

HOUSE BILL 2249

State of Washington

55th Legislature

1997 Regular Session

By Representatives Dunshee, Gardner, Kenney, Lantz, Appelwick, Linville, Constantine, Hatfield, Romero, Chopp, Costa, Blalock, Gombosky, Murray, Quall, Ogden, Morris, Wolfe, Doumit, Cole, Wood, Kessler, Regala, Cody, Keiser, Butler, Anderson, Tokuda, Conway, Poulsen, Cooper and Sullivan; by request of Governor Locke

Read first time 03/12/97. Referred to Committee on Finance.

1 AN ACT Relating to property tax relief by allowing for valuation
2 increases to be spread over time, allowing for a property tax credit,
3 and reducing the one hundred six percent limit; amending RCW 84.04.030,
4 84.40.020, 84.40.030, 84.40.040, 84.40.045, 84.41.041, 84.48.010,
5 84.48.065, 84.48.075, 84.48.080, 84.12.270, 84.12.280, 84.12.310,
6 84.12.330, 84.12.350, 84.12.360, 84.16.040, 84.16.050, 84.16.090,
7 84.16.110, 84.16.120, 84.36.041, 84.52.063, 84.70.010, 84.52.080,
8 84.56.050, 84.36.383, 84.36.385, 84.36.387, 84.36.389, 84.55.005,
9 84.55.010, 84.55.020, 35.61.210, 70.44.060, 84.08.115, and 84.55.120;
10 adding a new section to chapter 84.04 RCW; adding a new section to
11 chapter 84.40 RCW; adding a new section to chapter 84.52 RCW; adding a
12 new section to chapter 84.55 RCW; creating new sections; and providing
13 a contingent effective date.

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

15 PART I

16 VALUE AVERAGING

17 NEW SECTION. Sec. 101. A new section is added to chapter 84.04
18 RCW to read as follows:

1 "Appraised value of property" means the aggregate true and fair
2 value of the property as last determined by the county assessor
3 according to the revaluation program approved under chapter 84.41 RCW,
4 including revaluations based on statistical data between physical
5 inspections.

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

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

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

16 All real property in this state subject to taxation shall be listed
17 and assessed every year, with reference to its appraised and assessed
18 value on the first day of January of the year in which it is assessed.
19 Such listing and all supporting documents and records shall be open to
20 public inspection during the regular office hours of the assessor's
21 office: PROVIDED, That confidential income data is exempted from
22 public inspection pursuant to RCW 42.17.310. All personal property in
23 this state subject to taxation shall be listed and assessed every year,
24 with reference to its value and ownership on the first day of January
25 of the year in which it is assessed: PROVIDED, That if the stock of
26 goods, wares, merchandise or material, whether in a raw or finished
27 state or in process of manufacture, owned or held by any taxpayer on
28 January 1 of any year does not fairly represent the average stock
29 carried by such taxpayer, such stock shall be listed and assessed upon
30 the basis of the monthly average of stock owned or held by such
31 taxpayer during the preceding calendar year or during such portion
32 thereof as the taxpayer was engaged in business.

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

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

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

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

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

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

28 (2) In addition to sales as defined in subsection (1) of this
29 section, consideration may be given to cost, cost less depreciation,
30 reconstruction cost less depreciation, or capitalization of income that
31 would be derived from prudent use of the property. In the case of
32 property of a complex nature, or being used under terms of a franchise
33 from a public agency, or operating as a public utility, or property not
34 having a record of sale within five years and not having a significant
35 number of sales of similar property in the general area, the provisions
36 of this subsection (2) shall be the dominant factors in valuation.
37 When provisions of this subsection (2) are relied upon for establishing
38 values the property owner shall be advised upon request of the factors
39 used in arriving at such value.

1 (3) In valuing any tract or parcel of real property, the true and
2 fair value of the land, exclusive of structures thereon shall be
3 determined; also the true and fair value of structures thereon, but the
4 appraised valuation shall not exceed the true and fair value of the
5 total property as it exists. In valuing agricultural land, growing
6 crops shall be excluded.

7 NEW SECTION. **Sec. 105.** A new section is added to chapter 84.40
8 RCW to read as follows:

9 (1) As used in this section:

10 (a) "Current appraised value" means the appraised value for the
11 year for which a calculation is being made under this section;

12 (b) "Improvement increase" means the portion of the total value
13 increase attributable to any physical improvements made to the property
14 since the previous assessment, other than improvements exempt under RCW
15 84.36.400 for the year for which a calculation is being made under this
16 section. Improvement increase can never be less than zero;

17 (c) "Market increase" means the total value increase minus the
18 improvement increase. Market increase can never be less than zero;

19 (d) "Previous assessed value" means the assessed value for the year
20 immediately preceding the year for which a calculation is being made
21 under this section; and

22 (e) "Total value increase" means the current appraised value minus
23 the previous assessed value. Total value increase can never be less
24 than zero.

25 (2) The assessed value of property is equal to the lesser of the
26 current appraised value or a limited value determined under this
27 section. The limited value is equal to the greater of the values
28 determined as follows:

29 (a) In any year in which the market increase is equal to or less
30 than sixty percent of the previous assessed value, the limited value is
31 the improvement increase plus one hundred fifteen percent of the
32 previous assessed value; or

33 (b) In any year in which the market increase is more than sixty
34 percent of the previous assessed value, the limited value for the year
35 of the increase and for each of the three succeeding years is not less
36 than the sum of:

37 (i) The previous assessed value;

38 (ii) The improvement increase; and

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

2 (3) Upon loss of preferential tax treatment for property that
3 qualifies for preferential tax treatment under chapter 84.14, 84.26,
4 84.33, 84.34, or 84.36 RCW, the previous assessed value shall be the
5 assessed value the property would have had without the preferential tax
6 treatment.

7 (4) The assessed value of real property that has been subdivided or
8 merged is the current appraised value of the parcel or lot formed after
9 the subdivision or merger.

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

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

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

27 The assessor shall determine the assessed value, under section 105
28 of this act, for each tract or lot of land listed for taxation,
29 including improvements located thereon, and shall also enter this value
30 opposite each description of property on the assessment list and tax
31 roll.

32 The assessor shall make an alphabetical list of the names of all
33 persons in the county liable to assessment of personal property, and
34 require each person to make a correct list and statement of such
35 property according to the standard form prescribed by the department of
36 revenue, which statement and list shall include, if required by the
37 form, the year of acquisition and total original cost of personal
38 property in each category of the prescribed form, and shall be signed

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

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

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

33 The notice shall contain a statement of both the prior and the new
34 (~~true and fair~~) appraised and assessed values (~~and the ratio of the~~
35 ~~assessed value to the true and fair value on which the assessment of~~
36 ~~the property is based~~), stating separately land and improvement
37 appraised values, and a brief statement of the procedure for appeal to

1 the board of equalization and the time, date, and place of the meetings
2 of the board.

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

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

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

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

1 appraised valuation is changed, the assessed value shall be
2 recalculated under section 105 of this act.

3 The assessor may require property owners to submit pertinent data
4 respecting taxable property in their control including data respecting
5 any sale or purchase of said property within the past five years, the
6 cost and characteristics of any improvement on the property and other
7 facts necessary for appraisal of the property.

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

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

31 First. They shall raise the appraised valuation of each tract or
32 lot or item of real property which is returned below its true and fair
33 value to such price or sum as to be the true and fair value thereof,
34 and raise the assessed valuation of each tract or lot or item of real
35 property which is returned below its correct amount to the correct
36 amount after at least five days' notice shall have been given in
37 writing to the owner or agent.

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

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

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

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

26 The clerk of the board shall keep an accurate journal or record of
27 the proceedings and orders of said board showing the facts and evidence
28 upon which their action is based, and the said record shall be
29 published the same as other proceedings of county legislative
30 authority, and shall make a true record of the changes of the
31 descriptions and ((~~assessed~~)) appraised values ordered by the county
32 board of equalization. The assessor shall recalculate assessed values
33 and correct the real and personal assessment rolls in accordance with
34 the changes made by the said county board of equalization, and the
35 assessor shall make duplicate abstracts of such corrected values, one
36 copy of which shall be retained in the office, and one copy forwarded
37 to the department of revenue on or before the eighteenth day of August
38 next following the meeting of the county board of equalization.

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

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

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

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

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

1 exclusively to the state, any county, or any municipal corporation
2 whose property is exempt from taxation, upon which there remains,
3 according to the tax roll, any unpaid taxes. No manifest error
4 cancellation or correction, including a cancellation or correction made
5 due to a definitive change of land use designation, shall be made for
6 any period more than three years preceding the year in which the error
7 is discovered.

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

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

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

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

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

23 (ii) The following conditions are met:

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

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

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

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

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

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

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

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

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

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

37 (1) Annually during the months of September and October, the
38 department of revenue shall examine and compare the returns of the

1 assessment of the property in the several counties of the state, and
2 the assessment of the property of railroad and other companies assessed
3 by the department, and proceed to equalize the same, so that each
4 county in the state shall pay its due and just proportion of the taxes
5 for state purposes for such assessment year, according to the ratio the
6 assessed valuation of the property in each county bears to the correct
7 total assessed valuation of all property in the state.

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

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

26 (2) The department shall levy the state taxes authorized by law.
27 The amount levied in any one year for general state purposes shall not
28 exceed the lawful dollar rate on the dollar of the assessed value of
29 the property of the entire state(~~(, which assessed value shall be one~~
30 ~~hundred percent of the true and fair value of such property in money))~~
31 as equalized under this section. The department shall apportion the
32 amount of tax for state purposes levied by the department, among the
33 several counties, in proportion to the assessed valuation of the
34 taxable property of the county for the year as equalized by the
35 department: PROVIDED, That for purposes of this apportionment, the
36 department shall recompute the previous year's levy and the
37 apportionment thereof to correct for changes and errors in taxable
38 values reported to the department after October 1 of the preceding year
39 and shall adjust the apportioned amount of the current year's state

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

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

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

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

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

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

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

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

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

33 (2) All of the operating property of airplane companies, telegraph
34 companies, pipe line companies, water companies and toll bridge
35 companies; the floating equipment of steamboat companies, and all of
36 the operating property other than lands and buildings of electric light
37 and power companies, telephone companies, gas companies and heating
38 companies shall be assessed and taxed as personal property.

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

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

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

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

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

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

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

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

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

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

32 (2) Property of street railroad companies, telephone companies,
33 electric light and power companies, gas companies, water companies,
34 heating companies and toll bridge companies«upon the basis of relative
35 value of the operating property within each county and taxing district
36 to the value of the total operating property within the state to be
37 determined by such factors as the department of revenue shall deem
38 proper.

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

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

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

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

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

1 department of revenue in determining the amount, character, and (~~true~~
2 ~~and fair~~) assessed value of the operating property of such company.

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

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

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

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

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

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

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

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

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

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

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

1 that the length of main line track of the respective railroads moving
2 such cars in such counties bears to the total length of main line track
3 of such respective railroads in this state.

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

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

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

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

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

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

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

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

5 (c) Any particular requirements for continuing care retirement
6 communities.

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

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

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

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

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

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

35 (5) A home for the aging is exempt from taxation only if the
36 organization operating the home is exempt from income tax under section
37 501(c) of the federal internal revenue code as existing on January 1,
38 1989, or such subsequent date as the director may provide by rule
39 consistent with the purposes of this section.

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

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

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

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

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

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

39 (9) As used in this section:

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

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

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

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

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

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

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

12 (ii) Amounts deducted for loss;

13 (iii) Amounts deducted for depreciation;

14 (iv) Pension and annuity receipts;

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

17 (vi) Veterans benefits other than attendant-care and medical-aid
18 payments;

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

20 (viii) Dividend receipts; and

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

22 (d) "Resident requiring assistance with activities of daily living"
23 means a person who requires significant assistance with the activities
24 of daily living and who would be at risk of nursing home placement
25 without this assistance.

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

34 (10) A for-profit home for the aging that converts to nonprofit
35 status after June 11, 1992, and would otherwise be eligible for tax
36 exemption under this section may not receive the tax exemption until
37 five years have elapsed since the conversion. The exemption shall then
38 be ratably granted over the next five years.

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

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

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

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

31 (a) First take the (~~true and fair~~) assessed value of such taxable
32 property before destruction or reduction in value and deduct therefrom
33 the true and fair value of the remaining property after destruction or
34 reduction in value.

35 (b) Then divide any amount remaining by the number of days in the
36 year and multiply the quotient by the number of days remaining in the
37 calendar year after the date of the destruction or reduction in value
38 of the property.

1 (2) No reduction in the (~~true and fair~~) assessed value shall be
2 made more than three years after the date of destruction or reduction
3 in value.

4 (3) The assessor shall make such reduction on his or her own
5 motion; however, the taxpayer may make application for reduction on
6 forms prepared by the department and provided by the assessor. The
7 assessor shall notify the taxpayer of the amount of reduction.

8 (4) If destroyed property is replaced prior to the valuation dates
9 contained in RCW 36.21.080 and 36.21.090, the total taxable value for
10 that year shall not exceed the value as of the appropriate valuation
11 date in RCW 36.21.080 or 36.21.090, whichever is appropriate.

12 (5) The taxpayer may appeal the amount of reduction to the county
13 board of equalization within thirty days of notification or July 1st of
14 the year of reduction, whichever is later. The board shall reconvene,
15 if necessary, to hear the appeal.

16 **PART II**

17 **PROPERTY TAX CREDIT**

18 NEW SECTION. **Sec. 201.** A new section is added to chapter 84.52
19 RCW to read as follows:

20 (1) There is allowed a credit against the state regular real
21 property tax equal to the tax imposed by the state on twenty percent of
22 the state-wide average assessed value of owner-occupied single-family
23 residential property, multiplied by the combined indicated ratio fixed
24 by the state department of revenue for each county. The amount of the
25 credit shall increase annually at a rate not to exceed the average rate
26 of growth over the immediately preceding five years of owner-occupied
27 single-family residential property. The average rate of growth shall
28 be determined by the department. The credit in any tax year shall not
29 exceed the amount of state property tax imposed on the property and no
30 credit may result in increased property taxes on other taxpayers.

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

33 (3) The following conditions apply to the credit under this
34 section:

35 (a) The residence must be occupied by the person claiming the
36 credit as a principal place of residence as of January 1st of the year
37 in which taxes are due and the residence may not be primarily used for

1 commercial purposes. A person who sells, transfers, or is displaced
2 from the person's residence may transfer the person's credit status to
3 a replacement residence, but a claimant may not receive a credit on
4 more than one residence in any year. Confinement of the person to a
5 hospital or nursing home does not disqualify the claim of credit if:

6 (i) The residence is temporarily unoccupied;

7 (ii) The residence is occupied by either or both a spouse or a
8 person financially dependent on the claimant for support; or

9 (iii) The residence is rented for the purpose of paying nursing
10 home or hospital costs.

11 (b) The person claiming the credit must have owned, at the time of
12 filing, in fee, as a life estate, or by contract purchase, the
13 residence on which the property taxes have been imposed or if the
14 person claiming the credit lives in a cooperative housing association,
15 corporation, or partnership, the person must own a share therein
16 representing the unit or portion of the structure in which the person
17 resides. For purposes of this subsection, a residence owned by a
18 marital community or owned by cotenants is deemed to be owned by each
19 spouse or cotenant, and any lease for life is deemed a life estate.

20 (4) RCW 84.36.383, 84.36.385, 84.36.387, and 84.36.389 apply to
21 this section.

22 **Sec. 202.** RCW 84.52.080 and 1989 c 378 s 16 are each amended to
23 read as follows:

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

1 raise the consolidated or total tax and the total tax assessed against
2 the property.

3 (2) After entering the amounts under subsection (1) of this
4 section, the county assessor shall compute the amount of credit
5 authorized under section 201 of this act for each parcel of property.
6 The credit allowed for any property shall be extended on the rolls in
7 a column headed tax credit. The county treasurer shall subtract the
8 amount of the credit from the total tax and enter this amount in a
9 column headed tax payable.

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

19 ~~((+3))~~ (4) Upon the completion of such tax extension, it shall be
20 the duty of the county assessor to make in each assessment book, tax
21 roll or list a certificate in the following form:

22 I,, assessor of county, state of
23 Washington, do hereby certify that the foregoing is a correct list of
24 taxes levied on the real and personal property in the county of
25 for the year ~~((one thousand nine hundred and))~~
26 Witness my hand this day of, ~~((19))~~

27, County Assessor

28 ~~((+4))~~ (5) The county assessor shall deliver said tax rolls to the
29 county treasurer, on or before the fifteenth day of January, taking
30 receipt therefor, and at the same time the county assessor shall
31 provide the county auditor with an abstract of the tax rolls showing
32 the total amount of taxes collectible in each of the taxing districts.

33 **Sec. 203.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to
34 read as follows:

35 (1) On receiving the tax rolls the treasurer shall post all real
36 and personal property taxes from the rolls to the treasurer's tax roll,
37 and shall carry forward to the current tax rolls a memorandum of all

1 delinquent taxes on each and every description of property, and enter
2 the same on the property upon which the taxes are delinquent showing
3 the amounts for each year. The treasurer shall notify each taxpayer in
4 the county, at the expense of the county, of the amount of the real and
5 personal property(~~(-)~~) and the current and delinquent amount of tax due
6 on the same(~~(-and)~~). The treasurer shall have printed on the notice
7 the name of each tax ((and)), the levy made on the same, the amount of
8 any credit under section 201 of this act, and the tax payable. The
9 state tax credit authorized in section 201 of this act shall be
10 credited against any state tax payable on the property. The county
11 treasurer shall be the sole collector of all delinquent taxes and all
12 other taxes due and collectible on the tax rolls of the county(~~(-PROVIDED, That))~~).
13

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

21 **Sec. 204.** RCW 84.36.383 and 1995 1st sp.s. c 8 s 2 are each
22 amended to read as follows:

23 As used in RCW 84.36.381 through 84.36.389 and section 201 of this
24 act, except where the context clearly indicates a different meaning:

25 (1) The term "residence" shall mean a single family dwelling unit
26 whether such unit be separate or part of a multiunit dwelling,
27 including the land on which such dwelling stands not to exceed one
28 acre. The term shall also include a share ownership in a cooperative
29 housing association, corporation, or partnership if the person claiming
30 exemption can establish that his or her share represents the specific
31 unit or portion of such structure in which he or she resides. The term
32 shall also include a single family dwelling situated upon lands the fee
33 of which is vested in the United States or any instrumentality thereof
34 including an Indian tribe or in the state of Washington, and
35 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
36 residence shall be deemed real property.

37 (2) The term "real property" shall also include a mobile home which
38 has substantially lost its identity as a mobile unit by virtue of its

1 being fixed in location upon land owned or leased by the owner of the
2 mobile home and placed on a foundation (posts or blocks) with fixed
3 pipe, connections with sewer, water, or other utilities: PROVIDED,
4 That a mobile home located on land leased by the owner of the mobile
5 home shall be subject, for tax billing, payment, and collection
6 purposes, only to the personal property provisions of chapter 84.56 RCW
7 and RCW 84.60.040.

8 (3) "Department" shall mean the state department of revenue.

9 (4) "Combined disposable income" means the disposable income of the
10 person claiming the exemption, plus the disposable income of his or her
11 spouse, and the disposable income of each cotenant occupying the
12 residence for the assessment year, less amounts paid by the person
13 claiming the exemption or his or her spouse during the assessment year
14 for:

15 (a) Drugs supplied by prescription of a medical practitioner
16 authorized by the laws of this state or another jurisdiction to issue
17 prescriptions; and

18 (b) The treatment or care of either person received in the home or
19 in a nursing home.

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

26 (a) Capital gains, other than nonrecognized gain on the sale of a
27 principal residence under section 1034 of the federal internal revenue
28 code, or gain excluded from income under section 121 of the federal
29 internal revenue code to the extent it is reinvested in a new principal
30 residence;

31 (b) Amounts deducted for loss;

32 (c) Amounts deducted for depreciation;

33 (d) Pension and annuity receipts;

34 (e) Military pay and benefits other than attendant-care and
35 medical-aid payments;

36 (f) Veterans benefits other than attendant-care and medical-aid
37 payments;

38 (g) Federal social security act and railroad retirement benefits;

39 (h) Dividend receipts; and

1 (i) Interest received on state and municipal bonds.

2 (6) "Cotenant" means a person who resides with the person claiming
3 the exemption and who has an ownership interest in the residence.

4 **Sec. 205.** RCW 84.36.385 and 1992 c 206 s 13 are each amended to
5 read as follows:

6 (1) A claim for exemption under RCW 84.36.381 (~~(as now or hereafter~~
7 ~~amended)) or a credit under section 201 of this act, shall be made and
8 filed at any time during the year for exemption or credit from taxes
9 payable the following year and thereafter and solely upon forms as
10 prescribed (~~(and furnished)~~) by the department of revenue. However, an
11 exemption from tax under RCW 84.36.381 shall continue for no more than
12 four years unless a renewal application is filed as provided in
13 subsection (3) of this section. The county assessor may also require,
14 by written notice, a renewal application following an amendment of the
15 income requirements set forth in RCW 84.36.381. Renewal applications
16 shall be on forms prescribed and furnished by the department of
17 revenue. A credit under section 201 of this act shall continue each
18 year as long as the residence is eligible for credit.~~

19 (2) A person granted an exemption under RCW 84.36.381 or a credit
20 under section 201 of this act shall inform the county assessor of any
21 change in status affecting (~~(the person's)~~) entitlement to the
22 exemption or credit on forms prescribed and furnished by the department
23 of revenue.

24 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and
25 thereafter, shall file with the county assessor a renewal application
26 not later than December 31 of the year the assessor notifies such
27 person of the requirement to file the renewal application.

28 (4) Beginning in 1992 and in each of the three succeeding years,
29 the county assessor shall notify approximately one-fourth of those
30 persons exempt from taxes under RCW 84.36.381 in the current year who
31 have not filed a renewal application within the previous four years, of
32 the requirement to file a renewal application.

33 (5) If the assessor finds that the applicant does not meet the
34 qualifications as set forth in RCW 84.36.381(~~(, as now or hereafter~~
35 ~~amended)) or section 201 of this act, the claim or exemption shall be
36 denied but such denial shall be subject to appeal under the provisions
37 of RCW 84.48.010(5). If the applicant had received exemption or credit
38 in prior years based on erroneous information, the taxes shall be~~

1 collected subject to penalties as provided in RCW 84.40.130 for a
2 period of not to exceed three years.

3 (6) The department and each local assessor is hereby directed to
4 publicize the qualifications and manner of making claims under RCW
5 84.36.381 through 84.36.389 and section 201 of this act, through
6 communications media, including such paid advertisements or notices as
7 it deems appropriate. Notice of the qualifications, method of making
8 applications, the penalties for not reporting a change in status, and
9 availability of further information shall be included on or with
10 property tax statements and revaluation notices for all residential
11 property including mobile homes, except rental properties.

12 **Sec. 206.** RCW 84.36.387 and 1992 c 206 s 14 are each amended to
13 read as follows:

14 (1) All claims for exemption under RCW 84.36.381 or a credit under
15 section 201 of this act shall be made and signed by the person entitled
16 to the exemption or credit, by his or her attorney in fact or in the
17 event the residence of such person is under mortgage or purchase
18 contract requiring accumulation of reserves out of which the holder of
19 the mortgage or contract is required to pay real estate taxes, by such
20 holder or by the owner, either before two witnesses or the county
21 assessor or his or her deputy in the county where the real property is
22 located: PROVIDED, That if a claim for exemption or credit is made by
23 a person living in a cooperative housing association, corporation, or
24 partnership, such claim shall be made and signed by the person entitled
25 to the exemption or credit and by the authorized agent of such
26 cooperative.

27 (2) If the taxpayer is unable to submit his or her own claim, the
28 claim shall be submitted by a duly authorized agent or by a guardian or
29 other person charged with the care of the person or property of such
30 taxpayer.

31 (3) All claims for exemption and renewal applications under RCW
32 84.36.381 shall be accompanied by such documented verification of
33 income as shall be prescribed by rule adopted by the department of
34 revenue.

35 (4) Any person signing a false claim with the intent to defraud or
36 evade the payment of any tax shall be guilty of the offense of perjury.

37 (5) The tax liability of a cooperative housing association,
38 corporation, or partnership shall be reduced by the amount of tax

1 exemption or credit to which a claimant residing therein is entitled
2 and such cooperative shall reduce any amount owed by the claimant to
3 the cooperative by such exact amount of tax exemption or credit or, if
4 no amount be owed, the cooperative shall make payment to the claimant
5 of such exact amount of exemption or credit.

6 (6) A remainderman or other person who would have otherwise paid
7 the tax on real property that is the subject of an exemption granted
8 under RCW 84.36.381 or a credit granted under section 201 of this act
9 for an estate for life shall reduce the amount which would have been
10 payable by the life tenant to the remainderman or other person to the
11 extent of the exemption or credit. If no amount is owed or separately
12 stated as an obligation between these persons, the remainderman or
13 other person shall make payment to the life tenant in the exact amount
14 of the exemption or credit.

15 **Sec. 207.** RCW 84.36.389 and 1979 ex.s. c 214 s 4 are each amended
16 to read as follows:

17 (1) The director of the department of revenue shall adopt such
18 rules (~~(and regulations)~~) and prescribe such forms as may be necessary
19 and appropriate for implementation and administration of this chapter
20 subject to chapter 34.05 RCW, the administrative procedure act.

21 (2) The department may conduct such audits of the administration of
22 RCW 84.36.381 through 84.36.389 and section 201 of this act and the
23 claims for exemption or credit filed thereunder as it considers
24 necessary. The powers of the department under chapter 84.08 RCW apply
25 to these audits.

26 (3) Any information or facts concerning confidential income data
27 obtained by the assessor or the department, or their agents or
28 employees, under subsection (2) of this section shall be used only to
29 administer RCW 84.36.381 through 84.36.389. Notwithstanding any
30 provision of law to the contrary, absent written consent by the person
31 about whom the information or facts have been obtained, the
32 confidential income data shall not be disclosed by the assessor or the
33 assessor's agents or employees to anyone other than the department or
34 the department's agents or employees nor by the department or the
35 department's agents or employees to anyone other than the assessor or
36 the assessor's agents or employees except in a judicial proceeding
37 pertaining to the taxpayer's entitlement to the tax exemption under RCW

1 84.36.381 through 84.36.389 or credit under section 201 of this act.
2 Any violation of this subsection is a misdemeanor.

3 **PART III**

4 **106 PERCENT LIMIT**

5 **Sec. 301.** RCW 84.55.005 and 1994 c 301 s 49 are each amended to
6 read as follows:

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

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

13 (2) "Limit factor" means:

14 (a) For the state and for taxing districts with a population of
15 less than ten thousand in the calendar year prior to the assessment
16 year, one hundred six percent;

17 (b) For taxing districts for which a limit factor is authorized
18 under section 304 of this act, the lesser of the limit factor
19 authorized under that section or one hundred six percent; and

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

22 (3) "Regular property taxes" has the meaning given it in RCW
23 84.04.140, and also includes amounts received in lieu of regular
24 property taxes.

25 **Sec. 302.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended
26 to read as follows:

27 Except as provided in this chapter, the levy for a taxing district
28 in any year shall be set so that the regular property taxes payable in
29 the following year shall not exceed (~~(one hundred six percent of)~~) the
30 limit factor multiplied by the amount of regular property taxes
31 lawfully levied for such district in the highest of the three most
32 recent years in which such taxes were levied for such district plus an
33 additional dollar amount calculated by multiplying the increase in
34 assessed value in that district resulting from new construction,
35 improvements to property, and any increase in the assessed value of

1 state-assessed property by the regular property tax levy rate of that
2 district for the preceding year.

3 **Sec. 303.** RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended
4 to read as follows:

5 Notwithstanding the limitation set forth in RCW 84.55.010, the
6 first levy for a taxing district created from consolidation of similar
7 taxing districts shall be set so that the regular property taxes
8 payable in the following year shall not exceed (~~one hundred six~~
9 ~~percent of~~) the limit factor multiplied by the sum of the amount of
10 regular property taxes lawfully levied for each component taxing
11 district in the highest of the three most recent years in which such
12 taxes were levied for such district plus the additional dollar amount
13 calculated by multiplying the increase in assessed value in each
14 component district resulting from new construction and improvements to
15 property by the regular property tax rate of each component district
16 for the preceding year.

17 NEW SECTION. **Sec. 304.** A new section is added to chapter 84.55
18 RCW to read as follows:

19 Upon a finding of substantial need, the legislative authority of a
20 taxing district other than the state may provide for the use of a limit
21 factor under this chapter of one hundred six percent or less. In
22 districts with legislative authorities of four members or less, two-
23 thirds of the members must approve an ordinance or resolution under
24 this section. In districts with more than four members, a majority
25 plus one vote must approve an ordinance or resolution under this
26 section. The new limit factor shall be effective for taxes collected
27 in the following year only.

28 **Sec. 305.** RCW 35.61.210 and 1990 c 234 s 3 are each amended to
29 read as follows:

30 The board of park commissioners may levy or cause to be levied a
31 general tax on all the property located in said park district each year
32 not to exceed fifty cents per thousand dollars of assessed value of the
33 property in such park district. In addition, the board of park
34 commissioners may levy or cause to be levied a general tax on all
35 property located in said park district each year not to exceed twenty-
36 five cents per thousand dollars of assessed valuation. Although park

1 districts are authorized to impose two separate regular property tax
2 levies, the levies shall be considered to be a single levy for purposes
3 of the ((one hundred six percent)) limitation provided for in chapter
4 84.55 RCW.

5 The board is hereby authorized to levy a general tax in excess of
6 its regular property tax levy or levies when authorized so to do at a
7 special election conducted in accordance with and subject to all the
8 requirements of the Constitution and laws of the state now in force or
9 hereafter enacted governing the limitation of tax levies. The board is
10 hereby authorized to call a special election for the purpose of
11 submitting to the qualified voters of the park district a proposition
12 to levy a tax in excess of the seventy-five cents per thousand dollars
13 of assessed value herein specifically authorized. The manner of
14 submitting any such proposition, of certifying the same, and of giving
15 or publishing notice thereof, shall be as provided by law for the
16 submission of propositions by cities or towns.

17 The board shall include in its general tax levy for each year a
18 sufficient sum to pay the interest on all outstanding bonds and may
19 include a sufficient amount to create a sinking fund for the redemption
20 of all outstanding bonds. The levy shall be certified to the proper
21 county officials for collection the same as other general taxes and
22 when collected, the general tax shall be placed in a separate fund in
23 the office of the county treasurer to be known as the "metropolitan
24 park district fund" and paid out on warrants.

25 **Sec. 306.** RCW 70.44.060 and 1990 c 234 s 2 are each amended to
26 read as follows:

27 All public hospital districts organized under the provisions of
28 this chapter shall have power:

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

31 (2) To construct, condemn and purchase, purchase, acquire, lease,
32 add to, maintain, operate, develop and regulate, sell and convey all
33 lands, property, property rights, equipment, hospital and other health
34 care facilities and systems for the maintenance of hospitals,
35 buildings, structures, and any and all other facilities, and to
36 exercise the right of eminent domain to effectuate the foregoing
37 purposes or for the acquisition and damaging of the same or property of
38 any kind appurtenant thereto, and such right of eminent domain shall be

1 exercised and instituted pursuant to a resolution of the commission and
2 conducted in the same manner and by the same procedure as in or may be
3 provided by law for the exercise of the power of eminent domain by
4 incorporated cities and towns of the state of Washington in the
5 acquisition of property rights: PROVIDED, That no public hospital
6 district shall have the right of eminent domain and the power of
7 condemnation against any health care facility.

8 (3) To lease existing hospital and other health care facilities and
9 equipment and/or other property used in connection therewith, including
10 ambulances, and to pay such rental therefor as the commissioners shall
11 deem proper; to provide hospital and other health care services for
12 residents of said district by facilities located outside the boundaries
13 of said district, by contract or in any other manner said commissioners
14 may deem expedient or necessary under the existing conditions; and said
15 hospital district shall have the power to contract with other
16 communities, corporations, or individuals for the services provided by
17 said hospital district; and they may further receive in said hospitals
18 and other health care facilities and furnish proper and adequate
19 services to all persons not residents of said district at such
20 reasonable and fair compensation as may be considered proper:
21 PROVIDED, That it must at all times make adequate provision for the
22 needs of the district and residents of said district shall have prior
23 rights to the available hospital and other health care facilities of
24 said district, at rates set by the district commissioners.

25 (4) For the purpose aforesaid, it shall be lawful for any district
26 so organized to take, condemn and purchase, lease, or acquire, any and
27 all property, and property rights, including state and county lands,
28 for any of the purposes aforesaid, and any and all other facilities
29 necessary or convenient, and in connection with the construction,
30 maintenance, and operation of any such hospitals and other health care
31 facilities, subject, however, to the applicable limitations provided in
32 subsection (2) of this section.

33 (5) To contract indebtedness or borrow money for corporate purposes
34 on the credit of the corporation or the revenues of the hospitals
35 thereof, and the revenues of any other facilities or services that the
36 district is or hereafter may be authorized by law to provide, and to
37 issue and sell: (a) Revenue bonds, revenue warrants, or other revenue
38 obligations therefor payable solely out of a special fund or funds into
39 which the district may pledge such amount of the revenues of the

1 hospitals thereof, and the revenues of any other facilities or services
2 that the district is or hereafter may be authorized by law to provide,
3 to pay the same as the commissioners of the district may determine,
4 such revenue bonds, warrants, or other obligations to be issued and
5 sold in the same manner and subject to the same provisions as provided
6 for the issuance of revenue bonds, warrants, or other obligations by
7 cities or towns under the Municipal Revenue Bond Act, chapter 35.41
8 RCW, as may hereafter be amended; (b) general obligation bonds therefor
9 in the manner and form as provided in RCW 70.44.110 and 70.44.130, as
10 may hereafter be amended; or (c) interest-bearing warrants to be drawn
11 on a fund pending deposit in such fund of money sufficient to redeem
12 such warrants and to be issued and paid in such manner and upon such
13 terms and conditions as the board of commissioners may deem to be in
14 the best interest of the district; and to assign or sell hospital
15 accounts receivable, and accounts receivable for the use of other
16 facilities or services that the district is or hereafter may be
17 authorized by law to provide, for collection with or without recourse.
18 General obligation bonds shall be issued and sold in accordance with
19 chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue
20 obligations may be issued and sold in accordance with chapter 39.46
21 RCW.

22 (6) To raise revenue by the levy of an annual tax on all taxable
23 property within such public hospital district not to exceed fifty cents
24 per thousand dollars of assessed value, and an additional annual tax on
25 all taxable property within such public hospital district not to exceed
26 twenty-five cents per thousand dollars of assessed value, or such
27 further amount as has been or shall be authorized by a vote of the
28 people. Although public hospital districts are authorized to impose
29 two separate regular property tax levies, the levies shall be
30 considered to be a single levy for purposes of the (~~one hundred six~~
31 ~~percent~~)) limitation provided for in chapter 84.55 RCW. Public
32 hospital districts are authorized to levy such a general tax in excess
33 of their regular property taxes when authorized so to do at a special
34 election conducted in accordance with and subject to all of the
35 requirements of the Constitution and the laws of the state of
36 Washington now in force or hereafter enacted governing the limitation
37 of tax levies. The said board of district commissioners is authorized
38 and empowered to call a special election for the purpose of submitting
39 to the qualified voters of the hospital district a proposition or

1 propositions to levy taxes in excess of its regular property taxes.
2 The superintendent shall prepare a proposed budget of the contemplated
3 financial transactions for the ensuing year and file the same in the
4 records of the commission on or before the first Monday in September.
5 Notice of the filing of said proposed budget and the date and place of
6 hearing on the same shall be published for at least two consecutive
7 weeks in a newspaper printed and of general circulation in said county.
8 On the first Monday in October the commission shall hold a public
9 hearing on said proposed budget at which any taxpayer may appear and be
10 heard against the whole or any part of the proposed budget. Upon the
11 conclusion of said hearing, the commission shall, by resolution, adopt
12 the budget as finally determined and fix the final amount of
13 expenditures for the ensuing year. Taxes levied by the commission
14 shall be certified to and collected by the proper county officer of the
15 county in which such public hospital district is located in the same
16 manner as is or may be provided by law for the certification and
17 collection of port district taxes. The commission is authorized, prior
18 to the receipt of taxes raised by levy, to borrow money or issue
19 warrants of the district in anticipation of the revenue to be derived
20 by such district from the levy of taxes for the purpose of such
21 district, and such warrants shall be redeemed from the first money
22 available from such taxes when collected, and such warrants shall not
23 exceed the anticipated revenues of one year, and shall bear interest at
24 a rate or rates as authorized by the commission.

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

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

32 (9) To pay actual necessary travel expenses and living expenses
33 incurred while in travel status for (a) qualified physicians who are
34 candidates for medical staff positions, and (b) other qualified persons
35 who are candidates for superintendent or other managerial and technical
36 positions, when the district finds that hospitals or other health care
37 facilities owned and operated by it are not adequately staffed and
38 determines that personal interviews with said candidates to be held in

1 the district are necessary or desirable for the adequate staffing of
2 said facilities.

3 (10) To make contracts, employ superintendents, attorneys, and
4 other technical or professional assistants and all other employees; to
5 make contracts with private or public institutions for employee
6 retirement programs; to print and publish information or literature;
7 and to do all other things necessary to carry out the provisions of
8 this chapter.

9 **Sec. 307.** RCW 84.08.115 and 1991 c 218 s 2 are each amended to
10 read as follows:

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

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

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

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

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

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

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

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

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

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

28 NEW SECTION. **Sec. 308.** It is the intent of sections 301 through
29 307 of this act to lower the one hundred six percent limit, as provided
30 in those sections, while still allowing taxing districts to raise
31 revenues in excess of the limit if approved by a majority of the voters
32 as provided in RCW 84.55.050.

33 **Sec. 309.** RCW 84.55.120 and 1995 c 251 s 1 are each amended to
34 read as follows:

35 A taxing district, other than the state, that collects regular

1 levies shall hold a public hearing on revenue sources for the
2 district's following year's current expense budget. The hearing must
3 include consideration of possible increases in property tax revenues
4 and shall be held prior to the time the taxing district levies the
5 taxes or makes the request to have the taxes levied. The county
6 legislative authority, or the taxing district's governing body if the
7 district is a city, town, or other type of district, shall hold the
8 hearing. For purposes of this section, "current expense budget" means
9 that budget which is primarily funded by taxes and charges and reflects
10 the provision of ongoing services. It does not mean the capital,
11 enterprise, or special assessment budgets of cities, towns, counties,
12 or special purpose districts.

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

16 No increase in property tax revenue, other than that resulting from
17 the addition of new construction and improvements to property and any
18 increase in the value of state-assessed property, may be authorized by
19 a taxing district, other than the state, except by adoption of a
20 separate ordinance or resolution, pursuant to notice, specifically
21 authorizing the increase in terms of both dollars and percentage. The
22 ordinance or resolution may cover a period of up to two years, but the
23 ordinance shall specifically state for each year the dollar increase
24 and percentage change in the levy from the previous year.

25 **PART IV**
26 **MISCELLANEOUS**

27 NEW SECTION. Sec. 401. (1) Sections 101 through 126 and 201
28 through 207 of this act take effect for taxes payable in 1998 if the
29 proposed amendment to Article VII of the state Constitution providing
30 for large increases in the assessed value of real property to be phased
31 in over a period of four years and providing tax credits for owner-
32 occupied single-family residential housing (HJR) (Z-0789/97) is
33 validly submitted to and is approved and ratified by the voters at a
34 general election held in November 1997. If the proposed amendment is
35 not approved and ratified, sections 101 through 126 and 201 through 207
36 of this act are null and void in their entirety.

1 (2) Sections 301 through 309 of this act apply to taxes levied in
2 1997 for collection in 1998 and thereafter.

3 NEW SECTION. **Sec. 402.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 403.** Part headings used in this act are not any
8 part of the law.

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