
HOUSE BILL 1467

State of Washington

57th Legislature

2001 Regular Session

By Representatives Reardon, Cairnes and Santos; by request of Department of Revenue

Read first time 01/26/2001. Referred to Committee on Finance.

1 AN ACT Relating to improving property tax administration by
2 correcting terminology and deleting obsolete provisions; amending RCW
3 79.01.132, 84.04.030, 84.12.270, 84.12.280, 84.12.310, 84.12.330,
4 84.12.350, 84.12.360, 84.16.040, 84.16.050, 84.16.090, 84.16.110,
5 84.16.120, 84.36.477, 84.40.030, 84.40.040, 84.40.045, 84.40.405,
6 84.41.041, 84.48.010, 84.48.065, 84.48.075, 84.52.063, and 84.70.010;
7 reenacting and amending RCW 84.40.020; reenacting RCW 84.36.041;
8 creating new sections; and repealing RCW 84.04.018, 84.36.140,
9 84.36.150, 84.36.160, 84.36.161, 84.36.162, 84.36.176, 84.36.181,
10 84.36.190, 84.36.191, 84.36.270, 84.36.280, 84.36.290, 84.36.473,
11 84.36.490, and 84.40.0305.

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

13 **Sec. 1.** RCW 79.01.132 and 1999 c 51 s 1 are each amended to read
14 as follows:

15 When any timber, fallen timber, stone, gravel, or other valuable
16 material on state lands is sold separate from the land, it may be sold
17 as a lump sum sale or as a scale sale. Lump sum sales under five
18 thousand dollars appraised value shall be paid for in cash. The
19 initial deposits required in RCW 79.01.204, not to exceed twenty-five

1 percent of the actual or projected purchase price, but in the case of
2 lump sum sales over five thousand dollars not less than five thousand
3 dollars, shall be made on the day of the sale, and in the case of those
4 sales appraised below the amount specified in RCW 79.01.200, the
5 department of natural resources may require full cash payment on the
6 day of sale. The purchaser shall notify the department of natural
7 resources before any timber is cut and before removal or processing of
8 any valuable materials on the sale area, at which time the department
9 of natural resources may require, in the amount determined by the
10 department, advance payment for the removal, processing, and/or cutting
11 of timber or other valuable materials, or bank letters of credit,
12 payment bonds, or assignments of savings accounts acceptable to the
13 department as adequate security. The amount of such advance payments
14 and/or security shall at all times equal or exceed the value of timber
15 cut and other valuable materials processed or removed until paid for.
16 The initial deposit shall be maintained until all contract obligations
17 of the purchaser are satisfied: PROVIDED HOWEVER, That all or a
18 portion of said initial deposit may be applied as the final payment for
19 said materials in the event the department of natural resources
20 determines that adequate security exists for the performance or
21 fulfillment of any remaining obligations of the purchaser under the
22 sale contract.

23 In all cases where timber, fallen timber, stone, gravel, or other
24 valuable material is sold separate from the land, the same shall revert
25 to the state if not removed from the land within the period specified
26 in the sale contract. Said specified period shall not exceed five
27 years from the date of the purchase thereof: PROVIDED, That the
28 specified periods in the sale contract for stone, sand, fill material,
29 or building stone shall not exceed twenty years: PROVIDED FURTHER,
30 That in all cases where, in the judgment of the department of natural
31 resources, the purchaser is acting in good faith and endeavoring to
32 remove such materials, the department of natural resources may extend
33 the time for the removal thereof for any period not exceeding twenty
34 years from the date of purchase for the stone, sand, fill material or
35 building stone or for a total of ten years beyond the normal
36 termination date specified in the original sale contract for all other
37 material, upon payment to the state of a sum to be fixed by the
38 department of natural resources, based on the estimated loss of income
39 per acre to the state resulting from the granting of the extension but

1 in no event less than fifty dollars per extension, plus interest on the
2 unpaid portion of the contract. The interest rate shall be fixed, from
3 time to time, by rule adopted by the board of natural resources and
4 shall not be less than six percent per annum. The applicable rate of
5 interest as fixed at the date of sale and the maximum extension payment
6 shall be set forth in the contract. The method for calculating the
7 unpaid portion of the contract upon which such interest shall be paid
8 by the purchaser shall be set forth in the contract. The department of
9 natural resources shall pay into the state treasury all sums received
10 for such extension and the same shall be credited to the fund to which
11 was credited the original purchase price of the material so sold.
12 However, a direct sale of valuable materials may be sold to the
13 applicant for cash at full appraised value without notice or
14 advertising. The board of natural resources shall, by resolution,
15 establish the value amount of a direct sale not to exceed twenty
16 thousand dollars in appraised sale value, and establish procedures to
17 assure that competitive market prices and accountability will be
18 guaranteed.

19 Any time that the department of natural resources sells timber by
20 contract that includes a performance bond, the department shall require
21 the purchaser to present proof of any and all property taxes paid prior
22 to the release of the performance bond. Within thirty days of payment
23 of taxes due by the timber purchaser, the county treasurer shall
24 provide certified evidence of property taxes paid, clearly disclosing
25 the sale contract number.

26 The provisions of this section apply unless otherwise provided by
27 statute.

28 The board of natural resources shall establish procedures to
29 protect against cedar theft and to ensure adequate notice is given for
30 persons interested in purchasing cedar.

31 **Sec. 2.** RCW 84.04.030 and 1997 c 3 s 102 are each amended to read
32 as follows:

33 "Assessed value of property" shall be held and construed to mean
34 the aggregate valuation of the property subject to taxation by any
35 taxing district as ((~~determined under RCW 84.40.0305, reduced by the~~
36 ~~value of any applicable exemptions under RCW 84.36.381 or other law,~~
37 ~~and~~)) placed on the last completed and balanced tax rolls of the county
38 preceding the date of any tax levy.

1 **Sec. 3.** RCW 84.12.270 and 1997 c 3 s 113 are each amended to read
2 as follows:

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

28 **Sec. 4.** RCW 84.12.280 and 1998 c 335 s 2 are each amended to read
29 as follows:

30 (~~(1)~~) In making the assessment of the operating property of any
31 railroad or logging railroad company and in the apportionment of the
32 values and the taxation thereof, all land occupied and claimed
33 exclusively as the right-of-way for railroads, with all the tracks and
34 substructures and superstructures which support the same, together with
35 all side tracks, second tracks, turn-outs, station houses, depots,
36 round houses, machine shops, or other buildings belonging to the
37 company, used in the operation thereof, without separating the same
38 into land and improvements, shall be assessed as real property. And

1 the rolling stock and other movable property belonging to any railroad
2 or logging railroad company shall be considered as personal property
3 and taxed as such: PROVIDED, That all of the operating property of
4 street railway companies shall be assessed and taxed as personal
5 property.

6 ~~((2))~~ All of the operating property of airplane companies,
7 telegraph companies, pipe line companies, and all of the operating
8 property other than lands and buildings of electric light and power
9 companies, telephone companies, and gas companies shall be assessed and
10 taxed as personal property.

11 ~~((3) Notwithstanding subsections (1) and (2) of this section, the
12 limit provided under RCW 84.40.0305 shall be applied in the assessment
13 of property under this section to the same extent as that limit is
14 generally applied to property not assessed under this chapter.))~~

15 **Sec. 5.** RCW 84.12.310 and 1997 c 3 s 115 are each amended to read
16 as follows:

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

28 **Sec. 6.** RCW 84.12.330 and 1998 c 335 s 3 are each amended to read
29 as follows:

30 Upon the assessment roll shall be placed after the name of each
31 company a general description of the operating property of the company,
32 which shall be considered sufficient if described in the language of
33 RCW 84.12.200(12), as applied to the company, following which shall be
34 entered the ~~((assessed))~~ true and fair value of the operating property
35 as determined by the department of revenue. No assessment shall be
36 invalidated by reason of a mistake in the name of the company assessed,
37 or the omission of the name of the owner or by the entry as owner of a

1 name other than that of the true owner. When the department of revenue
2 shall have prepared the assessment roll and entered thereon the
3 (~~assessed~~) true and fair value of the operating property of the
4 company, as herein required, it shall notify the company by mail of the
5 valuation determined by it and entered upon the roll.

6 **Sec. 7.** RCW 84.12.350 and 1997 c 3 s 117 are each amended to read
7 as follows:

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

22 **Sec. 8.** RCW 84.12.360 and 1998 c 335 s 4 are each amended to read
23 as follows:

24 The true and fair value of the operating property assessed to a
25 company, as fixed and determined by the department of revenue, shall be
26 apportioned by the department of revenue to the respective counties and
27 to the taxing districts thereof wherein such property is located in the
28 following manner:

29 (1) Property of all railroad companies other than street railroad
30 companies, telegraph companies and pipe line companies--upon the basis
31 of that proportion of the value of the total operating property within
32 the state which the mileage of track, as classified by the department
33 of revenue (in case of railroads), mileage of wire (in the case of
34 telegraph companies), and mileage of pipe line (in the case of pipe
35 line companies) within each county or taxing district bears to the
36 total mileage thereof within the state, at the end of the calendar year

1 last past. For the purpose of such apportionment the department may
2 classify railroad track.

3 (2) Property of street railroad companies, telephone companies,
4 electric light and power companies, and gas companies--upon the basis
5 of relative value of the operating property within each county and
6 taxing district to the value of the total operating property within the
7 state to be determined by such factors as the department of revenue
8 shall deem proper.

9 (3) Planes or other aircraft of airplane companies--upon the basis
10 of such factor or factors of allocation, to be determined by the
11 department of revenue, as will secure a substantially fair and
12 equitable division between counties and other taxing districts.

13 All other property of airplane companies--upon the basis set forth
14 in subsection (2) of this section.

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

22 **Sec. 9.** RCW 84.16.040 and 1997 c 3 s 119 are each amended to read
23 as follows:

24 The department of revenue shall annually make an assessment of the
25 operating property of each private car company; and between the first
26 day of May and the first day of July of each (~~(of said)~~) year(~~(s)~~)
27 shall prepare an assessment roll upon which it shall enter and assess
28 the (~~(assessed)~~) true and fair value of all the operating property of
29 each of such companies as of the first day of January of the year in
30 which the assessment is made. For the purpose of determining the
31 (~~(assessed)~~) true and fair value of such property the department of
32 revenue may take into consideration any information or knowledge
33 obtained by it from an examination and inspection of such property, or
34 of the books, records, and accounts of such companies, the statements
35 filed as required by this chapter, the reports, statements, or returns
36 of such companies filed in the office of any board, office, or
37 commission of this state or any county thereof, the earnings and
38 earning power of such companies, the franchises owned or used by such

1 companies, the ((assessed)) true and fair valuation of any and all
2 property of such companies, whether operating property or nonoperating
3 property, and whether situated within or without the state, and any
4 other facts, evidences, or information that may be obtainable bearing
5 upon the value of the operating property: PROVIDED, That in no event
6 shall any statement or report required from any company by this chapter
7 be conclusive upon the department of revenue in determining the amount,
8 character, and ((assessed)) true and fair value of the operating
9 property of such company.

10 **Sec. 10.** RCW 84.16.050 and 1997 c 3 s 120 are each amended to read
11 as follows:

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

30 **Sec. 11.** RCW 84.16.090 and 1997 c 3 s 121 are each amended to read
31 as follows:

32 Upon the assessment roll shall be placed after the name of each
33 company a general description of the operating property of the company,
34 which shall be considered sufficient if described in the language of
35 RCW 84.16.010(3) or otherwise, following which shall be entered the
36 ((assessed)) true and fair value of the operating property as
37 determined by the department of revenue. No assessment shall be

1 invalid by a mistake in the name of the company assessed, by omission
2 of the name of the owner or by the entry of a name other than that of
3 the true owner. When the department of revenue shall have prepared the
4 assessment roll and entered thereon the ~~((assessed))~~ true and fair
5 value of the operating property of the company, as required, it shall
6 notify the company by mail of the valuation determined by it and
7 entered upon the roll; and thereupon such ~~((assessed))~~ valuation shall
8 become the ~~((assessed))~~ true and fair value of the operating property
9 of the company, subject to revision or correction by the department of
10 revenue as hereinafter provided; and shall be the valuation upon which,
11 after equalization by the department of revenue as hereinafter
12 provided, the taxes of such company shall be based and computed.

13 **Sec. 12.** RCW 84.16.110 and 1997 c 3 s 122 are each amended to read
14 as follows:

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

28 **Sec. 13.** RCW 84.16.120 and 1997 c 3 s 123 are each amended to read
29 as follows:

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

34 (1) If all the operating property of the company is situated
35 entirely within a county and none of such property is located within,
36 extends into, or through or is operated into or through any other

1 county, the entire value thereof shall be apportioned to the county
2 within which such property is situated, located, and operated.

3 (2) If the operating property of any company is situated or located
4 within, extends into or is operated into or through more than one
5 county, the value thereof shall be apportioned to the respective
6 counties into or through which its cars are operated in the proportion
7 that the length of main line track of the respective railroads moving
8 such cars in such counties bears to the total length of main line track
9 of such respective railroads in this state.

10 (3) If the property of any company is of such character that it
11 will not be reasonable, feasible or fair to apportion the value as
12 hereinabove provided, the value thereof shall be apportioned between
13 the respective counties into or through which such property extends or
14 is operated or in which the same is located in such manner as may be
15 reasonable, feasible and fair.

16 **Sec. 14.** RCW 84.36.041 and 1999 c 358 s 16 and 1999 c 356 s 1 are
17 each reenacted to read as follows:

18 (1) All real and personal property used by a nonprofit home for the
19 aging that is reasonably necessary for the purposes of the home is
20 exempt from taxation if the benefit of the exemption inures to the home
21 and:

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

24 (b) The home is subsidized under a federal department of housing
25 and urban development program. The department of revenue shall provide
26 by rule a definition of homes eligible for exemption under this
27 subsection (1)(b), consistent with the purposes of this section.

28 (2) 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 the construction, rehabilitation, acquisition, or refinancing of
32 the home is financed under a program using bonds exempt from federal
33 income tax if at least seventy-five percent of the total amount
34 financed uses the tax exempt bonds and the financing program requires
35 the home to reserve a percentage of all dwelling units so financed for
36 low-income residents. The initial term of the exemption under this
37 subsection shall equal the term of the tax exempt bond used in
38 connection with the financing program, or the term of the requirement

1 to reserve dwelling units for low-income residents, whichever is
2 shorter. If the financing program involves less than the entire home,
3 only those dwelling units included in the financing program are
4 eligible for total exemption. The department of revenue shall provide
5 by rule the requirements for monitoring compliance with the provisions
6 of this subsection and the requirements for exemption including:

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

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

11 (c) Any particular requirements for continuing care retirement
12 communities.

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

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

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

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

30 (d) The amount of exemption shall be calculated by multiplying the
31 assessed value of the property reasonably necessary for the purposes of
32 the home, less the assessed value of any area exempt under (c) of this
33 subsection, by a fraction. The numerator of the fraction is the number
34 of dwelling units occupied by eligible residents and by residents
35 requiring assistance with activities of daily living. The denominator
36 of the fraction is the total number of occupied dwelling units as of
37 December 31st of the first assessment year the home becomes operational
38 for which exemption is claimed and January 1st of each subsequent
39 assessment year for which exemption is claimed.

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

4 (5) A home for the aging is exempt from taxation only if the
5 organization operating the home is exempt from income tax under section
6 501(c) of the federal internal revenue code as existing on January 1,
7 1989, or such subsequent date as the director may provide by rule
8 consistent with the purposes of this section.

9 (6) In order for the home to be eligible for exemption under
10 subsections (1)(a) and (3)(b) of this section, each eligible resident
11 of a home for the aging shall submit an income verification form to the
12 county assessor by July 1st of the assessment year for which exemption
13 is claimed. However, during the first year a home becomes operational,
14 the county assessor shall accept income verification forms from
15 eligible residents up to December 31st of the assessment year. The
16 income verification form shall be prescribed and furnished by the
17 department of revenue. An eligible resident who has filed a form for
18 a previous year need not file a new form until there is a change in
19 status affecting the person's eligibility.

20 (7) In determining the true and fair value of a home for the aging
21 for purposes of the partial exemption provided by subsection (3) of
22 this section, the assessor shall apply the computation method provided
23 by RCW 84.34.060 and shall consider only the use to which such property
24 is applied during the years for which such partial exemptions are
25 available and shall not consider potential uses of such property.

26 (8) As used in this section:

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

28 (i) Occupied the dwelling unit as a principal place of residence as
29 of December 31st of the first assessment year the home becomes
30 operational. In each subsequent year, the eligible resident must
31 occupy the dwelling unit as a principal place of residence as of
32 January 1st of the assessment year for which the exemption is claimed.
33 Confinement of the person to a hospital or nursing home does not
34 disqualify the claim of exemption if the dwelling unit is temporarily
35 unoccupied or if the dwelling unit is occupied by a spouse, a person
36 financially dependent on the claimant for support, or both; and

37 (ii) Is sixty-one years of age or older on December 31st of the
38 year in which the exemption claim is filed, or is, at the time of
39 filing, retired from regular gainful employment by reason of physical

1 disability. Any surviving spouse of a person who was receiving an
2 exemption at the time of the person's death shall qualify if the
3 surviving spouse is fifty-seven years of age or older and otherwise
4 meets the requirements of this subsection; and

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

13 (b) "Combined disposable income" means the disposable income of the
14 person submitting the income verification form, plus the disposable
15 income of his or her spouse, and the disposable income of each cotenant
16 occupying the dwelling unit for the preceding calendar year, less
17 amounts paid by the person submitting the income verification form or
18 his or her spouse or cotenant during the previous year for the
19 treatment or care of either person received in the dwelling unit or in
20 a nursing home. If the person submitting the income verification form
21 was retired for two months or more of the preceding year, the combined
22 disposable income of such person shall be calculated by multiplying the
23 average monthly combined disposable income of such person during the
24 months such person was retired by twelve. If the income of the person
25 submitting the income verification form is reduced for two or more
26 months of the preceding year by reason of the death of the person's
27 spouse, the combined disposable income of such person shall be
28 calculated by multiplying the average monthly combined disposable
29 income of such person after the death of the spouse by twelve.

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

36 (i) Capital gains, other than gain excluded from income under
37 section 121 of the federal internal revenue code to the extent it is
38 reinvested in a new principal residence;

39 (ii) Amounts deducted for loss;

- 1 (iii) Amounts deducted for depreciation;
- 2 (iv) Pension and annuity receipts;
- 3 (v) Military pay and benefits other than attendant-care and
- 4 medical-aid payments;
- 5 (vi) Veterans benefits other than attendant-care and medical-aid
- 6 payments;
- 7 (vii) Federal social security act and railroad retirement benefits;
- 8 (viii) Dividend receipts; and
- 9 (ix) Interest received on state and municipal bonds.

10 (d) "Resident requiring assistance with activities of daily living"
11 means a person who requires significant assistance with the activities
12 of daily living and who would be at risk of nursing home placement
13 without this assistance.

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

22 (9) A for-profit home for the aging that converts to nonprofit
23 status after June 11, 1992, and would otherwise be eligible for tax
24 exemption under this section may not receive the tax exemption until
25 five years have elapsed since the conversion. The exemption shall then
26 be ratably granted over the next five years.

27 **Sec. 15.** RCW 84.36.477 and 1983 1st ex.s. c 62 s 6 are each
28 amended to read as follows:

29 (1) Business inventories ((as defined in RCW 84.36.473)) are exempt
30 from property taxation.

31 (2) As used in this section:

32 (a)(i) "Business inventories" means all livestock, inventories of
33 finished goods and work in process, and personal property not under
34 lease or rental, acquired, or produced solely for the purpose of sale
35 or lease or for the purpose of consuming the property in producing for
36 sale or lease a new article of tangible personal property of which the
37 property becomes an ingredient or component.

38 (ii) "Business inventories" also includes:

1 (A) All grains and flour, fruit and fruit products, unprocessed
2 timber, vegetables and vegetable products, and fish and fish products,
3 while being transported to or held in storage in a public or private
4 warehouse or storage area if actually shipped to points outside the
5 state on or before April 30th of the first year for which they would
6 otherwise be taxable;

7 (B) All finished plywood, hardboard, and particleboard panels
8 shipped from outside this state to any processing plant within this
9 state, if the panels are moving under a through freight rate to final
10 destination outside this state and the carrier grants the shipper the
11 privilege of stopping the shipment in transit for the purpose of
12 storing, milling, manufacturing, or other processing, while the panels
13 are in the process of being treated or shaped into flat component parts
14 to be incorporated into finished products outside this state and for
15 thirty days after completion of the processing or treatment;

16 (C) All ore or metal shipped from outside this state to any smelter
17 or refining works within this state, while in process of reduction or
18 refinement and for thirty days after completion of the reduction or
19 refinement; and

20 (D) All metals refined by electrolytic process into cathode or bar
21 form while in this form and held under negotiable warehouse receipt in
22 a public or private warehouse recognized by an established incorporated
23 commodity exchange and for sale through the exchange.

24 (iii) "Business inventories" does not include personal property
25 acquired or produced for the purpose of lease or rental if the property
26 was leased or rented at any time during the calendar year immediately
27 preceding the year of assessment and was not thereafter remanufactured,
28 nor does it include property held within the normal course of business
29 for lease or rental for periods of less than thirty days.

30 (iv) "Business inventories" does not include agricultural or
31 horticultural property fully or partially exempt under RCW 84.36.470.

32 (v) "Business inventories" does not include timber that is standing
33 on public land and that is sold under a contract entered into after
34 August 1, 1982;

35 (b) "Fish and fish products" means all fish and fish products
36 suitable and designed for human consumption, excluding all others;

37 (c) "Fruit and fruit products" means all raw edible fruits,
38 berries, and hops and all processed products of fruits, berries, or

1 hops, suitable and designed for human consumption, while in the hands
2 of the first processor;

3 (d) "Processed" means canning, barreling, bottling, preserving,
4 refining, freezing, packing, milling, or any other method employed to
5 keep any grain, fruit, vegetable, or fish in an edible condition or to
6 put it into more suitable or convenient form for consuming, storing,
7 shipping, or marketing;

8 (e) "Remanufactured" means the restoration of property to
9 essentially its original condition, but does not mean normal
10 maintenance or repairs; and

11 (f) "Vegetables and vegetable products" means all raw edible
12 vegetables such as peas, beans, beets, sugar beets, and other
13 vegetables, and all processed products of vegetables, suitable and
14 designed for human consumption, while in the hands of the first
15 processor.

16 **Sec. 16.** RCW 84.40.020 and 1997 c 239 s 2 and 1997 c 3 s 103 are
17 each reenacted and amended to read as follows:

18 All real property in this state subject to taxation shall be listed
19 and assessed every year, with reference to its (~~appraised and~~
20 ~~assessed~~) value(~~(s)~~) on the first day of January of the year in which
21 it is assessed. Such listing and all supporting documents and records
22 shall be open to public inspection during the regular office hours of
23 the assessor's office: PROVIDED, That confidential income data is
24 hereby exempted from public inspection as noted in RCW 42.17.260 and
25 42.17.310. All personal property in this state subject to taxation
26 shall be listed and assessed every year, with reference to its value
27 and ownership on the first day of January of the year in which it is
28 assessed: PROVIDED, That if the stock of goods, wares, merchandise or
29 material, whether in a raw or finished state or in process of
30 manufacture, owned or held by any taxpayer on January 1 of any year
31 does not fairly represent the average stock carried by such taxpayer,
32 such stock shall be listed and assessed upon the basis of the monthly
33 average of stock owned or held by such taxpayer during the preceding
34 calendar year or during such portion thereof as the taxpayer was
35 engaged in business.

36 **Sec. 17.** RCW 84.40.030 and 1998 c 320 s 9 are each amended to read
37 as follows:

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

4 (~~All real property shall be appraised at one hundred percent of
5 its true and fair value in money and assessed as provided in RCW
6 84.40.0305 unless specifically provided otherwise by law.~~)

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

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

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

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

1 provisions of this subsection are relied upon for establishing values
2 the property owner shall be advised upon request of the factors used in
3 arriving at such value.

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

10 **Sec. 18.** RCW 84.40.040 and 1997 c 3 s 106 are each amended to read
11 as follows:

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

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

27 (~~The assessor shall determine the assessed value, under RCW~~
28 ~~84.40.0305, for each tract or lot of land listed for taxation,~~
29 ~~including improvements located thereon, and shall also enter this value~~
30 ~~opposite each description of property on the assessment list and tax~~
31 ~~roll.~~)

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

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

24 **Sec. 19.** RCW 84.40.045 and 1997 c 3 s 107 are each amended to read
25 as follows:

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

33 The notice shall contain a statement of both the prior and the new
34 ((~~appraised and assessed values~~)) true and fair value, stating
35 separately land and improvement ((~~appraised~~)) values, and a brief
36 statement of the procedure for appeal to the board of equalization and
37 the time, date, and place of the meetings of the board.

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

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

16 **Sec. 20.** RCW 84.40.405 and 2000 c 103 s 28 are each amended to
17 read as follows:

18 The department of revenue shall promulgate such rules and
19 regulations, and prescribe such procedures as it deems necessary to
20 carry out RCW 84.36.470(~~(, 84.36.473,)~~) and 84.36.477(~~(, and this~~
21 ~~section))~~).

22 **Sec. 21.** RCW 84.41.041 and 1997 c 3 s 108 are each amended to read
23 as follows:

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

1 years, during the intervals between each physical inspection of real
2 property, the (~~appraised~~) valuation of such property shall be
3 adjusted to its current true and fair value, such adjustments to be
4 made once each year and to be based upon appropriate statistical data.
5 (~~If the appraised valuation is changed, the assessed value shall be~~
6 ~~recalculated under RCW 84.40.0305.~~)

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

12 **Sec. 22.** RCW 84.48.010 and 1997 c 3 s 109 are each amended to read
13 as follows:

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

35 First. They shall raise the (~~appraised~~) valuation of each tract
36 or lot or item of real property which is returned below its true and
37 fair value to such price or sum as to be the true and fair value
38 thereof, (~~and raise the assessed valuation of each tract or lot or~~

1 ~~item of real property which is returned below its correct amount to the~~
2 ~~correct amount))~~ after at least five days' notice shall have been given
3 in writing to the owner or agent.

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

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

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

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

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

1 and one copy forwarded to the department of revenue on or before the
2 eighteenth day of August next following the meeting of the county board
3 of equalization.

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

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

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

18 **Sec. 23.** RCW 84.48.065 and 1997 c 3 s 110 are each amended to read
19 as follows:

20 (1) The county assessor or treasurer may cancel or correct
21 assessments on the assessment or tax rolls which are erroneous due to
22 manifest errors in description, double assessments, clerical errors in
23 extending the rolls, (~~clerical errors in calculating the assessed~~
24 ~~value under RCW 84.40.0305,~~) and such manifest errors in the listing
25 of the property which do not involve a revaluation of property, except
26 in the case that a taxpayer produces proof that an authorized land use
27 authority has made a definitive change in the property's land use
28 designation. In such a case, correction of the assessment or tax rolls
29 may be made notwithstanding the fact that the action involves a
30 revaluation of property. Manifest errors that do not involve a
31 revaluation of property include the assessment of property exempted by
32 law from taxation or the failure to deduct the exemption allowed by law
33 to the head of a family. When the county assessor cancels or corrects
34 an assessment, the assessor shall send a notice to the taxpayer in
35 accordance with RCW 84.40.045, advising the taxpayer that the action
36 has been taken and notifying the taxpayer of the right to appeal the
37 cancellation or correction to the county board of equalization, in
38 accordance with RCW 84.40.038. When the county assessor or treasurer

1 cancels or corrects an assessment, a record of such action shall be
2 prepared, setting forth therein the facts relating to the error. The
3 record shall also set forth by legal description all property belonging
4 exclusively to the state, any county, or any municipal corporation
5 whose property is exempt from taxation, upon which there remains,
6 according to the tax roll, any unpaid taxes. No manifest error
7 cancellation or correction, including a cancellation or correction made
8 due to a definitive change of land use designation, shall be made for
9 any period more than three years preceding the year in which the error
10 is discovered.

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

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

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

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

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

26 (ii) The following conditions are met:

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

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

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

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

1 **Sec. 24.** RCW 84.48.075 and 1997 c 3 s 111 are each amended to read
2 as follows:

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

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

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

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

37 **Sec. 25.** RCW 84.52.063 and 1997 c 3 s 125 are each amended to read
38 as follows:

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

20 **Sec. 26.** RCW 84.70.010 and 1999 sp.s. c 8 s 1 are each amended to
21 read as follows:

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

32 (2) Taxes levied for collection in the year in which the
33 ((assessed)) true and fair value has been reduced under subsection (1)
34 of this section shall be abated in whole or in part as provided in this
35 subsection. The amount of taxes to be abated shall be determined by
36 first multiplying the amount deducted from ((assessed)) the true and
37 fair value under subsection (1) of this section by the rate of levy
38 applicable to the property in the tax year. Then divide the product by

1 the number of days in the year and multiply the quotient by the number
2 of days remaining in the calendar year after the date of the
3 destruction or reduction in value of the property. If taxes abated
4 under this section have been paid, the amount paid shall be refunded
5 under RCW 84.69.020. For taxes levied for collection in 1998 and 1999,
6 this subsection (2) applies to property that is destroyed in whole or
7 in part, or is in an area that has been declared a disaster area by the
8 governor and has been reduced in value by more than twenty percent as
9 a result of a natural disaster. For taxes levied for collection in
10 2000 through 2004, this subsection (2) applies to property that is
11 destroyed in whole or in part, or is in an area that has been declared
12 a federal disaster area and has been reduced in value by more than
13 twenty percent as a result of a natural disaster. This subsection (2)
14 does not apply to taxes levied for collection in 2005 and thereafter.

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

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

22 (5) If destroyed property is replaced prior to the valuation dates
23 contained in RCW 36.21.080 and 36.21.090, the total taxable value for
24 that assessment year shall not exceed the value as of the appropriate
25 valuation date in RCW 36.21.080 or 36.21.090, whichever is appropriate.

26 (6) The taxpayer may appeal the amount of reduction to the county
27 board of equalization ~~((within thirty days of notification or July 1st
28 of the year of reduction, whichever is later))~~ in accordance with the
29 provisions of RCW 84.40.038. The board shall reconvene, if necessary,
30 to hear the appeal.

31 NEW SECTION. **Sec. 27.** The following acts or parts of acts are
32 each repealed:

33 (1) RCW 84.04.018 ("Appraised value of property") and 1997 c 3 s
34 101;

35 (2) RCW 84.36.140 (Exemption of grains, flour, fruit, vegetables,
36 fish, and unprocessed timber--Limitation--Proof of shipment) and 1972
37 ex.s. c 30 s 2 & 1961 c 15 s 84.36.140;

1 (3) RCW 84.36.150 (Exemption of grains, flour, fruit, vegetables,
2 fish, and unprocessed timber--Listing and subsequent cancellation--
3 Proof) and 1967 ex.s. c 149 s 32 & 1961 c 15 s 84.36.150;
4 (4) RCW 84.36.160 (Exemption of grains, flour, fruit, vegetables,
5 fish, and unprocessed timber--Definitions) and 1972 ex.s. c 30 s 1,
6 1971 ex.s. c 137 s 1, & 1961 c 15 s 84.36.160;
7 (5) RCW 84.36.161 (Exemption of grains, flour, fruit, vegetables,
8 fish, and unprocessed timber--Construction of RCW 84.36.140, 84.36.150,
9 84.36.160 and 84.36.162--Effect on other acts) and 1998 c 311 s 21 &
10 1961 c 15 s 84.36.161;
11 (6) RCW 84.36.162 (Exemption of grains, flour, fruit, vegetables,
12 fish, and unprocessed timber--Purpose) and 1961 c 15 s 84.36.162;
13 (7) RCW 84.36.176 (Plywood, hardboard and particle board panels in
14 transit) and 1967 ex.s. c 149 s 34;
15 (8) RCW 84.36.181 (Ores, metals from out-of-state in process of
16 reduction or refinement) and 1961 c 168 s 2;
17 (9) RCW 84.36.190 (Metals in cathode or bar form for sale and held
18 under negotiable warehouse receipt) and 1961 c 15 s 84.36.190;
19 (10) RCW 84.36.191 (Metals in cathode or bar form for sale and held
20 under negotiable warehouse receipt--Purpose and construction) and 1961
21 c 15 s 84.36.191;
22 (11) RCW 84.36.270 (Real property beneath air space dedicated to
23 public body for stadium facilities) and 1973 1st ex.s. c 195 s 95 &
24 1967 ex.s. c 117 s 1;
25 (12) RCW 84.36.280 (Real property beneath air space dedicated to
26 public body for stadium facilities--Exemption effective only on
27 completion of construction of facility) and 1967 ex.s. c 117 s 2;
28 (13) RCW 84.36.290 (Real property beneath air space dedicated to
29 public body for stadium facilities--Taxes for school purposes not
30 affected) and 1967 ex.s. c 117 s 3;
31 (14) RCW 84.36.473 ("Business inventories" and "successor" defined)
32 and 1998 c 311 s 23, 1983 1st ex.s. c 62 s 2, 1982 c 174 s 1, 1975 1st
33 ex.s. c 291 s 8, & 1974 ex.s. c 169 s 4;
34 (15) RCW 84.36.490 (Land, buildings, machinery, etc., used to
35 manufacture alcohol fuel--Exceptions--Limitations--Claims--
36 Administrative rules) and 1985 c 371 s 7 & 1980 c 157 s 1; and
37 (16) RCW 84.40.0305 (Assessed value--Determination--Limited value)
38 and 1997 c 3 s 105.

1 NEW SECTION. **Sec. 28.** The repeals in section 27 of this act do
2 not affect any existing right acquired or liability or obligation
3 incurred under the sections repealed or under any rule or order adopted
4 under those sections, nor do they affect any proceeding instituted
5 under those sections.

6 NEW SECTION. **Sec. 29.** This act applies for taxes levied in 2001
7 for collection in 2002 and thereafter.

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