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HOUSE BILL 3137

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State of Washington                      60th Legislature                      2008 Regular Session

By Representatives DeBolt, Kessler, Orcutt, Alexander, Hunt, Blake, Williams, Rolfes, Loomis, Sullivan, VanDeWege, Haler, Kelley, Dunn, Kretz, Ross, Bailey, McCune, Skinner, Herrera, and Ormsby

Read first time 01/23/08. Referred to Committee on Finance.

1            AN ACT Relating to property tax relief for property damaged in the  
2 2007 floods; amending RCW 84.69.020 and 84.70.010; adding a new section  
3 to chapter 84.36 RCW; and declaring an emergency.

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

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 84.36 RCW  
6 to read as follows:

7            Real and personal property reduced in value and subject to an  
8 abatement under RCW 84.70.010 is exempt from the state portion of the  
9 property tax for three calendar years, beginning in the calendar year  
10 in which the property initially qualifies under RCW 84.70.010.  
11 Property taxes already paid during the calendar year in which the  
12 property initially qualifies under this section are subject to refund  
13 under RCW 84.69.020.

14            **Sec. 2.** RCW 84.69.020 and 2005 c 502 s 9 are each amended to read  
15 as follows:

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

18            (1) Paid more than once;

- 1 (2) Paid as a result of manifest error in description;
- 2 (3) Paid as a result of a clerical error in extending the tax  
3 rolls;
- 4 (4) Paid as a result of other clerical errors in listing property;
- 5 (5) Paid with respect to improvements which did not exist on  
6 assessment date;
- 7 (6) Paid under levies or statutes adjudicated to be illegal or  
8 unconstitutional;
- 9 (7) Paid as a result of mistake, inadvertence, or lack of knowledge  
10 by any person exempted from paying real property taxes or a portion  
11 thereof pursuant to RCW 84.36.381 through 84.36.389, as now or  
12 hereafter amended;
- 13 (8) Paid as a result of mistake, inadvertence, or lack of knowledge  
14 by either a public official or employee or by any person with respect  
15 to real property in which the person paying the same has no legal  
16 interest;
- 17 (9) Paid on the basis of an assessed valuation which was appealed  
18 to the county board of equalization and ordered reduced by the board;
- 19 (10) Paid on the basis of an assessed valuation which was appealed  
20 to the state board of tax appeals and ordered reduced by the board(~~(+  
21 PROVIDED, That~~)). However, the amount refunded under subsections (9)  
22 and (10) of this section shall only be for the difference between the  
23 tax paid on the basis of the appealed valuation and the tax payable on  
24 the valuation adjusted in accordance with the board's order;
- 25 (11) Paid as a state property tax levied upon property, the  
26 assessed value of which has been established by the state board of tax  
27 appeals for the year of such levy(~~(+—PROVIDED, HOWEVER, That)~~).  
28 However, the amount refunded shall only be for the difference between  
29 the state property tax paid and the amount of state property tax which  
30 would, when added to all other property taxes within the one percent  
31 limitation of Article VII, section 2 of the state Constitution equal  
32 one percent of the assessed value established by the board;
- 33 (12) Paid on the basis of an assessed valuation which was  
34 adjudicated to be unlawful or excessive(~~(+—PROVIDED, That)~~). However,  
35 the amount refunded shall be for the difference between the amount of  
36 tax which was paid on the basis of the valuation adjudged unlawful or  
37 excessive and the amount of tax payable on the basis of the assessed  
38 valuation determined as a result of the proceeding;

1 (13) Paid on property acquired under RCW 84.60.050, and canceled  
2 under RCW 84.60.050(2);

3 (14) Paid on the basis of an assessed valuation that was reduced  
4 under RCW 84.48.065;

5 (15) Paid on the basis of an assessed valuation that was reduced  
6 under RCW 84.40.039; (~~or~~)

7 (16) Abated under RCW 84.70.010; or

8 (17) Paid on the basis of property exempted later in the calendar  
9 year under section 1 of this act.

10 No refunds under the provisions of this section shall be made  
11 because of any error in determining the valuation of property, except  
12 as authorized in subsections (9), (10), (11), and (12) of this section  
13 nor may any refunds be made if a bona fide purchaser has acquired  
14 rights that would preclude the assessment and collection of the  
15 refunded tax from the property that should properly have been charged  
16 with the tax. Any refunds made on delinquent taxes shall include the  
17 proportionate amount of interest and penalties paid. However, no  
18 refunds as a result of an incorrect payment authorized under subsection  
19 (8) of this section made by a third party payee shall be granted. The  
20 county treasurer may deduct from moneys collected for the benefit of  
21 the state's levy, refunds of the state levy including interest on the  
22 levy as provided by this section and chapter 84.68 RCW.

23 The county treasurer of each county shall make all refunds  
24 determined to be authorized by this section, and by the first Monday in  
25 February of each year, report to the county legislative authority a  
26 list of all refunds made under this section during the previous year.  
27 The list is to include the name of the person receiving the refund, the  
28 amount of the refund, and the reason for the refund.

29 **Sec. 3.** RCW 84.70.010 and 2005 c 56 s 1 are each amended to read  
30 as follows:

31 (1) If, on or before December 31 in any calendar year, any real or  
32 personal property placed upon the assessment roll of that year is  
33 destroyed in whole or in part, or is in an area that has been declared  
34 a disaster area by the governor or the county legislative authority and  
35 has been reduced in value by more than twenty percent as a result of a  
36 natural disaster, or by ten percent or more as a result of a natural  
37 disaster that occurred in December 2007 in a county designated by the

1 president as a disaster area, the true and fair value of such property  
2 shall be reduced for that assessment year by an amount determined by  
3 taking the true and fair value of such taxable property before  
4 destruction or reduction in value and deduct therefrom the true and  
5 fair value of the remaining property after destruction or reduction in  
6 value.

7 (2) Taxes levied for collection in the year in which the true and  
8 fair value has been reduced under subsection (1) of this section shall  
9 be abated in whole or in part as provided in this subsection. The  
10 amount of taxes to be abated shall be determined by first multiplying  
11 the amount deducted from the true and fair value under subsection (1)  
12 of this section by the rate of (~~levy~~) local levies applicable to the  
13 property in the tax year. Then divide the product by the number of  
14 days in the year and multiply the quotient by the number of days  
15 remaining in the calendar year after the date of the destruction or  
16 reduction in value of the property. If taxes abated under this section  
17 have been paid, the amount paid shall be refunded under RCW 84.69.020.  
18 The tax relief provided for in this section for the tax year in which  
19 the damage or destruction occurred does not apply to property damaged  
20 or destroyed voluntarily.

21 (3) No reduction in the true and fair value or abatements shall be  
22 made more than three years after the date of destruction or reduction  
23 in value.

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

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

32 (6) The taxpayer may appeal the amount of reduction to the county  
33 board of equalization in accordance with the provisions of RCW  
34 84.40.038. The board shall reconvene, if necessary, to hear the  
35 appeal.

36 NEW SECTION. **Sec. 4.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of the  
2 state government and its existing public institutions, and takes effect  
3 immediately.

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