

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE HOUSE BILL 1277**

55th Legislature  
1997 Regular Session

Passed by the House April 19, 1997  
Yeas 89 Nays 0

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**Speaker of the  
House of Representatives**

Passed by the Senate April 17, 1997  
Yeas 45 Nays 0

\_\_\_\_\_  
**President of the Senate**

Approved

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1277** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1277**

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Passed Legislature - 1997 Regular Session

AS AMENDED BY THE SENATE

**State of Washington**

**55th Legislature**

**1997 Regular Session**

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

Read first time 02/28/97.

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

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

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

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

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

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

3 (a) Disclosing tax information to any county assessor or county  
4 treasurer;

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

10 (c) Disclosing tax information with the written permission of the  
11 taxpayer;

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

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

22 (f) Disclosing tax information to a peace officer as defined in RCW  
23 9A.04.110 or county prosecutor, for official purposes. The disclosure  
24 may be made only in response to a search warrant, subpoena, or other  
25 court order, unless the disclosure is for the purpose of criminal tax  
26 enforcement. A peace officer or county prosecutor who receives the tax  
27 information may disclose the tax information only for use in the  
28 investigation and a related court proceeding, or in the court  
29 proceeding for which the tax information originally was sought; or

30 (g) Disclosing information otherwise available under chapter 42.17  
31 RCW.

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

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

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

1 during the regular office hours of the assessor's office: PROVIDED,  
2 That confidential income data is hereby exempted from public inspection  
3 (~~pursuant to RCW 42.17.310~~) as noted in RCW 42.17.260 and 42.17.310.  
4 All personal property in this state subject to taxation shall be listed  
5 and assessed every year, with reference to its value and ownership on  
6 the first day of January of the year in which it is assessed:  
7 PROVIDED, That if the stock of goods, wares, merchandise or material,  
8 whether in a raw or finished state or in process of manufacture, owned  
9 or held by any taxpayer on January 1 of any year does not fairly  
10 represent the average stock carried by such taxpayer, such stock shall  
11 be listed and assessed upon the basis of the monthly average of stock  
12 owned or held by such taxpayer during the preceding calendar year or  
13 during such portion thereof as the taxpayer was engaged in business.

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

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

27 Any information or facts obtained pursuant to this section shall be  
28 used by the assessor only for the purpose of determining the assessed  
29 valuation of the taxpayer's property: PROVIDED, That such information  
30 or facts shall also be made available to the department of revenue upon  
31 request for the purpose of determining any sales or use tax liability  
32 with respect to personal property, and except in a (~~court action~~  
33 ~~pertaining~~) civil or criminal judicial proceeding or an administrative  
34 proceeding in respect to penalties imposed pursuant to RCW 84.40.130,  
35 to such sales or use taxes, or to the assessment or valuation for tax  
36 purposes of the property to which such information and facts relate,  
37 shall not be disclosed by the assessor or the department of revenue  
38 without the permission of the taxpayer to any person other than public

1 officers or employees whose duties relate to valuation of property for  
2 tax purposes or to the imposition and collection of sales and use  
3 taxes, and any violation of this secrecy provision shall constitute a  
4 gross misdemeanor.

5 **Sec. 4.** RCW 42.17.310 and 1996 c 305 s 2 are each amended to read  
6 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 information be released, and except as provided for under RCW  
2 42.17.260(9).

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

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

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

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

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

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

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

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

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

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

37 (hh) Information and documents created specifically for, and  
38 collected and maintained by a quality improvement committee pursuant to

1 RCW 43.70.510, regardless of which agency is in possession of the  
2 information and documents.

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

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

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

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

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

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