

SENATE BILL 5212

State of Washington

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1997 Regular Session

By Senators Swecker, Hale, Zarelli, Johnson, McDonald, McCaslin, Deccio, West, Schow, Horn, Strannigan, Hochstatter, Benton, Sellar, Anderson and Oke

Read first time 01/20/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to limiting property taxes; amending RCW 84.04.030,
2 84.40.020, 84.40.030, 84.40.040, 84.40.045, 84.41.041, 84.48.010,
3 84.48.065, 84.48.075, 84.48.080, 84.12.270, 84.12.280, 84.12.310,
4 84.12.330, 84.12.350, 84.12.360, 84.16.040, 84.16.050, 84.16.090,
5 84.16.110, 84.16.120, 84.36.041, 84.52.063, 84.70.010, 84.55.005,
6 84.55.010, 84.55.020, 35.61.210, 70.44.060, and 84.08.115; adding a new
7 section to chapter 84.04 RCW; adding a new section to chapter 84.40
8 RCW; and creating new sections.

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

PART I

VALUE AVERAGING

12 NEW SECTION. **Sec. 101.** A new section is added to chapter 84.04
13 RCW to read as follows:

14 "Appraised value of property" means the aggregate true and fair
15 value of the property as last determined by the county assessor
16 according to the revaluation program approved under chapter 84.41 RCW,
17 including revaluations based on statistical data between physical
18 inspections.

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

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

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

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

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

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

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

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

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

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

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

34 (3) In valuing any tract or parcel of real property, the true and
35 fair value of the land, exclusive of structures thereon shall be
36 determined; also the true and fair value of structures thereon, but the
37 appraised valuation shall not exceed the true and fair value of the
38 total property as it exists. In valuing agricultural land, growing
39 crops shall be excluded.

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

3 (1) As used in this section:

4 (a) "Previous assessed value" means the assessed value for the year
5 immediately preceding the year for which a calculation is being made
6 under this section.

7 (b) "Current appraised value" means the appraised value for the
8 year for which a calculation is being made under this section.

9 (c) "Total value increase" means the current appraised value minus
10 the previous assessed value. Total value increase can never be less
11 than zero.

12 (d) "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 (e) "Market increase" means the total value increase minus the
18 improvement increase. Market increase can never be less than zero.

19 (2) The assessed value of property is equal to the lesser of the
20 current appraised value or a limited value determined under this
21 section. The limited value is equal to the greater of:

22 (a) The improvement increase plus one hundred ten percent of the
23 previous assessed value; or

24 (b) The sum of:

25 (i) The previous assessed value;

26 (ii) The improvement increase; and

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

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

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

37 The assessor shall actually determine as nearly as practicable the
38 true and fair value of each tract or lot of land listed for taxation

1 and of each improvement located thereon and shall enter as the
2 appraised value one hundred percent of the true and fair value of such
3 land and of the total true and fair value of such improvements,
4 together with the total of such one hundred percent valuations,
5 opposite each description of property on the assessment list and tax
6 roll.

7 The assessor shall determine the assessed value, under section 105
8 of this act, for each tract or lot of land listed for taxation,
9 including improvements located thereon, and shall also enter this value
10 opposite each description of property on the assessment list and tax
11 roll.

12 The assessor shall make an alphabetical list of the names of all
13 persons in the county liable to assessment of personal property, and
14 require each person to make a correct list and statement of such
15 property according to the standard form prescribed by the department of
16 revenue, which statement and list shall include, if required by the
17 form, the year of acquisition and total original cost of personal
18 property in each category of the prescribed form, and shall be signed
19 and verified under penalty of perjury by the person listing the
20 property: PROVIDED, That the assessor may list and value improvements
21 on publicly owned land in the same manner as real property is listed
22 and valued, including conformance with the revaluation program required
23 under chapter 84.41 RCW. Such list and statement shall be filed on or
24 before the last day of April. The assessor shall on or before the 1st
25 day of January of each year mail a notice to all such persons at their
26 last known address that such statement and list is required, such
27 notice to be accompanied by the form on which the statement or list is
28 to be made: PROVIDED, That the notice mailed by the assessor to each
29 taxpayer each year shall, if practicable, include the statement and
30 list of personal property of the taxpayer for the preceding year. Upon
31 receipt of such statement and list the assessor shall thereupon
32 determine the true and fair value of the property included in such
33 statement and enter one hundred percent of the same on the assessment
34 roll opposite the name of the party assessed; and in making such entry
35 in the assessment list, the assessor shall give the name and post
36 office address of the party listing the property, and if the party
37 resides in a city the assessor shall give the street and number or
38 other brief description of the party's residence or place of business.
39 The assessor may, after giving written notice of the action to the

1 person to be assessed, add to the assessment list any taxable property
2 which should be included in such list.

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

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

12 The notice shall contain a statement of both the prior and the new
13 (~~true and fair~~) appraised and assessed values (~~and the ratio of the~~
14 ~~assessed value to the true and fair value on which the assessment of~~
15 ~~the property is based~~), stating separately land and improvement
16 appraised values, and a brief statement of the procedure for appeal to
17 the board of equalization and the time, date, and place of the meetings
18 of the board.

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

20 If any taxpayer, as shown by the tax rolls, holds solely a security
21 interest in the real property which is the subject of the notice,
22 pursuant to a mortgage, contract of sale, or deed of trust, such
23 taxpayer shall, upon written request of the assessor, supply, within
24 thirty days of receipt of such request, to the assessor the name and
25 address of the person making payments pursuant to the mortgage,
26 contract of sale, or deed of trust, and thereafter such person shall
27 also receive a copy of the notice provided for in this section.
28 Willful failure to comply with such request within the time limitation
29 provided for herein shall make such taxpayer subject to a maximum civil
30 penalty of five thousand dollars. The penalties provided for herein
31 shall be recoverable in an action by the county prosecutor, and when
32 recovered shall be deposited in the county current expense fund. The
33 assessor shall make the request provided for by this section during the
34 month of January.

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

1 Each county assessor shall cause taxable real property to be
2 physically inspected and valued at least once every six years in
3 accordance with RCW 84.41.030, and in accordance with a plan filed with
4 and approved by the department of revenue. Such revaluation plan shall
5 provide that a reasonable portion of all taxable real property within
6 a county shall be revalued and these newly-determined values placed on
7 the assessment rolls each year. The department may approve a plan that
8 provides that all property in the county be revalued every two years.
9 If the revaluation plan provides for physical inspection at least once
10 each four years, during the intervals between each physical inspection
11 of real property, the appraised valuation of such property may be
12 adjusted to its current true and fair value, such adjustments to be
13 based upon appropriate statistical data. If the revaluation plan
14 provides for physical inspection less frequently than once each four
15 years, during the intervals between each physical inspection of real
16 property, the appraised valuation of such property shall be adjusted to
17 its current true and fair value, such adjustments to be made once each
18 year and to be based upon appropriate statistical data. If the
19 appraised valuation is changed, the assessed value shall be
20 recalculated under section 105 of this act.

21 The assessor may require property owners to submit pertinent data
22 respecting taxable property in their control including data respecting
23 any sale or purchase of said property within the past five years, the
24 cost and characteristics of any improvement on the property and other
25 facts necessary for appraisal of the property.

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

28 Prior to July 15th, the county legislative authority shall form a
29 board for the equalization of the assessment of the property of the
30 county. The members of said board shall receive a per diem amount as
31 set by the county legislative authority for each day of actual
32 attendance of the meeting of the board of equalization to be paid out
33 of the current expense fund of the county: PROVIDED, That when the
34 county legislative authority constitute the board they shall only
35 receive their compensation as members of the county legislative
36 authority. The board of equalization shall meet in open session for
37 this purpose annually on the 15th day of July and, having each taken an
38 oath fairly and impartially to perform their duties as members of such

1 board, they shall examine and compare the returns of the assessment of
2 the property of the county and proceed to equalize the same, so that
3 the appraised value of each tract or lot of real property and each
4 article or class of personal property shall be entered on the
5 assessment list at its true and fair value, ((according to the measure
6 of value used by the county assessor in such assessment year, which is
7 presumed to be correct pursuant to RCW 84.40.0301)) and so that the
8 assessed value of each tract or lot of real property is entered on the
9 assessment list at its correct amount, and subject to the following
10 rules:

11 First. They shall raise the appraised valuation of each tract or
12 lot or item of real property which is returned below its true and fair
13 value to such price or sum as to be the true and fair value thereof,
14 and raise the assessed valuation of each tract or lot or item of real
15 property which is returned below its correct amount to the correct
16 amount after at least five days' notice shall have been given in
17 writing to the owner or agent.

18 Second. They shall reduce the appraised valuation of each tract or
19 lot or item which is returned above its true and fair value to such
20 price or sum as to be the true and fair value thereof and reduce the
21 assessed valuation of each tract or lot or item of real property which
22 is returned above its correct amount to the correct amount.

23 Third. They shall raise the valuation of each class of personal
24 property which is returned below its true and fair value to such price
25 or sum as to be the true and fair value thereof, and they shall raise
26 the aggregate value of the personal property of each individual
27 whenever the aggregate value is less than the true valuation of the
28 taxable personal property possessed by such individual, to such sum or
29 amount as to be the true value thereof, after at least five days'
30 notice shall have been given in writing to the owner or agent thereof.

31 Fourth. They shall reduce the valuation of each class of personal
32 property enumerated on the detail and assessment list of the current
33 year, which is returned above its true and fair value, to such price or
34 sum as to be the true and fair value thereof; and they shall reduce the
35 aggregate valuation of the personal property of such individual who has
36 been assessed at too large a sum to such sum or amount as was the true
37 and fair value of the personal property.

38 Fifth. The board may review all claims for either real or personal
39 property tax exemption as determined by the county assessor, and shall

1 consider any taxpayer appeals from the decision of the assessor thereon
2 to determine (1) if the taxpayer is entitled to an exemption, and (2)
3 if so, the amount thereof.

4 The clerk of the board shall keep an accurate journal or record of
5 the proceedings and orders of said board showing the facts and evidence
6 upon which their action is based, and the said record shall be
7 published the same as other proceedings of county legislative
8 authority, and shall make a true record of the changes of the
9 descriptions and ((assessed)) appraised values ordered by the county
10 board of equalization. The assessor shall recalculate assessed values
11 and correct the real and personal assessment rolls in accordance with
12 the changes made by the said county board of equalization, and the
13 assessor shall make duplicate abstracts of such corrected values, one
14 copy of which shall be retained in the office, and one copy forwarded
15 to the department of revenue on or before the eighteenth day of August
16 next following the meeting of the county board of equalization.

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

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

27 County legislative authorities as such shall at no time have any
28 authority to change the valuation of the property of any person or to
29 release or commute in whole or in part the taxes due on the property of
30 any person.

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

33 (1) The county assessor or treasurer may cancel or correct
34 assessments on the assessment or tax rolls which are erroneous due to
35 manifest errors in description, double assessments, clerical errors in
36 extending the rolls, clerical errors in calculating the assessed value
37 under section 105 of this act, and such manifest errors in the listing
38 of the property which do not involve a revaluation of property, except

1 in the case that a taxpayer produces proof that an authorized land use
2 authority has made a definitive change in the property's land use
3 designation. In such a case, correction of the assessment or tax rolls
4 may be made notwithstanding the fact that the action involves a
5 revaluation of property. Manifest errors that do not involve a
6 revaluation of property include the assessment of property exempted by
7 law from taxation or the failure to deduct the exemption allowed by law
8 to the head of a family. When the county assessor cancels or corrects
9 an assessment, the assessor shall send a notice to the taxpayer in
10 accordance with RCW 84.40.045, advising the taxpayer that the action
11 has been taken and notifying the taxpayer of the right to appeal the
12 cancellation or correction to the county board of equalization, in
13 accordance with RCW 84.40.038. When the county assessor or treasurer
14 cancels or corrects an assessment, a record of such action shall be
15 prepared, setting forth therein the facts relating to the error. The
16 record shall also set forth by legal description all property belonging
17 exclusively to the state, any county, or any municipal corporation
18 whose property is exempt from taxation, upon which there remains,
19 according to the tax roll, any unpaid taxes. No manifest error
20 cancellation or correction, including a cancellation or correction made
21 due to a definitive change of land use designation, shall be made for
22 any period more than three years preceding the year in which the error
23 is discovered.

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

27 (i) The assessor and taxpayer have signed an agreement as to the
28 true and fair value of the taxpayer's property setting forth in the
29 agreement the valuation information upon which the agreement is based;
30 and

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

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

35 (i) The assessor and taxpayer have signed an agreement as to the
36 true and fair value of the taxpayer's property setting forth in the
37 agreement the valuation information upon which the agreement is based;
38 and

39 (ii) The following conditions are met:

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

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

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

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

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

15 (1) The department of revenue shall annually, prior to the first
16 Monday in September, determine and submit to each assessor a
17 preliminary indicated ratio for each county: PROVIDED, That the
18 department shall establish rules and regulations pertinent to the
19 determination of the indicated ratio, the indicated real property ratio
20 and the indicated personal property ratio: PROVIDED FURTHER, That
21 these rules and regulations may provide that data, as is necessary for
22 said determination, which is available from the county assessor of any
23 county and which has been audited as to its validity by the department,
24 shall be utilized by the department in determining the indicated ratio.

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

29 (3) The department shall review each county's preliminary ratio
30 with the assessor, a landowner, or an owner of an intercounty public
31 utility or private car company of that county, if requested by the
32 assessor, a landowner, or an owner of an intercounty public utility or
33 private car company of that county, respectively, between the first and
34 third Mondays of September. Prior to equalization of assessments
35 pursuant to RCW 84.48.080 and after the third Monday of September, the
36 department shall certify to each county assessor the real and personal
37 property ratio for that county.

1 (4) The department of revenue shall also examine procedures used by
2 the assessor to assess real and personal property in the county,
3 including calculations, use of prescribed value schedules, and efforts
4 to locate all taxable property in the county. If any examination by
5 the department discloses other than market value is being listed as
6 appraised value on the county assessment rolls of the county by the
7 assessor and, after due notification by the department, is not
8 corrected, the department of revenue shall, in accordance with rules
9 adopted by the department, adjust the ratio of that type of property,
10 which adjustment shall be used for determining the county's indicated
11 ratio.

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

14 (1) Annually during the months of September and October, the
15 department of revenue shall examine and compare the returns of the
16 assessment of the property in the several counties of the state, and
17 the assessment of the property of railroad and other companies assessed
18 by the department, and proceed to equalize the same, so that each
19 county in the state shall pay its due and just proportion of the taxes
20 for state purposes for such assessment year, according to the ratio the
21 assessed valuation of the property in each county bears to the correct
22 total assessed valuation of all property in the state.

23 First. The department shall classify all property, real and
24 personal, and shall raise and lower the assessed valuation of any class
25 of property in any county to a value that shall be equal, so far as
26 possible, to the (~~true and fair~~) correct assessed value of such class
27 as of January 1st of the current year, after determining the correct
28 appraised value, and any adjustment applicable under section 105 of
29 this act for the property, for the purpose of ascertaining the just
30 amount of tax due from each county for state purposes. In equalizing
31 personal property as of January 1st of the current year, the department
32 shall use the assessment level of the preceding year. Such
33 classification may be on the basis of types of property, geographical
34 areas, or both. For purposes of this section, for each county that has
35 not provided the department with an assessment return by December 1st,
36 the department shall proceed, using facts and information and in a
37 manner it deems appropriate, to estimate the value of each class of
38 property in the county.

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

3 (2) The department shall levy the state taxes authorized by law.
4 The amount levied in any one year for general state purposes shall not
5 exceed the lawful dollar rate on the dollar of the assessed value of
6 the property of the entire state(~~(, which assessed value shall be one~~
7 ~~hundred percent of the true and fair value of such property in money))~~
8 as equalized under this section. The department shall apportion the
9 amount of tax for state purposes levied by the department, among the
10 several counties, in proportion to the assessed valuation of the
11 taxable property of the county for the year as equalized by the
12 department: PROVIDED, That for purposes of this apportionment, the
13 department shall recompute the previous year's levy and the
14 apportionment thereof to correct for changes and errors in taxable
15 values reported to the department after October 1 of the preceding year
16 and shall adjust the apportioned amount of the current year's state
17 levy for each county by the difference between the apportioned amounts
18 established by the original and revised levy computations for the
19 previous year. For purposes of this section, changes in taxable values
20 mean a final adjustment made by a county board of equalization, the
21 state board of tax appeals, or a court of competent jurisdiction and
22 shall include additions of omitted property, other additions or
23 deletions from the assessment or tax rolls, any assessment return
24 provided by a county to the department subsequent to December 1st, or
25 a change in the indicated ratio of a county. Errors in taxable values
26 mean errors corrected by a final reviewing body.

27 In addition to computing a levy under this subsection that is
28 reduced under RCW 84.55.012, the department shall compute a
29 hypothetical levy without regard to the reduction under RCW 84.55.012.
30 This hypothetical levy shall also be apportioned among the several
31 counties in proportion to the valuation of the taxable property of the
32 county for the year, as equalized by the department, in the same manner
33 as the actual levy and shall be used by the county assessors for the
34 purpose of recomputing and establishing a consolidated levy under RCW
35 84.52.010.

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

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

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

8 The department of revenue shall annually make an assessment of the
9 operating property of all companies; and between the fifteenth day of
10 March and the first day of July of each of said years shall prepare an
11 assessment roll upon which it shall enter (~~and assess~~) the (~~true and~~
12 ~~fair~~) assessed value of all the operating property of each of such
13 companies as of the first day of January of the year in which the
14 assessment is made. For the purpose of determining the (~~true and~~
15 ~~fair~~) assessed value of such property the department of revenue may
16 inspect the property belonging to said companies and may take into
17 consideration any information or knowledge obtained by it from such
18 examination and inspection of such property, or of the books, records
19 and accounts of such companies, the statements filed as required by
20 this chapter, the reports, statements or returns of such companies
21 filed in the office of any board, office or commission of this state or
22 any county thereof, the earnings and earning power of such companies,
23 the franchises owned or used by such companies, the assessed valuation
24 of any and all property of such companies, whether operating or
25 nonoperating property, and whether situated within or outside the
26 state, and any other facts, evidence or information that may be
27 obtainable bearing upon the value of the operating property: PROVIDED,
28 That in no event shall any statement or report required from any
29 company by this chapter be conclusive upon the department of revenue
30 in determining the amount, character and (~~true and fair~~) assessed
31 value of the operating property of such company.

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

34 (1) In making the assessment of the operating property of any
35 railroad or logging railroad company and in the apportionment of the
36 values and the taxation thereof, all land occupied and claimed
37 exclusively as the right-of-way for railroads, with all the tracks and

1 substructures and superstructures which support the same, together with
2 all side tracks, second tracks, turn-outs, station houses, depots,
3 round houses, machine shops, or other buildings belonging to the
4 company, used in the operation thereof, without separating the same
5 into land and improvements, shall be assessed as real property. And
6 the rolling stock and other movable property belonging to any railroad
7 or logging railroad company shall be considered as personal property
8 and taxed as such: PROVIDED, That all of the operating property of
9 street railway companies shall be assessed and taxed as personal
10 property.

11 (2) All of the operating property of airplane companies, telegraph
12 companies, pipe line companies, water companies and toll bridge
13 companies; the floating equipment of steamboat companies, and all of
14 the operating property other than lands and buildings of electric light
15 and power companies, telephone companies, gas companies and heating
16 companies shall be assessed and taxed as personal property.

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

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

23 For the purpose of determining the system value of the operating
24 property of any such company, the department of revenue shall deduct
25 from the (~~true and fair~~) assessed value of the total assets of such
26 company, the (~~actual cash~~) assessed value of all nonoperating
27 property owned by such company. For such purpose the department of
28 revenue may require of the assessors of the various counties within
29 this state a detailed list of such company's properties assessed by
30 them, together with the assessable or assessed value thereof:
31 PROVIDED, That such assessed or assessable value shall be advisory only
32 and not conclusive on the department of revenue as to the value
33 thereof.

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

36 Upon the assessment roll shall be placed after the name of each
37 company a general description of the operating property of the company,

1 which shall be considered sufficient if described in the language of
2 (~~subdivision (17) of~~) RCW 84.12.200(14), as applied to (~~said~~) the
3 company, following which shall be entered the (~~true and fair~~)
4 assessed value of the operating property as determined by the
5 department of revenue. No assessment shall be invalidated by reason of
6 a mistake in the name of the company assessed, or the omission of the
7 name of the owner or by the entry as owner of a name other than that of
8 the true owner. When the department of revenue shall have prepared the
9 assessment roll and entered thereon the (~~true and fair~~) assessed
10 value of the operating property of the company, as herein required, it
11 shall notify the company by mail of the valuation determined by it and
12 entered upon (~~said~~) the roll.

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

15 Upon determination by the department of revenue of the (~~true and~~
16 ~~fair~~) assessed value of the property appearing on such rolls it shall
17 apportion such value to the respective counties entitled thereto, as
18 hereinafter provided, and shall determine the equalized assessed
19 valuation of such property in each such county and in the several
20 taxing districts therein, by applying the county-indicated ratio to
21 such actual apportioned value (~~the same ratio as the ratio of assessed~~
22 ~~to actual value of the general property in such county~~): PROVIDED,
23 That, whenever the amount of the true and correct assessed value of the
24 operating property of any company otherwise apportionable to any county
25 or other taxing district shall be less than two hundred fifty dollars,
26 such amount need not be apportioned to such county or taxing district
27 but may be added to the amount apportioned to an adjacent county or
28 taxing district.

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

31 The (~~true and fair~~) value of the operating property assessed to
32 a company, as fixed and determined by the department of revenue, shall
33 be apportioned by the department of revenue to the respective counties
34 and to the taxing districts thereof wherein such property is located in
35 the following manner:

36 (1) Property of all railroad companies other than street railroad
37 companies, telegraph companies and pipe line companies«upon the basis

1 of that proportion of the value of the total operating property within
2 the state which the mileage of track, as classified by the department
3 of revenue (in case of railroads), mileage of wire (in the case of
4 telegraph companies), and mileage of pipe line (in the case of pipe
5 line companies) within each county or taxing district bears to the
6 total mileage thereof within the state, at the end of the calendar year
7 last past. For the purpose of such apportionment the department may
8 classify railroad track.

9 (2) Property of street railroad companies, telephone companies,
10 electric light and power companies, gas companies, water companies,
11 heating companies and toll bridge companies«upon the basis of relative
12 value of the operating property within each county and taxing district
13 to the value of the total operating property within the state to be
14 determined by such factors as the department of revenue shall deem
15 proper.

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

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

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

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

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

1 fair)) assessed value of such property the department of revenue may
2 take into consideration any information or knowledge obtained by it
3 from an examination and inspection of such property, or of the books,
4 records and accounts of such companies, the statements filed as
5 required by this chapter, the reports, statements or returns of such
6 companies filed in the office of any board, office or commission of
7 this state or any county thereof, the earnings and earning power of
8 such companies, the franchises owned or used by such companies, the
9 assessed valuation of any and all property of such companies, whether
10 operating property or nonoperating property, and whether situated
11 within or without the state, and any other facts, evidences or
12 information that may be obtainable bearing upon the value of the
13 operating property: PROVIDED, That in no event shall any statement or
14 report required from any company by this chapter be conclusive upon the
15 department of revenue in determining the amount, character and (~~true~~
16 ~~and fair~~) assessed value of the operating property of such company.

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

19 The department of revenue may, in determining the (~~true and fair~~)
20 assessed value of the operating property to be placed on the assessment
21 roll value the entire property as a unit. If the company owns, leases,
22 operates or uses property partly within and partly without the state,
23 the department of revenue may determine the value of the operating
24 property within this state by the proportion that the value of such
25 property bears to the value of the entire operating property of the
26 company, both within and without this state. In determining the
27 operating property which is located within this state the department of
28 revenue may consider and base such determination on the proportion
29 which the number of car miles of the various classes of cars made in
30 this state bears to the total number of car miles made by the same cars
31 within and without this state, or to the total number of car miles made
32 by all cars of the various classes within and without this state. If
33 the value of the operating property of the company cannot be fairly
34 determined in such manner the department of revenue may use any other
35 reasonable and fair method to determine the value of the operating
36 property of the company within this state.

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

3 Upon the assessment roll shall be placed after the name of each
4 company a general description of the operating property of the company,
5 which shall be considered sufficient if described in the language of
6 (~~subsection (3) of~~) RCW 84.16.010(3) or otherwise, following which
7 shall be entered the (~~true and fair~~) assessed value of the operating
8 property as determined by the department of revenue. No assessment
9 shall be invalid by a mistake in the name of the company assessed, by
10 omission of the name of the owner or by the entry of a name other than
11 that of the true owner. When the department of revenue shall have
12 prepared the assessment roll and entered thereon the (~~true and fair~~)
13 assessed value of the operating property of the company, as (~~herein~~)
14 required, it shall notify the company by mail of the valuation
15 determined by it and entered upon (~~said~~) the roll; and thereupon such
16 assessed valuation shall become the (~~true and fair~~) assessed value of
17 the operating property of the company, subject to revision or
18 correction by the department of revenue as hereinafter provided; and
19 shall be the valuation upon which, after equalization by the department
20 of revenue as hereinafter provided, the taxes of such company shall be
21 based and computed.

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

24 Upon determination by the department of revenue of the true and
25 (~~fair~~) correct assessed value of the property appearing on such rolls
26 the department shall apportion such value to the respective counties
27 entitled thereto as hereinafter provided, and shall determine the
28 equalized or assessed valuation of such property in such counties by
29 applying the county-indicated ratio to such actual apportioned value
30 (~~the same ratio as the ratio of assessed to actual value of the~~
31 ~~general property of the respective counties~~): PROVIDED, That,
32 whenever the amount of the true and correct assessed value of the
33 operating property of any company otherwise apportionable to any county
34 shall be less than two hundred fifty dollars, such amount need not be
35 apportioned to such county but may be added to the amount apportioned
36 to an adjacent county.

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

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

7 (1) If all the operating property of the company is situated
8 entirely within a county and none of such property is located within,
9 extends into, or through or is operated into or through any other
10 county, the entire value thereof shall be apportioned to the county
11 within which such property is (~~situate [situated]~~) situated, located,
12 and operated.

13 (2) If the operating property of any company is situated or located
14 within, extends into or is operated into or through more than one
15 county, the value thereof shall be apportioned to the respective
16 counties into or through which its cars are operated in the proportion
17 that the length of main line track of the respective railroads moving
18 such cars in such counties bears to the total length of main line track
19 of such respective railroads in this state.

20 (3) If the property of any company is of such character that it
21 will not be reasonable, feasible or fair to apportion the value as
22 hereinabove provided, the value thereof shall be apportioned between
23 the respective counties into or through which such property extends or
24 is operated or in which the same is located in such manner as may be
25 reasonable, feasible and fair.

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

28 (1) All real and personal property used by a nonprofit home for the
29 aging that is reasonably necessary for the purposes of the home is
30 exempt from taxation if the benefit of the exemption inures to the home
31 and:

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

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

1 (2) All real and personal property used by a nonprofit home for the
2 aging that is reasonably necessary for the purposes of the home is
3 exempt from taxation if the benefit of the exemption inures to the home
4 and the construction, rehabilitation, acquisition, or refinancing of
5 the home is financed under a program using bonds exempt from federal
6 income tax if at least seventy-five percent of the total amount
7 financed uses the tax exempt bonds and the financing program requires
8 the home to reserve a percentage of all dwelling units so financed for
9 low-income residents. The initial term of the exemption under this
10 subsection shall equal the term of the tax exempt bond used in
11 connection with the financing program, or the term of the requirement
12 to reserve dwelling units for low-income residents, whichever is
13 shorter. If the financing program involves less than the entire home,
14 only those dwelling units included in the financing program are
15 eligible for total exemption. The department of revenue shall provide
16 by rule the requirements for monitoring compliance with the provisions
17 of this subsection and the requirements for exemption including:

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

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

22 (c) Any particular requirements for continuing care retirement
23 communities.

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

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

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

34 (c) A partial exemption shall be allowed for an area jointly used
35 by a home for the aging and by a nonprofit organization, association,
36 or corporation currently exempt from property taxation under one of the
37 other provisions of this chapter. The shared area must be reasonably
38 necessary for the purposes of the nonprofit organization, association,

1 or corporation exempt from property taxation under one of the other
2 provisions of this chapter, such as kitchen, dining, and laundry areas.

3 (d) The amount of exemption shall be calculated by multiplying the
4 assessed value of the property reasonably necessary for the purposes of
5 the home, less the assessed value of any area exempt under (c) of this
6 subsection, by a fraction. The numerator of the fraction is the number
7 of dwelling units occupied by eligible residents and by residents
8 requiring assistance with activities of daily living. The denominator
9 of the fraction is the total number of occupied dwelling units as of
10 January 1st of the year for which exemption is claimed.

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

14 (5) A home for the aging is exempt from taxation only if the
15 organization operating the home is exempt from income tax under section
16 501(c) of the federal internal revenue code as existing on January 1,
17 1989, or such subsequent date as the director may provide by rule
18 consistent with the purposes of this section.

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

28 (7) In determining the (~~true and fair~~) assessed value of a home
29 for the aging for purposes of the partial exemption provided by
30 subsection (3) of this section, the assessor shall apply the
31 computation method provided by RCW 84.34.060 and shall consider only
32 the use to which such property is applied during the years for which
33 such partial exemptions are available and shall not consider potential
34 uses of such property.

35 (8) A home for the aging that was exempt or partially exempt for
36 taxes levied in 1993 for collection in 1994 is partially exempt for
37 taxes levied in 1994 for collection in 1995, has an increase in taxable
38 value for taxes levied in 1994 for collection in 1995 due to the change
39 prescribed by chapter 151, Laws of 1993 with respect to the numerator

1 of the fraction used to determine the amount of a partial exemption,
2 and is not fully exempt under this section is entitled to partial
3 exemptions as follows:

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

8 (b) For taxes levied in 1995 for collection in 1996, the home shall
9 pay taxes based upon the taxable value for 1994 as calculated in (a) of
10 this subsection plus one-half of the increase in the taxable value from
11 1994 to the nonexempt value calculated under subsection (3)(d) of this
12 section for 1995. For taxes levied in 1996 for collection in 1997 and
13 for taxes levied thereafter, this subsection (8) does not apply, and
14 the home shall pay taxes without reference to this subsection (8).

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

18 (9) As used in this section:

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

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

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

33 (iii) Has a combined disposable income of no more than the greater
34 of twenty-two thousand dollars or eighty percent of the median income
35 adjusted for family size as most recently determined by the federal
36 department of housing and urban development for the county in which the
37 person resides. For the purposes of determining eligibility under this
38 section, a "cotenant" means a person who resides with an eligible

1 resident and who shares personal financial resources with the eligible
2 resident.

3 (b) "Combined disposable income" means the disposable income of the
4 person submitting the income verification form, plus the disposable
5 income of his or her spouse, and the disposable income of each cotenant
6 occupying the dwelling unit for the preceding calendar year, less
7 amounts paid by the person submitting the income verification form or
8 his or her spouse or cotenant during the previous year for the
9 treatment or care of either person received in the dwelling unit or in
10 a nursing home. If the person submitting the income verification form
11 was retired for two months or more of the preceding year, the combined
12 disposable income of such person shall be calculated by multiplying the
13 average monthly combined disposable income of such person during the
14 months such person was retired by twelve. If the income of the person
15 submitting the income verification form is reduced for two or more
16 months of the preceding year by reason of the death of the person's
17 spouse, the combined disposable income of such person shall be
18 calculated by multiplying the average monthly combined disposable
19 income of such person after the death of the spouse by twelve.

20 (c) "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 (i) 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 (ii) Amounts deducted for loss;

32 (iii) Amounts deducted for depreciation;

33 (iv) Pension and annuity receipts;

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

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

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

39 (viii) Dividend receipts; and

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

2 (d) "Resident requiring assistance with activities of daily living"
3 means a person who requires significant assistance with the activities
4 of daily living and who would be at risk of nursing home placement
5 without this assistance.

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

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

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

21 A rural library district may impose a regular property tax levy in
22 an amount equal to that which would be produced by a levy of fifty
23 cents per thousand dollars of assessed value multiplied by an equalized
24 assessed valuation (~~equal to one hundred percent of the true and fair~~
25 ~~value of the taxable property in the rural library district~~)), as
26 determined by the department of revenue's indicated county ratio:
27 PROVIDED, That when any county assessor shall find that the aggregate
28 rate of levy on any property will exceed the limitation set forth in
29 RCW 84.52.043 and ((RCW)) 84.52.050, as now or hereafter amended,
30 before recomputing and establishing a consolidated levy in the manner
31 set forth in RCW 84.52.010, the assessor shall first reduce the levy of
32 any rural library district, by such amount as may be necessary, but the
33 levy of any rural library district shall not be reduced to less than
34 fifty cents per thousand dollars against the value of the taxable
35 property, as determined by the county, prior to any further adjustments
36 pursuant to RCW 84.52.010. For purposes of this section "regular
37 property tax levy" shall mean a levy subject to the limitations

1 provided for in Article VII, section 2 of the state Constitution and/or
2 by statute.

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

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

12 (a) First take the (~~true and fair~~) assessed value of such taxable
13 property before destruction or reduction in value and deduct therefrom
14 the true and fair value of the remaining property after destruction or
15 reduction in value.

16 (b) Then divide any amount remaining by the number of days in the
17 year and multiply the quotient by the number of days remaining in the
18 calendar year after the date of the destruction or reduction in value
19 of the property.

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

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

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

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

35
36

PART II
106 PERCENT LIMIT

1 **Sec. 201.** RCW 84.55.005 and 1994 c 301 s 49 are each amended to
2 read as follows:

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

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

9 (2) "Regular property taxes" has the meaning given it in RCW
10 84.04.140, and also includes amounts received in lieu of regular
11 property taxes.

12 **Sec. 202.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended
13 to read as follows:

14 Except as provided in this chapter, the levy for a taxing district
15 in any year shall be set so that the regular property taxes payable in
16 the following year shall not exceed one hundred six percent or one
17 hundred percent plus inflation, whichever is lower, of the amount of
18 regular property taxes lawfully levied for such district in the highest
19 of the three most recent years in which such taxes were levied for such
20 district plus an additional dollar amount calculated by multiplying
21 fifty percent of the increase in assessed value in that district
22 resulting from new construction, improvements to property, and fifty
23 percent of any increase in the assessed value of state-assessed
24 property by the regular property tax levy rate of that district for the
25 preceding year.

26 **Sec. 203.** RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended
27 to read as follows:

28 Notwithstanding the limitation set forth in RCW 84.55.010, the
29 first levy for a taxing district created from consolidation of similar
30 taxing districts shall be set so that the regular property taxes
31 payable in the following year shall not exceed one hundred six percent
32 or one hundred percent plus inflation, whichever is lower, of the sum
33 of the amount of regular property taxes lawfully levied for each
34 component taxing district in the highest of the three most recent years
35 in which such taxes were levied for such district plus the additional
36 dollar amount calculated by multiplying fifty percent of the increase
37 in assessed value in each component district resulting from new

1 construction and improvements to property by the regular property tax
2 rate of each component district for the preceding year.

3 **Sec. 204.** RCW 35.61.210 and 1990 c 234 s 3 are each amended to
4 read as follows:

5 The board of park commissioners may levy or cause to be levied a
6 general tax on all the property located in said park district each year
7 not to exceed fifty cents per thousand dollars of assessed value of the
8 property in such park district. In addition, the board of park
9 commissioners may levy or cause to be levied a general tax on all
10 property located in said park district each year not to exceed twenty-
11 five cents per thousand dollars of assessed valuation. Although park
12 districts are authorized to impose two separate regular property tax
13 levies, the levies shall be considered to be a single levy for purposes
14 of the ((one hundred six percent)) limitation provided for in chapter
15 84.55 RCW.

16 The board is hereby authorized to levy a general tax in excess of
17 its regular property tax levy or levies when authorized so to do at a
18 special election conducted in accordance with and subject to all the
19 requirements of the Constitution and laws of the state now in force or
20 hereafter enacted governing the limitation of tax levies. The board is
21 hereby authorized to call a special election for the purpose of
22 submitting to the qualified voters of the park district a proposition
23 to levy a tax in excess of the seventy-five cents per thousand dollars
24 of assessed value herein specifically authorized. The manner of
25 submitting any such proposition, of certifying the same, and of giving
26 or publishing notice thereof, shall be as provided by law for the
27 submission of propositions by cities or towns.

28 The board shall include in its general tax levy for each year a
29 sufficient sum to pay the interest on all outstanding bonds and may
30 include a sufficient amount to create a sinking fund for the redemption
31 of all outstanding bonds. The levy shall be certified to the proper
32 county officials for collection the same as other general taxes and
33 when collected, the general tax shall be placed in a separate fund in
34 the office of the county treasurer to be known as the "metropolitan
35 park district fund" and paid out on warrants.

36 **Sec. 205.** RCW 70.44.060 and 1990 c 234 s 2 are each amended to
37 read as follows:

1 All public hospital districts organized under the provisions of
2 this chapter shall have power:

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

5 (2) To construct, condemn and purchase, purchase, acquire, lease,
6 add to, maintain, operate, develop and regulate, sell and convey all
7 lands, property, property rights, equipment, hospital and other health
8 care facilities and systems for the maintenance of hospitals,
9 buildings, structures, and any and all other facilities, and to
10 exercise the right of eminent domain to effectuate the foregoing
11 purposes or for the acquisition and damaging of the same or property of
12 any kind appurtenant thereto, and such right of eminent domain shall be
13 exercised and instituted pursuant to a resolution of the commission and
14 conducted in the same manner and by the same procedure as in or may be
15 provided by law for the exercise of the power of eminent domain by
16 incorporated cities and towns of the state of Washington in the
17 acquisition of property rights: PROVIDED, That no public hospital
18 district shall have the right of eminent domain and the power of
19 condemnation against any health care facility.

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

37 (4) For the purpose aforesaid, it shall be lawful for any district
38 so organized to take, condemn and purchase, lease, or acquire, any and
39 all property, and property rights, including state and county lands,

1 for any of the purposes aforesaid, and any and all other facilities
2 necessary or convenient, and in connection with the construction,
3 maintenance, and operation of any such hospitals and other health care
4 facilities, subject, however, to the applicable limitations provided in
5 subsection (2) of this section.

6 (5) To contract indebtedness or borrow money for corporate purposes
7 on the credit of the corporation or the revenues of the hospitals
8 thereof, and the revenues of any other facilities or services that the
9 district is or hereafter may be authorized by law to provide, and to
10 issue and sell: (a) Revenue bonds, revenue warrants, or other revenue
11 obligations therefor payable solely out of a special fund or funds into
12 which the district may pledge such amount of the revenues of the
13 hospitals thereof, and the revenues of any other facilities or services
14 that the district is or hereafter may be authorized by law to provide,
15 to pay the same as the commissioners of the district may determine,
16 such revenue bonds, warrants, or other obligations to be issued and
17 sold in the same manner and subject to the same provisions as provided
18 for the issuance of revenue bonds, warrants, or other obligations by
19 cities or towns under the Municipal Revenue Bond Act, chapter 35.41
20 RCW, as may hereafter be amended; (b) general obligation bonds therefor
21 in the manner and form as provided in RCW 70.44.110 and 70.44.130, as
22 may hereafter be amended; or (c) interest-bearing warrants to be drawn
23 on a fund pending deposit in such fund of money sufficient to redeem
24 such warrants and to be issued and paid in such manner and upon such
25 terms and conditions as the board of commissioners may deem to be in
26 the best interest of the district; and to assign or sell hospital
27 accounts receivable, and accounts receivable for the use of other
28 facilities or services that the district is or hereafter may be
29 authorized by law to provide, for collection with or without recourse.
30 General obligation bonds shall be issued and sold in accordance with
31 chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue
32 obligations may be issued and sold in accordance with chapter 39.46
33 RCW.

34 (6) To raise revenue by the levy of an annual tax on all taxable
35 property within such public hospital district not to exceed fifty cents
36 per thousand dollars of assessed value, and an additional annual tax on
37 all taxable property within such public hospital district not to exceed
38 twenty-five cents per thousand dollars of assessed value, or such
39 further amount as has been or shall be authorized by a vote of the

1 people. Although public hospital districts are authorized to impose
2 two separate regular property tax levies, the levies shall be
3 considered to be a single levy for purposes of the (~~one hundred six~~
4 ~~percent~~)) limitation provided for in chapter 84.55 RCW. Public
5 hospital districts are authorized to levy such a general tax in excess
6 of their regular property taxes when authorized so to do at a special
7 election conducted in accordance with and subject to all of the
8 requirements of the Constitution and the laws of the state of
9 Washington now in force or hereafter enacted governing the limitation
10 of tax levies. The said board of district commissioners is authorized
11 and empowered to call a special election for the purpose of submitting
12 to the qualified voters of the hospital district a proposition or
13 propositions to levy taxes in excess of its regular property taxes.
14 The superintendent shall prepare a proposed budget of the contemplated
15 financial transactions for the ensuing year and file the same in the
16 records of the commission on or before the first Monday in September.
17 Notice of the filing of said proposed budget and the date and place of
18 hearing on the same shall be published for at least two consecutive
19 weeks in a newspaper printed and of general circulation in said county.
20 On the first Monday in October the commission shall hold a public
21 hearing on said proposed budget at which any taxpayer may appear and be
22 heard against the whole or any part of the proposed budget. Upon the
23 conclusion of said hearing, the commission shall, by resolution, adopt
24 the budget as finally determined and fix the final amount of
25 expenditures for the ensuing year. Taxes levied by the commission
26 shall be certified to and collected by the proper county officer of the
27 county in which such public hospital district is located in the same
28 manner as is or may be provided by law for the certification and
29 collection of port district taxes. The commission is authorized, prior
30 to the receipt of taxes raised by levy, to borrow money or issue
31 warrants of the district in anticipation of the revenue to be derived
32 by such district from the levy of taxes for the purpose of such
33 district, and such warrants shall be redeemed from the first money
34 available from such taxes when collected, and such warrants shall not
35 exceed the anticipated revenues of one year, and shall bear interest at
36 a rate or rates as authorized by the commission.

37 (7) To enter into any contract with the United States government or
38 any state, municipality, or other hospital district, or any department

1 of those governing bodies, for carrying out any of the powers
2 authorized by this chapter.

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

6 (9) To pay actual necessary travel expenses and living expenses
7 incurred while in travel status for (a) qualified physicians who are
8 candidates for medical staff positions, and (b) other qualified persons
9 who are candidates for superintendent or other managerial and technical
10 positions, when the district finds that hospitals or other health care
11 facilities owned and operated by it are not adequately staffed and
12 determines that personal interviews with said candidates to be held in
13 the district are necessary or desirable for the adequate staffing of
14 said facilities.

15 (10) To make contracts, employ superintendents, attorneys, and
16 other technical or professional assistants and all other employees; to
17 make contracts with private or public institutions for employee
18 retirement programs; to print and publish information or literature;
19 and to do all other things necessary to carry out the provisions of
20 this chapter.

21 **Sec. 206.** RCW 84.08.115 and 1991 c 218 s 2 are each amended to
22 read as follows:

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

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

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

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

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

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

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

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

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

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

4 **PART III**
5 **MISCELLANEOUS**

6 NEW SECTION. **Sec. 301.** (1) Sections 101 through 126 of this act
7 apply to taxes levied for collection in 1999 and thereafter.

8 (2) Sections 201 through 206 of this act apply to taxes levied for
9 collection in 1998 and thereafter.

10 NEW SECTION. **Sec. 302.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

14 NEW SECTION. **Sec. 303.** Part headings used in this act are not any
15 part of the law.

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