, Cooper, Chopp, Conway, Costa, Lantz, Cole, O'Brien and Mason

Read first time 01/30/97. Referred to Committee on Finance.

1 AN ACT Relating to reducing property tax assessments in response to
2 government restrictions; amending RCW 84.69.020; and adding a new
3 section to chapter 84.40 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.40 RCW
6 to read as follows:

7 (1) The owner or person responsible for payment of taxes on any
8 real property may petition the assessor for a reduction in the assessed
9 value of the real property at any time within three years of adoption
10 of a restriction by a government entity.

11 (2) Notwithstanding the revaluation cycle for the county, the
12 assessor shall reconsider the valuation of the real property within one
13 hundred twenty days of the filing of a petition under subsection (1) of
14 this section. If the new valuation is established for the real
15 property after this review, the assessor shall notify the property
16 owner in the manner provided in RCW 84.40.045. Unless the real
17 property would otherwise be revalued that year as a result of the
18 revaluation cycle or new construction, the valuation of the real
19 property shall not be increased as a result of this revaluation. If

1 the new valuation is established after June 1st in any year, the new
2 valuation shall be used for purposes of imposing property taxes in the
3 following year, but the property owner shall be eligible for a refund
4 under RCW 84.69.020.

5 (3) A new valuation established under this section may be appealed
6 under RCW 84.40.038.

7 (4) If the assessor reduces the valuation of real property using
8 the process under this section, the property owner shall be entitled to
9 a refund on property taxes paid on this property calculated as follows:

10 (a) A property owner is entitled to receive a refund for each year
11 after the restriction was adopted, but not to exceed three years, that
12 the taxpayer paid property taxes on the real property based upon the
13 prior higher valuation; and

14 (b) The amount of the refund in each year shall be the amount of
15 reduced valuation on the real property for that year, multiplied by the
16 rate of property taxes imposed on the property in that year.

17 (5) As used in this section, "restriction" means a limitation,
18 requirement, regulation, or restriction that limits the use of the
19 property, including those imposed by the application of ordinances,
20 resolutions, rules, regulations, policies, statutes, and conditions of
21 land use approval.

22 **Sec. 2.** RCW 84.69.020 and 1996 c 296 s 2 are each amended to read
23 as follows:

24 On the order of the county treasurer, ad valorem taxes paid before
25 or after delinquency shall be refunded if they were:

26 (1) Paid more than once; (~~(or)~~)

27 (2) Paid as a result of manifest error in description; (~~(or)~~)

28 (3) Paid as a result of a clerical error in extending the tax
29 rolls; (~~(or)~~)

30 (4) Paid as a result of other clerical errors in listing property;
31 (~~(or)~~)

32 (5) Paid with respect to improvements which did not exist on
33 assessment date; (~~(or)~~)

34 (6) Paid under levies or statutes adjudicated to be illegal or
35 unconstitutional; (~~(or)~~)

36 (7) Paid as a result of mistake, inadvertence, or lack of knowledge
37 by any person exempted from paying real property taxes or a portion

1 thereof pursuant to RCW 84.36.381 through 84.36.389, as now or
2 hereafter amended; ~~((or))~~

3 (8) Paid as a result of mistake, inadvertence, or lack of knowledge
4 by either a public official or employee or by any person with respect
5 to real property in which the person paying the same has no legal
6 interest; ~~((or))~~

7 (9) Paid on the basis of an assessed valuation which was appealed
8 to the county board of equalization and ordered reduced by the board;
9 ~~((or))~~

10 (10) Paid on the basis of an assessed valuation which was appealed
11 to the state board of tax appeals and ordered reduced by the board:
12 PROVIDED, That the amount refunded under subsections (9) and (10) of
13 this section shall only be for the difference between the tax paid on
14 the basis of the appealed valuation and the tax payable on the
15 valuation adjusted in accordance with the board's order; ~~((or))~~

16 (11) Paid as a state property tax levied upon property, the
17 assessed value of which has been established by the state board of tax
18 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
19 refunded shall only be for the difference between the state property
20 tax paid and the amount of state property tax which would, when added
21 to all other property taxes within the one percent limitation of
22 Article VII, section 2 of the state Constitution equal one percent of
23 the assessed value established by the board;

24 (12) Paid on the basis of an assessed valuation which was
25 adjudicated to be unlawful or excessive: PROVIDED, That the amount
26 refunded shall be for the difference between the amount of tax which
27 was paid on the basis of the valuation adjudged unlawful or excessive
28 and the amount of tax payable on the basis of the assessed valuation
29 determined as a result of the proceeding; ~~((or))~~

30 (13) Paid on property acquired under RCW 84.60.050, and canceled
31 under RCW 84.60.050(2); ~~((or))~~

32 (14) Paid on the basis of an assessed valuation that was reduced
33 under RCW 84.48.065; or

34 (15) Paid on the basis of an assessed valuation that was reduced
35 under section 1 of this act.

36 No refunds under the provisions of this section shall be made
37 because of any error in determining the valuation of property, except
38 as authorized in subsections (9), (10), (11), and (12) of this section
39 nor may any refunds be made if a bona fide purchaser has acquired

1 rights that would preclude the assessment and collection of the
2 refunded tax from the property that should properly have been charged
3 with the tax. Any refunds made on delinquent taxes shall include the
4 proportionate amount of interest and penalties paid. The county
5 treasurer may deduct from moneys collected for the benefit of the
6 state's levy, refunds of the state levy including interest on the levy
7 as provided by this section and chapter 84.68 RCW.

8 The county treasurer of each county shall make all refunds
9 determined to be authorized by this section, and by the first Monday in
10 January of each year, report to the county legislative authority a list
11 of all refunds made under this section during the previous year. The
12 list is to include the name of the person receiving the refund, the
13 amount of the refund, and the reason for the refund.

--- END ---