

**2SSB 5449 - S AMD 534**

By Senator Braun

PULLED 02/17/2016

1 Strike everything after the enacting clause and insert the  
2 following:

3 "PART I

4 **Creation of the Tax Appeal Division**

5 NEW SECTION. **Sec. 101.** (1) The legislature finds that taxes are  
6 a critically sensitive point of contact between citizens and their  
7 government. The legislature further finds that:

8 (a) Washington taxpayers have a right to expect that their taxes  
9 will be fairly assessed in accordance with the law;

10 (b) Taxpayers should have full opportunity for settlement and the  
11 right to a fair and impartial hearing prior to being required to pay  
12 a disputed tax; and

13 (c) Appeal procedures should encourage the resolution of tax  
14 disputes through mediation and other settlement processes.

15 (2) Therefore, the legislature finds that establishing a new tax  
16 appeal division in the court of appeals to resolve appeals of tax  
17 disputes will create an independent tax appeal forum within the  
18 judicial branch of government to promote public confidence in the tax  
19 system, insuring both the appearance and reality of due process and  
20 fundamental fairness, while promoting the consistency and  
21 predictability of tax decisions. The legislature further finds that  
22 hearing procedures should recognize financial practicalities, and  
23 finds that the procedural rules for the commissioner department  
24 should therefore provide for informal appeals and taxpayer  
25 representation by nonlawyers.

26 (3) This act must be interpreted and construed to further the  
27 purposes of the act, and court rules adopted for implementing this  
28 act should be structured and construed to further this intent.

29 **Sec. 102.** RCW 2.06.020 and 2009 c 77 s 1 are each amended to  
30 read as follows:

1       The court shall have three divisions(~~(, one of which shall be~~  
2 ~~headquartered in Seattle, one of which shall be headquartered in~~  
3 ~~Spokane, and one of which shall be headquartered in Tacoma:)) of  
4 general appellate jurisdiction and one division for tax appeals. The  
5 first division of general appellate jurisdiction shall be  
6 headquartered in Seattle, the second division of general appellate  
7 jurisdiction shall be headquartered in Tacoma, the third division of  
8 general appellate jurisdiction shall be headquartered in Spokane, and  
9 the tax appeal division with jurisdiction over tax appeals as  
10 provided by statute headquartered in Olympia.~~

11       (1) The first division shall have twelve judges from three  
12 districts, as follows:

13       (a) District 1 shall consist of King county and shall have eight  
14 judges;

15       (b) District 2 shall consist of Snohomish county and shall have  
16 two judges; and

17       (c) District 3 shall consist of Island, San Juan, Skagit, and  
18 Whatcom counties and shall have two judges.

19       (2) The second division shall have eight judges from the  
20 following districts:

21       (a) District 1 shall consist of Pierce county and shall have  
22 three judges;

23       (b) District 2 shall consist of Clallam, Grays Harbor, Jefferson,  
24 Kitsap, Mason, and Thurston counties and shall have three judges;

25       (c) District 3 shall consist of Clark, Cowlitz, Lewis, Pacific,  
26 Skamania, and Wahkiakum counties and shall have two judges.

27       (3) The third division shall have five judges from the following  
28 districts:

29       (a) District 1 shall consist of Ferry, Lincoln, Okanogan, Pend  
30 Oreille, Spokane, and Stevens counties and shall have two judges;

31       (b) District 2 shall consist of Adams, Asotin, Benton, Columbia,  
32 Franklin, Garfield, Grant, Walla Walla, and Whitman counties and  
33 shall have one judge;

34       (c) District 3 shall consist of Chelan, Douglas, Kittitas,  
35 Klickitat, and Yakima counties and shall have two judges.

36       (4) The tax appeal division must have three judges, one from each  
37 division specified in subsections (1) through (3) of this section,  
38 and must have statewide jurisdiction over tax appeals as provided by  
39 statute. The tax appeal division may hold hearings in any location in  
40 the state that is convenient to the parties. The county clerk or

1 board of county commissioners, upon a reasonable request of a judge  
2 of the tax appeal division, must provide suitable rooms for hearings.

3 NEW SECTION. **Sec. 103.** A new section is added to chapter 2.06  
4 RCW to read as follows:

5 The tax appeal division must consist of two departments:

6 (1) The main department:

7 (a) The main department of the tax appeal division must consist  
8 of three judges who may individually hear and decide tax appeals,  
9 except proceedings that must be heard by a three judge panel.

10 (b) Upon petition by a party, the main department must initially  
11 hear appeals that involve complex issues, issues of substantial  
12 public importance, or issues that require expertise beyond a  
13 commissioner's proficiency. Unless otherwise allowed by the presiding  
14 judge for good cause shown, the petition for a direct appeal to the  
15 main department must be filed by the appellant within sixty days of  
16 the filing of the initial appeal.

17 (c) A party may petition for a hearing of the appeal, or review  
18 of a final decision of the main department when: (i) The decision  
19 under appeal conflicts with a decision of the supreme court or a  
20 prior decision of the tax appeal division; or (ii) the appeal  
21 involves one or more questions of exceptional public importance; and  
22 (iii) there are no genuine issues of material fact. In so far as  
23 possible, proceedings must be conducted in accordance with the rules  
24 of appellate procedure applicable in the divisions of general  
25 appellate jurisdiction.

26 (d) Decisions of the main department of the tax appeal division  
27 must be rendered no later than six months after submission of the  
28 last brief filed subsequent to completion of the hearing or, if  
29 briefs are not submitted, then no later than six months after  
30 completion of the hearing. The court may extend the six-month period,  
31 for good cause, up to three additional months; and

32 (2) The commissioner department:

33 (a) The commissioner department must hear all appeals that are  
34 not heard initially by the main department. The judges of the main  
35 department must appoint one or more individuals to sit as  
36 commissioners at locations within the state as the presiding judge  
37 must determine and must perform such duties as the presiding judge of  
38 the tax appeal division may direct. Commissioners may be appointed to  
39 serve on either a full-time or part-time basis.

1 (b) Small claims division of the commissioner department: There  
2 is hereby established a small claims division of the commissioner  
3 department. The small claims division is a cost-effective and  
4 informal option for taxpayers seeking an independent review of their  
5 contested tax assessment. The small claims division shall have  
6 jurisdiction, but not exclusive jurisdiction, in contested tax  
7 assessments proceedings when:

8 (i) The contested amount is less than twenty-five thousand  
9 dollars for a calendar year exclusive of interest and penalties; and

10 (ii) The taxpayer timely requests a small claims proceeding.

11 (c) In proceedings before the small claims division:

12 (i) A taxpayer may appear personally or may designate a  
13 representative;

14 (ii) Designated representatives include an employee, director, or  
15 officer of the taxpayer, a certified public accountant licensed in  
16 the state of Washington, an attorney admitted to practice in the  
17 state of Washington, a partner, joint venture, or trustee  
18 representing the respective partnership, joint venture, or trust, a  
19 personal representative of a decedent's estate, or other person  
20 designated with approval of the commissioner. The taxpayer or the  
21 taxpayer's representative may testify;

22 (iii) A commissioner must preside over all cases in the small  
23 claims division;

24 (iv) A taxpayer may elect to proceed in the small claims division  
25 of the commissioner department by filing a petition in the form  
26 prescribed by the commissioner department no later than ninety days  
27 after the taxpayer's receipt of written notice of the determination  
28 that is the subject of the petition. A taxpayer may not revoke an  
29 election to proceed in the small claims division;

30 (v) No later than thirty days after receipt of notice that the  
31 taxpayer has filed a petition in proper form, or at such other time  
32 as the commissioner department determines, the tax administration  
33 agency must file with the tax tribunal an answer similar to that  
34 required by section 111 of this act;

35 (vi) At any time prior to entry of judgment, a taxpayer may  
36 dismiss a proceeding in the small claims division by notifying the  
37 clerk of the tax tribunal in writing. Such dismissal is with  
38 prejudice and does not have the effect of revoking the election made  
39 in accordance with (d) of this subsection;

1 (vii) Hearings in the small claims division must be informal and  
2 the commissioner may receive such evidence as the commissioner deems  
3 appropriate for determination of the case. The taxpayer may offer  
4 witness testimony from a licensed real estate broker, a licensed  
5 appraiser, or an accounting or other professional services firm by an  
6 accountant licensed in this state or other person with knowledge of  
7 the facts of the case. Testimony must be given under oath or  
8 affirmation; and

9 (viii) A judgment of the small claims division is conclusive upon  
10 all parties and may not be appealed. A judgment of the small claims  
11 division may not be considered as precedent in any other case,  
12 hearing, or proceeding.

13 (d) Voluntary mediation process:

14 (i) The commissioner department shall provide an informal  
15 voluntary and confidential mediation process. The purpose of the  
16 mediation is to help the parties reach an agreement that settles the  
17 dispute. The department shall prescribe rules for the conduct of  
18 mediation consistent with the purpose of the mediation.

19 (ii) A dispute may only be submitted to mediation if all the  
20 parties agree to go to mediation and agree to the following:

21 (A) An appointed neutral mediator shall lead and facilitate the  
22 mediation. The mediator shall be a commissioner who is not assigned  
23 to preside over and decide the case;

24 (B) The mediator's role is to assist the parties to work together  
25 to reach a mutually agreeable dispute resolution. The mediator will  
26 not issue findings of fact or a decision in the matter;

27 (C) Mediation is a confidential process. All mediation  
28 discussions, statements of parties, and materials provided as part of  
29 the mediation are confidential, shall not be disclosed outside the  
30 mediation, and shall not be used for any nonmediation purpose or used  
31 in any other proceeding;

32 (D) An agreement reached by the parties during the mediation  
33 shall be memorialized in writing and signed by the parties. Based on  
34 the signed agreement, the court enters an order closing the case; and

35 (E) If the mediation does not result in a written agreement  
36 resolving the dispute, the case shall proceed to trial in the  
37 commissioner department.

38 (e) Qualifications of commissioners:

39 (i) An individual who is appointed as a commissioner must be a  
40 citizen of the United States and a resident of this state and

1 competent to perform the duties of the office including at least  
2 three years' of experience practicing in state or local tax law.

3 (ii)(A) Before entering office, each individual employed as a  
4 commissioner must take and subscribe to an oath or affirmation that  
5 the individual:

6 (I) Will support the Constitutions of the United States and  
7 Washington and faithfully and honestly discharge the duties of the  
8 office; and

9 (II) Does not hold, and while the individual is a commissioner  
10 will not hold, a position under any political party.

11 (B) The oath or affirmation must be filed with the clerk of the  
12 tax appeal division.

13 (iii) An individual while a commissioner may hold another office  
14 or position of profit or pursue another calling or vocation unless  
15 it:

16 (A) Is inconsistent with the expeditious, proper, and impartial  
17 performance of the duties of a commissioner; or

18 (B) Would interfere with the ability of the commissioner to  
19 perform fully the duties of the commissioner's position.

20 **Sec. 104.** RCW 2.06.030 and 1980 c 76 s 3 are each amended to  
21 read as follows:

22 (1) The administration and procedures of the court shall be as  
23 provided by rules of the supreme court. The court shall be vested  
24 with all power and authority, not inconsistent with said rules,  
25 necessary to carry into complete execution all of its judgments,  
26 decrees and determinations in all matters within its jurisdiction,  
27 according to the rules and principles of the common law and the  
28 Constitution and laws of this state.

29 (2) For the prompt and orderly administration of justice, the  
30 supreme court may ~~((+1))~~ (a) transfer to the appropriate division of  
31 the court for decision a case or appeal pending before the supreme  
32 court; or ~~((+2))~~ (b) transfer to the supreme court for decision a  
33 case or appeal pending in a division of the court.

34 (3) Subject to the provisions of this section ~~((, the court shall~~  
35 ~~have))~~ and section 109 of this act, the divisions of general  
36 appellate jurisdiction have exclusive appellate jurisdiction in all  
37 cases except:

38 (a) Cases of quo warranto, prohibition, injunction or mandamus  
39 directed to state officials;

1 (b) Criminal cases where the death penalty has been decreed;

2 (c) Cases where the validity of all or any portion of a statute,  
3 ordinance, tax, impost, assessment or toll is drawn into question on  
4 the grounds of repugnancy to the Constitution of the United States or  
5 of the state of Washington, or to a statute or treaty of the United  
6 States, and the superior court has held against its validity;

7 (d) Cases involving fundamental and urgent issues of broad public  
8 import requiring prompt and ultimate determination; and

9 (e) Cases involving substantive issues on which there is a direct  
10 conflict among prevailing decisions of panels of the court or between  
11 decisions of the supreme court;

12 all of which shall be appealed directly to the supreme court(~~(=~~  
13 ~~PROVIDED, That))~~). However, whenever a majority of the court before  
14 which an appeal is pending, but before a hearing thereon, is in doubt  
15 as to whether such appeal is within the categories set forth in  
16 (~~(subsection))~~ (d) or (e) of this (~~(section))~~ subsection, the cause  
17 shall be certified to the supreme court for such determination.

18 (4) The appellate jurisdiction of the court of appeals does not  
19 extend to civil actions at law for the recovery of money or personal  
20 property when the original amount in controversy, or the value of the  
21 property does not exceed the sum of two hundred dollars.

22 (5) The court shall have appellate jurisdiction over review of  
23 final decisions of administrative agencies certified by the superior  
24 court pursuant to RCW 34.05.518.

25 (6) Appeals from the court to the supreme court shall be only at  
26 the discretion of the supreme court upon the filing of a petition for  
27 review. No case, appeal or petition for a writ filed in the supreme  
28 court or the court shall be dismissed for the reason that it was not  
29 filed in the proper court, but it shall be transferred to the proper  
30 court.

31 **Sec. 105.** RCW 2.06.040 and 2007 c 34 s 1 are each amended to  
32 read as follows:

33 (~~(The court))~~ (1) The divisions of general appellate jurisdiction  
34 shall sit in panels of three judges and decisions shall be rendered  
35 by not less than a majority of the panel. In the determination of  
36 causes all decisions of the court shall be given in writing and the  
37 grounds of the decisions shall be stated. All decisions of the court  
38 having precedential value shall be published as opinions of the  
39 court. Each panel shall determine whether a decision of the court has

1 sufficient precedential value to be published as an opinion of the  
2 court. Decisions determined not to have precedential value shall not  
3 be published. Panels in the first division shall be comprised of such  
4 judges as the chief judge thereof shall from time to time direct.  
5 Judges of the respective divisions may sit in other divisions and  
6 causes may be transferred between divisions, as directed by written  
7 order of the chief justice. The court may hold sessions in cities as  
8 may be designated by rule.

9 (2) The court may establish rules supplementary to and not in  
10 conflict with rules of the supreme court.

11 (3) The final decisions of the main department of the tax appeal  
12 division must be issued in writing and the grounds of the decisions  
13 must be stated. Except for decisions by the three judge panel, the  
14 decisions by the main department of the tax appeal division must  
15 include findings of fact and conclusions of law. All decisions by the  
16 main department must be published as opinions of the court.

17 (4) The decisions of the main department in proceedings before a  
18 single judge and decisions on appeals from the superior court in any  
19 case involving the validity of any tax, assessment, or toll are  
20 subject to discretionary review by the supreme court in the same  
21 manner as the decisions of other divisions of the court of appeals.  
22 The parties to a decision by the three judge panel, except for those  
23 involving appeals from decisions by the superior court in cases  
24 involving the validity of any tax, assessment, or toll, have a right  
25 of appeal to the supreme court.

26 (5) The final decisions of the commissioner department must be  
27 rendered in writing, and must include a statement of the facts and  
28 the conclusions of law. Decisions of the commissioner department must  
29 be made readily available for online research but they may not be  
30 published as opinions of the tax appeal division and may not be cited  
31 or relied upon as precedent. The exclusive remedy for review of any  
32 decision or order of a commissioner must be by petition to the main  
33 department of the tax appeal division.

34 **Sec. 106.** RCW 2.06.050 and 2011 c 336 s 11 are each amended to  
35 read as follows:

36 A judge of the court (~~shall~~) must be:

37 (1) Admitted to the practice of law in the courts of this state  
38 not less than five years prior to taking office.



1 (2) A resident for not less than one year at the time of  
2 appointment or initial election in the district for which his or her  
3 position was created.

4 (3) A judge of the tax appeal division and must have at least  
5 five years' experience as an attorney practicing in Washington state  
6 and local tax law.

7 **Sec. 107.** RCW 2.06.070 and 1969 ex.s. c 221 s 7 are each amended  
8 to read as follows:

9 (1) Upon the taking effect of RCW 2.06.010 through 2.06.100, the  
10 governor shall appoint the judges of the court of appeals for each  
11 district in the numbers provided in RCW 2.06.020, who shall hold  
12 office until the second Monday in January of the year following the  
13 first state general election following the effective date of this  
14 act. In making the original appointments the governor shall take into  
15 consideration such factors as: Personal character; intellect;  
16 ability; diversity of background of experience in the practice of the  
17 law; diversity of political philosophy; diversity of educational  
18 experience; and diversity of affiliation with social and economic  
19 groups, for the purpose of establishing a balanced appellate court  
20 with the highest quality of personnel. At the first state general  
21 election after the effective date of this act there shall be elected  
22 from each district the number of judges provided for in RCW 2.06.020.  
23 Upon taking office the judges of each division elected shall come  
24 together at the direction of the chief justice and be divided by lot  
25 into three equal groups; those of the first group shall hold office  
26 until the second Monday in January of 1973, those of the second group  
27 shall hold office until the second Monday in January of 1975, and  
28 those of the third group shall hold office until the second Monday in  
29 January of 1977, and until their successors are elected and  
30 qualified. Thereafter, judges shall be elected for the full term of  
31 six years and until their successors are elected and qualified,  
32 commencing with the second Monday in January succeeding their  
33 election(~~(- PROVIDED, HOWEVER, That)~~). However, if the governor shall  
34 make appointments to the appellate court from membership of the  
35 superior court, the governor shall, in making appointments filling  
36 vacancies created in the superior courts by such action, take into  
37 consideration such factors as: Personal character; intellect;  
38 ability; diversity of background of experience in the practice of the  
39 law; diversity of political philosophy; diversity of educational

1 experience; and diversity of affiliation with social and economic  
2 groups, for the purpose of maintaining a balanced superior court with  
3 the highest quality of personnel.

4 (2) At the first state general election after the establishment  
5 of the tax appeal division, there must be elected the number of  
6 judges to the tax appeal division provided for in RCW 2.06.020. Upon  
7 taking office the judges elected must come together to be divided by  
8 lot into three equal groups; those of the first group must hold  
9 office until the second Monday in January of 2020, those of the  
10 second group must hold office until the second Monday in January of  
11 2022, and those of the third group must hold office until the second  
12 Monday in January of 2024, and until their successors are elected and  
13 qualified. Thereafter, judges must be elected for the full term of  
14 six years and until their successors are elected and qualified,  
15 commencing with the second Monday in January succeeding their  
16 election.

17 **Sec. 108.** RCW 2.06.150 and 1997 c 88 s 3 are each amended to  
18 read as follows:

19 (1) Whenever necessary for the prompt and orderly administration  
20 of justice, the chief justice of the supreme court of the state of  
21 Washington may appoint any regularly elected and qualified judge of  
22 the superior court or any retired judge of a court of record in this  
23 state to serve as judge pro tempore of the court of appeals(~~(+~~  
24 ~~PROVIDED, HOWEVER, That)~~). However, no judge pro tempore appointed to  
25 serve on the court of appeals may serve more than ninety days in any  
26 one year and a judge pro tempore of the tax appeal division must be  
27 qualified for the position as provided in RCW 2.06.050(3).

28 (2) If the term of a judge of the court of appeals expires with  
29 cases or other judicial business pending, the chief justice of the  
30 supreme court of the state of Washington, upon the recommendation of  
31 the chief presiding judge of the court of appeals, may appoint the  
32 judge to serve as judge pro tempore of the court of appeals, whenever  
33 necessary for the prompt and orderly administration of justice. No  
34 judge may be appointed under this subsection more than one time and  
35 no appointment may exceed sixty days.

36 (3) Before entering upon his or her duties as judge pro tempore  
37 of the court of appeals, the appointee shall take and subscribe an  
38 oath of office as provided for in Article IV, section 28 of the state  
39 Constitution.

1        NEW SECTION.    **Sec. 109.**    A new section is added to chapter 2.06  
2    RCW to read as follows:

3        (1) Except as otherwise provided in this section, all proceedings  
4    before the tax appeal division are original, independent proceedings  
5    and must be tried without a jury and de novo.

6        (2) Appeals subject to Title 84 RCW are subject to the  
7    presumption set forth in RCW 84.40.0301. In all other appeals to the  
8    tax appeal division, the decision appealed from is presumed correct,  
9    and the appellant has the burden of proving otherwise by a  
10    preponderance of the evidence. The tax appeal division may exercise  
11    such procedural powers and authority as necessary to the full  
12    exercise of its jurisdiction, including the power to issue compulsory  
13    process as provided by court rule.

14       (3) The tax appeal division has jurisdiction to hear the  
15    following appeals:

16       (a) Appeals of a notice of denial of a petition or a notice of  
17    assessment made under RCW 82.34.110, 82.32.160, 82.32.170, or  
18    82.49.060;

19       (b) Appeals from a county board of equalization;

20       (c) Appeals by an assessor or landowner from an order of the  
21    director of revenue made pursuant to RCW 84.08.010 and 84.08.060, if  
22    filed with the tax division of the court of appeals within ninety  
23    days after the mailing of the order;

24       (d) Appeals by an assessor or owner of an intercounty public  
25    utility or private car company from determinations by the director of  
26    revenue of equalized assessed valuation of property and the  
27    apportionment thereof to a county made pursuant to chapters 84.12 and  
28    84.16 RCW, if filed with the tax division of the court of appeals  
29    within ninety days after mailing of the determination;

30       (e) Appeals by an assessor, landowner, or owner of an intercounty  
31    public utility or private car company from a determination of any  
32    county indicated ratio for such county compiled by the department of  
33    revenue pursuant to RCW 84.48.075, if the appeal is filed after  
34    review of the ratio under RCW 84.48.075(3) and not later than fifteen  
35    days after the mailing of the certification. A hearing under this  
36    subsection (3)(e) before the court must be expeditiously held in  
37    accordance with rules prescribed by the court and must take  
38    precedence over all matters of the same character;

1 (f) Appeals from the decisions of sale price of second-class  
2 shorelands on navigable lakes by the department of natural resources  
3 pursuant to RCW 79.125.450;

4 (g) Appeals from urban redevelopment property tax apportionment  
5 district proposals established by governmental ordinances pursuant to  
6 RCW 39.88.060;

7 (h) Appeals from interest rates as determined by the department  
8 of revenue for use in valuing farmland under current use assessment  
9 pursuant to RCW 84.34.065;

10 (i) Appeals from revisions to stumpage value tables used to  
11 determine value by the department of revenue pursuant to RCW  
12 84.33.091;

13 (j) Appeals from denial of a tax exemption application by the  
14 department of revenue pursuant to RCW 84.36.850;

15 (k) Appeals pursuant to RCW 84.40.038(3);

16 (l) Appeals pursuant to RCW 84.39.020;

17 (m) Appeals of refunds denied under Title 83 RCW or superior  
18 court orders made under chapter 83.100 RCW; and

19 (n) Appeals from rulings issued by a tax authority by statute,  
20 rule, or policy that instructs a taxpayer regarding how taxes should  
21 be reported if failure to follow such instructions can result in the  
22 assessment of taxes, interest, or penalties.

23 (4) Except for cases which may be appealed or transferred  
24 directly to the supreme court under RCW 2.06.030, the tax appeal  
25 division has exclusive appellate jurisdiction over appeals from the  
26 superior court in cases involving the validity of any tax,  
27 assessment, or toll or superior court order issued under chapter  
28 83.100 RCW.

29 (5) Except as otherwise specifically provided by law, the  
30 provisions of RCW 1.12.070 apply to all notices of appeal filed with  
31 the tax appeal division.

32 (6) Except in cases involving property taxes unless subject to  
33 RCW 84.52.018, the taxpayer has the right to have his or her case  
34 heard by the tax appeal division prior to the payment of any of the  
35 amounts asserted as due by the tax administration agency and prior to  
36 the posting of any bond.

37 (7) If, with or after the filing of a timely notice of appeal,  
38 the taxpayer pays all or part of the tax or other amount in issue  
39 before the tax appeal division has rendered a decision, the court

1 must treat the taxpayer's petition as a protest of a denial of a  
2 claim for refund of the amount paid.

3 NEW SECTION. **Sec. 110.** A new section is added to chapter 2.06  
4 RCW to read as follows:

5 (1) Subject to the limitations provided in subsection (2) of this  
6 section, the tax appeal division may stay collection of all or any  
7 part of an assessment or additional assessment of the department of  
8 revenue, on petition of the taxpayer, unless it finds that:

9 (a) Staying collection will materially impair the department's  
10 ability to collect the assessment; or

11 (b) The taxpayer's appeal lacks merit and is brought for purposes  
12 of delaying payment of the assessment.

13 (2)(a) The amount of an assessment that may be stayed under  
14 subsection (1) of this section is limited to:

15 (i) Five hundred thousand dollars or less through June 30, 2019;

16 (ii) Seven hundred fifty thousand dollars or less beginning July  
17 1, 2019, through June 30, 2023; and

18 (iii) One million dollars or less beginning July 1, 2023, through  
19 June 30, 2027.

20 (b) Beginning July 1, 2027, there is no dollar limit to the  
21 amount that may be stayed under subsection (1) of this section.

22 (3) The tax appeal division may stay collection in the interest  
23 of justice, or where the taxpayer provides adequate assurance that  
24 collection of the assessment will not be materially impaired.

25 (4) The tax appeal division may impose interest on the amount of  
26 any assessment for which collection is stayed.

27 (5) No stay of collection ordered by the tax appeal division may  
28 stay collection for more than sixty days past the date on which the  
29 tax appeal division issues its final decision or rules on a motion  
30 for reconsideration, whichever is later.

31 (6) Interest imposed under this section is in addition to the  
32 interest imposed under other provisions of law. The interest rate may  
33 be adjusted on the first day of January of each year.

34 (7) The tax appeal division may not stay collection in hearings  
35 where the notice of appeal was filed before January 1, 2017.

36 NEW SECTION. **Sec. 111.** A new section is added to chapter 2.06  
37 RCW to read as follows:

1 (1) An appeal to the tax appeal division is initiated by the  
2 filing of a notice of appeal as provided by court rule. Except for  
3 property tax appeals under RCW 84.08.130, 84.34.065, 84.36.850,  
4 84.40.038, 84.48.075, and as otherwise provided, the notice of appeal  
5 must be filed with the tax appeal division within ninety days after  
6 receipt of the tax determination being appealed.

7 (2) Upon filing a notice of appeal to the main department of the  
8 tax appeal division, the appellant must pay a fee in the amount of  
9 two hundred fifty dollars.

10 (3) Upon filing a notice of appeal to the commissioner of the tax  
11 appeal division, the appellant must pay a fee in the amount of fifty  
12 dollars.

## 13 PART II

### 14 Conforming and Technical Corrections

15 **Sec. 201.** RCW 34.05.030 and 2015 3rd sp.s. c 1 s 309 are each  
16 amended to read as follows:

17 (1) This chapter (~~shall~~) does not apply to:

18 (a) The state militia, or

19 (b) The board of clemency and pardons, or

20 (c) The department of corrections or the indeterminate sentencing  
21 review board with respect to persons who are in their custody or are  
22 subject to the jurisdiction of those agencies.

23 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not  
24 apply:

25 (a) To adjudicative proceedings of the board of industrial  
26 insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

27 (b) Except for actions pursuant to chapter 46.29 RCW, to the  
28 denial, suspension, or revocation of a driver's license by the  
29 department of licensing;

30 (c) To the department of labor and industries where another  
31 statute expressly provides for review of adjudicative proceedings of  
32 a department action, order, decision, or award before the board of  
33 industrial insurance appeals;

34 (d) To actions of the Washington personnel resources board, the  
35 director of financial management, and the department of enterprise  
36 services when carrying out their duties under chapter 41.06 RCW;

37 (e) To adjustments by the department of revenue of the amount of  
38 the surcharge imposed under RCW 82.04.261; or

1 (f) To the extent they are inconsistent with any provisions of  
2 chapter 43.43 RCW.

3 (~~((Unless a party makes an election for a formal hearing  
4 pursuant to RCW 82.03.140 or 82.03.190,))~~) RCW 34.05.410 through  
5 34.05.598 do not apply to a review hearing conducted by the (~~(board  
6 of tax))~~) tax division of the court of appeals.

7 (4) The rule-making provisions of this chapter do not apply to:

8 (a) Reimbursement unit values, fee schedules, arithmetic  
9 conversion factors, and similar arithmetic factors used to determine  
10 payment rates that apply to goods and services purchased under  
11 contract for clients eligible under chapter 74.09 RCW; and

12 (b) Adjustments by the department of revenue of the amount of the  
13 surcharge imposed under RCW 82.04.261.

14 (5) All other agencies, whether or not formerly specifically  
15 excluded from the provisions of all or any part of the administrative  
16 procedure act, shall be subject to the entire act.

17 **Sec. 202.** RCW 34.12.020 and 2010 c 211 s 16 are each reenacted  
18 and amended to read as follows:

19 (~~((Unless the context clearly requires otherwise,))~~) The  
20 definitions in this section apply throughout this chapter unless the  
21 context clearly requires otherwise.

22 (1) "Administrative law judge" means any person appointed by the  
23 chief administrative law judge to conduct or preside over hearings as  
24 provided in this chapter.

25 (2) "Hearing" means an adjudicative proceeding within the meaning  
26 of RCW 34.05.010(1) conducted by a state agency under RCW 34.05.413  
27 through 34.05.476.

28 (3) "Office" means the office of administrative hearings.

29 (4) "State agency" means any state board, commission, department,  
30 or officer authorized by law to make rules or to conduct adjudicative  
31 proceedings, except those in the legislative or judicial branches,  
32 the growth management hearings board, the utilities and  
33 transportation commission, the pollution control hearings board, the  
34 shorelines hearings board, the forest practices appeals board, the  
35 environmental and land use hearings office, the board of industrial  
36 insurance appeals, the Washington personnel resources board, and the  
37 public employment relations commission(~~(, and the board of tax  
38 appeals))~~).

1       **Sec. 203.** RCW 39.88.060 and 1989 c 378 s 1 are each amended to  
2 read as follows:

3       (1) Any taxing district that objects to the apportionment  
4 district, the duration of the apportionment, the manner of  
5 apportionment, or the propriety of cost items established by the  
6 public improvement ordinance of the sponsor may, within thirty days  
7 after mailing of the ordinance, petition for review thereof by the  
8 ~~((state board of tax appeals. The state board of tax appeals shall  
9 meet within a reasonable time, hear all the evidence presented by the  
10 parties on matters in dispute, and determine the issues upon the  
11 evidence as may be presented to it at the hearing. The board))~~ tax  
12 division of the court of appeals. The tax division may approve or  
13 deny the public improvement ordinance as enacted or may grant  
14 approval conditioned upon modification of the ordinance by the  
15 sponsor. The decision by the ~~((state board of tax appeals shall be))~~  
16 tax division of the court of appeals is final and conclusive but  
17 ~~((shall))~~ does not preclude modification or discontinuation of the  
18 public improvement.

19       (2) If the sponsor modifies the public improvement ordinance as  
20 directed by the ~~((board))~~ tax division of the court of appeals, the  
21 public improvement ordinance ~~((shall be))~~ is effective without  
22 further hearings or findings and ~~((shall))~~ is not ~~((be))~~ subject to  
23 any further appeal. If the sponsor modifies the public improvement  
24 ordinance in a manner other than as directed by the ~~((board))~~ tax  
25 division of the court of appeals, the public improvement ordinance  
26 ~~((shall be))~~ is subject to the procedures established pursuant to RCW  
27 39.88.040 and 39.88.050.

28       **Sec. 204.** RCW 42.17A.705 and 2015 3rd sp.s. c 1 s 406 and 2015  
29 3rd sp.s. c 1 s 317 are each reenacted and amended to read as  
30 follows:

31       For the purposes of RCW 42.17A.700, "executive state officer"  
32 includes:

33       (1) The chief administrative law judge, the director of  
34 agriculture, the director of the department of services for the  
35 blind, the director of the state system of community and technical  
36 colleges, the director of commerce, the director of the consolidated  
37 technology services agency, the secretary of corrections, the  
38 director of early learning, the director of ecology, the commissioner  
39 of employment security, the chair of the energy facility site



1 evaluation council, the director of enterprise services, the  
2 secretary of the state finance committee, the director of financial  
3 management, the director of fish and wildlife, the executive  
4 secretary of the forest practices appeals board, the director of the  
5 gambling commission, the secretary of health, the administrator of  
6 the Washington state health care authority, the executive secretary  
7 of the health care facilities authority, the executive secretary of  
8 the higher education facilities authority, the executive secretary of  
9 the horse racing commission, the executive secretary of the human  
10 rights commission, the executive secretary of the indeterminate  
11 sentence review board, the executive director of the state investment  
12 board, the director of labor and industries, the director of  
13 licensing, the director of the lottery commission, the director of  
14 the office of minority and women's business enterprises, the director  
15 of parks and recreation, the executive director of the public  
16 disclosure commission, the executive director of the Puget Sound  
17 partnership, the director of the recreation and conservation office,  
18 the director of retirement systems, the director of revenue, the  
19 secretary of social and health services, the chief of the Washington  
20 state patrol, (~~the executive secretary of the board of tax  
21 appeals,~~) the secretary of transportation, the secretary of the  
22 utilities and transportation commission, the director of veterans  
23 affairs, the president of each of the regional and state universities  
24 and the president of The Evergreen State College, and each district  
25 and each campus president of each state community college;

26 (2) Each professional staff member of the office of the governor;

27 (3) Each professional staff member of the legislature; and

28 (4) Central Washington University board of trustees, the boards  
29 of trustees of each community college and each technical college,  
30 each member of the state board for community and technical colleges,  
31 state convention and trade center board of directors, Eastern  
32 Washington University board of trustees, Washington economic  
33 development finance authority, Washington energy northwest executive  
34 board, The Evergreen State College board of trustees, executive  
35 ethics board, fish and wildlife commission, forest practices appeals  
36 board, forest practices board, gambling commission, Washington health  
37 care facilities authority, student achievement council, higher  
38 education facilities authority, horse racing commission, state  
39 housing finance commission, human rights commission, indeterminate  
40 sentence review board, board of industrial insurance appeals, state

1 investment board, commission on judicial conduct, legislative ethics  
2 board, life sciences discovery fund authority board of trustees,  
3 liquor (~~control~~) and cannabis board, lottery commission, Pacific  
4 Northwest electric power and conservation planning council, parks and  
5 recreation commission, Washington personnel resources board, board of  
6 pilotage commissioners, pollution control hearings board, public  
7 disclosure commission, public employees' benefits board, recreation  
8 and conservation funding board, salmon recovery funding board,  
9 shorelines hearings board, (~~board of tax appeals,~~) transportation  
10 commission, University of Washington board of regents, utilities and  
11 transportation commission, Washington State University board of  
12 regents, and Western Washington University board of trustees.

13 **Sec. 205.** RCW 79.125.450 and 2005 c 155 s 520 are each amended  
14 to read as follows:

15 (1) The legislature finds that maintaining public lands in public  
16 ownership is often in the public interest. However, when second-class  
17 shorelands on navigable lakes have minimal public value, the sale of  
18 those shorelands to the abutting upland owner may not be contrary to  
19 the public interest. However, the purpose of this section is to  
20 remove the prohibition contained in RCW 79.125.200 regarding the sale  
21 of second-class shorelands to abutting owners, whose uplands front on  
22 the shorelands. Nothing contained in this section (~~shall~~) may be  
23 construed to otherwise affect the rights of interested parties  
24 relating to public or private ownership of shorelands within the  
25 state.

26 (2) Notwithstanding the provisions of RCW 79.125.200, the  
27 department may sell second-class shorelands on navigable lakes to  
28 abutting owners whose uplands front upon the shorelands in cases  
29 where the board has determined that these sales would not be contrary  
30 to the public interest. These shorelands (~~shall~~) must be sold at  
31 fair market value, but not less than five percent of the fair market  
32 value of the abutting upland, less improvements, to a maximum  
33 distance of one hundred and fifty feet landward from the line of  
34 ordinary high water.

35 (3) Review of the decision of the department regarding the sale  
36 price established for a shoreland to be sold pursuant to this section  
37 may be obtained by the upland owner by filing a petition with the  
38 (~~board of tax appeals created in accordance with chapter 82.03 RCW~~  
39 ~~within thirty~~) tax division of the court of appeals within thirty

1 days after the mailing of notification by the department to the owner  
2 regarding the price. The ~~((board of tax appeals shall))~~ tax division  
3 of the court of appeals must review the cases in an adjudicative  
4 proceeding as described in chapter 34.05 RCW, the administrative  
5 procedure act, and the ~~((board's))~~ court's review ~~((shall))~~ must be  
6 de novo. Decisions of the ~~((board of tax))~~ tax division of the court  
7 of appeals regarding fair market values determined pursuant to this  
8 section ~~((shall be))~~ are final ~~((unless appealed to the superior~~  
9 ~~court pursuant to RCW 34.05.510 through 34.05.598))~~.

10 **Sec. 206.** RCW 82.01.090 and 1967 ex.s. c 26 s 6 are each amended  
11 to read as follows:

12 Except for the powers and duties devolved upon the ~~((board of tax~~  
13 ~~appeals by the provisions of RCW 82.03.010 through 82.03.190))~~ tax  
14 appeal division of the court of appeals, the director of revenue  
15 ~~((shall))~~ must, after July 1, 1967, exercise those powers, duties and  
16 functions theretofore vested in the tax commission of the state of  
17 Washington, including all powers, duties and functions of the  
18 commission acting as the commission or as the state board of  
19 equalization or in any other capacity.

20 **Sec. 207.** RCW 82.29A.060 and 1994 c 95 s 1 are each amended to  
21 read as follows:

22 (1) All administrative provisions in chapters 82.02 and 82.32 RCW  
23 ~~((shall be))~~ are applicable to taxes imposed pursuant to this  
24 chapter.

25 (2)(a) A lessee, or a sublessee in the case where the sublessee  
26 is responsible for paying the tax imposed under this chapter, of  
27 property used for residential purposes may petition the county board  
28 of equalization for a change in appraised value when the department  
29 of revenue establishes taxable rent under RCW 82.29A.020(2)~~((+b))~~  
30 (g) based on an appraisal done by the county assessor at the request  
31 of the department. The petition must be on forms prescribed or  
32 approved by the department ~~((of revenue))~~ and any petition not  
33 conforming to those requirements or not properly completed ~~((shall))~~  
34 may not be considered by the board. The petition must be filed with  
35 the board within the time period set forth in RCW 84.40.038. A  
36 decision of the board of equalization may be appealed by the taxpayer  
37 to the ~~((board of tax))~~ tax division of the court of appeals as  
38 provided in RCW 84.08.130.

1       **(b)** A sublessee, in the case where the sublessee is responsible  
2 for paying the tax imposed under this chapter, of property used for  
3 residential purposes may petition the department for a change in  
4 taxable rent when the department of revenue establishes taxable rent  
5 under RCW 82.29A.020(2)(~~(b)~~) **(g)**.

6       **(c)** Any change in tax resulting from an appeal under this  
7 subsection (~~shall~~) **must** be allocated to the lessee or sublessee  
8 responsible for paying the tax.

9       (3) This section (~~shall~~) **does** not authorize the issuance of any  
10 levy upon any property owned by the public lessor.

11       (4) In selecting leasehold excise tax returns for audit the  
12 department (~~of revenue shall~~) **must** give priority to any return an  
13 audit of which is specifically requested in writing by the county  
14 assessor or treasurer or other chief financial officer of any city or  
15 county affected by such return. Notwithstanding the provisions of RCW  
16 82.32.330, findings of fact and determinations of the amount of  
17 taxable rent made pursuant to the provisions of this chapter  
18 (~~shall~~) **must** be open to public inspection at all reasonable times.

19       **Sec. 208.** RCW 82.32.160 and 2007 c 111 s 110 are each amended to  
20 read as follows:

21       **(1)** Any person having been issued a notice of additional taxes,  
22 delinquent taxes, interest, or penalties assessed by the  
23 department(~~(τ)~~) may within (~~(thirty)~~) **ninety** days after the issuance  
24 of the original notice of the amount thereof or within the period  
25 covered by any extension of the due date thereof granted by the  
26 department petition the department in writing for a correction of the  
27 amount of the assessment, and a conference for examination and review  
28 of the assessment, or file an appeal with the tax division of the  
29 court of appeals. The petition (~~shall~~) **must** set forth the reasons  
30 why the correction should be granted and the amount of the tax,  
31 interest, or penalties, which the petitioner believes to be due. The  
32 department (~~shall~~) **must** promptly consider the petition and may  
33 grant or deny it. If denied, the petitioner (~~shall~~) **must** be  
34 notified by mail, or electronically as provided in RCW 82.32.135,  
35 thereof forthwith. If a conference is granted, the department  
36 (~~shall~~) **must** fix the time and place therefor and notify the  
37 petitioner thereof by mail or electronically as provided in RCW  
38 82.32.135. After the conference the department may make such  
39 determination as may appear to it to be just and lawful and (~~shall~~)

1 must mail a copy of its determination to the petitioner, or provide a  
2 copy of its determination electronically as provided in RCW  
3 82.32.135. If no such petition is filed within the (~~thirty-day~~)  
4 ninety-day period the assessment covered by the notice shall become  
5 final.

6 (2) The procedures provided for (~~herein shall~~) in this section  
7 apply also to a notice denying, in whole or in part, an application  
8 for a pollution control tax exemption and credit certificate, with  
9 such modifications to such procedures established by departmental  
10 rules and regulations as may be necessary to accommodate a claim for  
11 exemption or credit.

12 **Sec. 209.** RCW 82.32.170 and 2013 c 23 s 324 are each amended to  
13 read as follows:

14 Any person, having paid any tax, original assessment, additional  
15 assessment, or corrected assessment of any tax(~~(τ)~~) may apply to the  
16 department within the time limitation for refund provided in this  
17 chapter, by petition in writing for a correction of the amount  
18 paid(~~(, and a conference for examination and review of the tax~~  
19 ~~liability, in which petition he or she shall set forth the reasons~~  
20 ~~why the conference should be granted, and the amount in which the~~  
21 ~~tax, interest, or penalty, should be refunded. The department shall~~  
22 ~~promptly consider the petition, and may grant or deny it. If denied,~~  
23 ~~the petitioner shall be notified by mail, or electronically as~~  
24 ~~provided in RCW 82.32.135, thereof forthwith. If a conference is~~  
25 ~~granted, the department shall notify the petitioner by mail, or~~  
26 ~~electronically as provided in RCW 82.32.135, of the time and place~~  
27 ~~fixed therefor. After the hearing, the department may make such~~  
28 ~~determination as may appear to it just and lawful, and shall mail a~~  
29 ~~copy of its determination to the petitioner, or provide a copy of its~~  
30 ~~determination electronically as provided in RCW 82.32.135)). The  
31 petition must set forth the amount of the tax, interest, or penalty  
32 the taxpayer contends should be refunded and the reasons. The  
33 department must promptly consider the petition, and may grant or deny  
34 it and must notify the taxpayer of its decision by mail, or  
35 electronically as provided in RCW 82.32.135. If denied, the taxpayer  
36 may file an appeal with the tax division of the court of appeals  
37 within ninety days.~~

1       **Sec. 210.** RCW 82.32.180 and 1997 c 156 s 4 are each amended to  
2 read as follows:

3       (1) Any person, except one who has failed to keep and preserve  
4 books, records, and invoices as required in this chapter and chapter  
5 82.24 RCW, (~~having paid any tax as required and feeling aggrieved by~~  
6 ~~the amount of the tax~~) may appeal to the superior court of Thurston  
7 county(~~(7)~~) or the tax division of the court of appeals. The appeal  
8 must be filed within the time limitation for a refund provided in  
9 this chapter (~~(82.32 RCW)~~) or, if an application for refund has been  
10 made to the department within that time limitation, then within  
11 (~~(thirty)~~) ninety days after rejection of the application, whichever  
12 time limitation is later. In the appeal the taxpayer (~~(shall)~~) must  
13 set forth the amount of the tax imposed upon the taxpayer which the  
14 taxpayer concedes to be the correct tax and the reason why the tax  
15 should be reduced or abated. The appeal shall be perfected by serving  
16 a copy of the notice of appeal upon the department within the time  
17 (~~(herein)~~) specified in this section and by filing the original  
18 thereof with proof of service with the clerk of the superior court of  
19 Thurston county or the tax division of the court of appeals.

20       (2) The trial in the superior court on appeal (~~(shall)~~) or the  
21 tax division of the court of appeals must be de novo and without the  
22 necessity of any pleadings other than the notice of appeal. At trial,  
23 the burden (~~(shall)~~) rests upon the taxpayer to prove that the tax as  
24 paid by the taxpayer is incorrect, either in whole or in part, and to  
25 establish the correct amount of the tax. In such proceeding the  
26 taxpayer (~~(shall be)~~) is deemed the plaintiff, and the state, the  
27 defendant; and both parties (~~(shall be)~~) are entitled to subpoena the  
28 attendance of witnesses as in other civil actions and to produce  
29 evidence that is competent, relevant, and material to determine the  
30 correct amount of the tax that should be paid by the taxpayer. Either  
31 party may seek appellate review in the same manner as other civil  
32 actions are appealed to the appellate courts.

33       (3) It (~~(shall)~~) is not (~~(be)~~) necessary for the taxpayer to  
34 protest against the payment of any tax or to make any demand to have  
35 the same refunded or to petition the director for a hearing in order  
36 to appeal to the superior court or the tax division of the court of  
37 appeals, but no court action or proceeding of any kind (~~(shall)~~) may  
38 be maintained by the taxpayer to recover any tax paid, or any part  
39 thereof, except as (~~(herein)~~) provided in this section.

1 ((The provisions of this section shall not apply to any tax  
2 payment which has been the subject of an appeal to the board of tax  
3 appeals with respect to which appeal a formal hearing has been  
4 elected.))

5 **Sec. 211.** RCW 82.49.060 and 1993 c 33 s 1 are each amended to  
6 read as follows:

7 (1) Any vessel owner disputing an appraised value under RCW  
8 82.49.050 or disputing whether the vessel is taxable, may petition  
9 for a conference with the department as provided under RCW 82.32.160,  
10 or for reduction of the tax due as provided under RCW 82.32.170.

11 (2) Any vessel owner having received a notice of denial of a  
12 petition or a notice of determination made for the owner's vessel  
13 under RCW 82.32.160 or 82.32.170 may appeal to the ~~((board of tax  
14 appeals as provided under RCW 82.03.190))~~ tax division of the court  
15 of appeals. In deciding a case appealed under this section, the  
16 ~~((board of tax))~~ tax division of the court of appeals may require an  
17 independent appraisal of the vessel. The cost of the independent  
18 appraisal ~~((shall))~~ must be apportioned between the department and  
19 the vessel owner as provided by the ~~((board))~~ court.

20 **Sec. 212.** RCW 84.08.060 and 1988 c 222 s 9 are each amended to  
21 read as follows:

22 (1) The department ~~((of revenue shall have))~~ has power to direct  
23 and to order any county board of equalization to raise or lower the  
24 valuation of any taxable property, or to add any property to the  
25 assessment list, or to perform or complete any other duty required by  
26 statute. The department ~~((of revenue))~~ may require any such board of  
27 equalization to reconvene after its adjournment for the purpose of  
28 performing any order or requirement made by the department ~~((of  
29 revenue))~~ and may make such orders as it ~~((shall))~~ determines to be  
30 just and necessary.

31 (2) The department may require any county board of equalization  
32 to reconvene at any time for the purpose of performing or completing  
33 any duty or taking any action it might lawfully have performed or  
34 taken at any of its previous meetings. No board may be reconvened  
35 later than three years after the date of adjournment of its regularly  
36 convened session. If such board of equalization ~~((shall))~~ fails or  
37 refuses ~~((forthwith))~~ to comply with any such order or requirement of  
38 the department ~~((of revenue))~~, the department ~~((of revenue shall~~

1 have)) has the power to take any other appropriate action, or to make  
2 such correction or change in the assessment list, and such  
3 corrections and changes (~~((shall))~~) must be a part of the record of the  
4 proceedings of the (~~((said))~~) board of equalization(~~((:—PROVIDED,~~  
5 ~~That))~~). However, in all cases where the department (~~((of—revenue~~  
6 ~~shall))~~) raises the valuation of any property or adds property to the  
7 assessment list, (~~((it—shall))~~) the department must give notice either  
8 for the same time and in the same manner as is now required in like  
9 cases of county boards of equalization, or if (~~((it—shall—deem))~~) the  
10 department deems such method of giving notice impracticable it  
11 (~~((shall))~~) must give notice by publication thereof in a newspaper of  
12 general circulation within the county in which the property affected  
13 is situated once each week for two consecutive weeks, and the  
14 department (~~((of—revenue—shall))~~) may not proceed to raise such  
15 valuation or add such property to the assessment list until a period  
16 of five days (~~((shall—have))~~) has elapsed subsequent to the date of the  
17 last publication of such notice(~~((:—PROVIDED—FURTHER,—That))~~),  
18 Moreover, appeals to the (~~((board—of—tax))~~) tax division of the court  
19 of appeals by any taxpayer or taxing unit concerning any action of  
20 the county board of equalization (~~((shall))~~) may not raise the  
21 valuation of the property to an amount greater than the larger of  
22 either the valuation of the property by the county assessor or the  
23 valuation of the property assigned by the county board of  
24 equalization. Such notice (~~((shall))~~) must give the legal description  
25 of each tract of land involved, or a general description in case of  
26 personal property; the tax record-owner thereof; the assessed value  
27 thereof determined by the county board of equalization in case the  
28 property is on the assessment roll; and the assessed value thereof as  
29 determined by the department (~~((of—revenue))~~) and (~~((shall))~~) must state  
30 that the department (~~((of—revenue))~~) proposes to increase the assessed  
31 valuation of such property to the amount stated and to add such  
32 property to the assessment list at the assessed valuation stated. The  
33 necessary expense incurred by the department (~~((of—revenue))~~) in making  
34 such reassessment and/or adding such property to the assessment list  
35 (~~((shall))~~) must be borne by the county or township in which the  
36 property as reassessed and/or so added to the assessment list is  
37 situated and (~~((shall))~~) must be paid out of the proper funds of such  
38 county upon the order of the department of revenue.



1       **Sec. 213.** RCW 84.08.130 and 1998 c 54 s 3 are each amended to  
2 read as follows:

3       (1) Any taxpayer or taxing unit feeling aggrieved by the action  
4 of any county board of equalization may appeal to the (~~board of~~  
5 ~~tax~~) tax division of the court of appeals by filing with the (~~board~~  
6 ~~of tax~~) tax division of the court of appeals in accordance with RCW  
7 1.12.070 a notice of appeal within thirty days after the mailing of  
8 the decision of such board of equalization, which notice (~~shall~~)  
9 must specify the actions complained of; and in like manner any county  
10 assessor may appeal to the (~~board of tax~~) tax division of the court  
11 of appeals from any action of any county board of equalization.  
12 (~~There shall be no fee charged for the filing of an appeal. The~~  
13 ~~board shall transmit a copy of the notice of appeal to all named~~  
14 ~~parties within thirty days of its receipt by the board. Appeals which~~  
15 ~~are not filed as provided in this section shall be dismissed. The~~  
16 ~~board of tax appeals shall~~) The tax division of the court of appeals  
17 must transmit a copy of the notice of appeal to all named parties  
18 within thirty days of its receipt by the tax division of the court of  
19 appeals. Appeals that are not filed as provided in this section must  
20 be dismissed. The tax division of the court of appeals must require  
21 the board appealed from to file a true and correct copy of its  
22 decision in such action and all evidence taken in connection  
23 therewith, and may receive further evidence, and (~~shall~~) must make  
24 such order as in its judgment is just and proper.

25       (2) The (~~board of tax~~) tax division of the court of appeals may  
26 enter an order, pursuant to subsection (1) of this section, that has  
27 effect up to the end of the assessment cycle used by the assessor, if  
28 there has been no intervening change in the value during that time.

29       **Sec. 214.** RCW 84.33.091 and 1998 c 311 s 13 are each amended to  
30 read as follows:

31       (1) The department (~~of revenue shall~~) must designate areas  
32 containing timber having similar growing, harvesting, and marketing  
33 conditions to be used as units for the preparation and application of  
34 stumpage values. Each year on or before December 31<sup>st</sup> for use the  
35 following January through June 30<sup>th</sup>, and on or before June 30<sup>th</sup> for  
36 use the following July through December 31<sup>st</sup>, the department  
37 (~~shall~~) must prepare tables of stumpage values of each species or  
38 subclassification of timber within these units. The stumpage value  
39 (~~shall be~~) is the amount that each such species or

1 subclassification would sell for at a voluntary sale made in the  
2 ordinary course of business for purposes of immediate harvest. These  
3 stumpage values, expressed in terms of a dollar amount per thousand  
4 board feet or other unit measure, (~~shall~~) must be determined in a  
5 manner which makes reasonable and adequate allowances for age, size,  
6 quality, costs of removal, accessibility to point of conversion,  
7 market conditions, and all other relevant factors from:

8 (a) Gross proceeds from sales on the stump of similar timber of  
9 like quality and character at similar locations, and in similar  
10 quantities;

11 (b) Gross proceeds from sales of logs adjusted to reflect only  
12 the portion of such proceeds attributable to value on the stump  
13 immediately prior to harvest; or

14 (c) A combination of (a) and (b) of this subsection.

15 (2) Upon application from any person who plans to harvest damaged  
16 timber, the stumpage values for which have been materially reduced  
17 from the values shown in the applicable tables due to damage  
18 resulting from fire, blow down, ice storm, flood, or other sudden  
19 unforeseen cause, the department (~~shall~~) must revise the stumpage  
20 value tables for any area in which such timber is located and shall  
21 specify any additional accounting or other requirements to be  
22 complied with in reporting and paying the tax.

23 (3) The preliminary area designations and stumpage value tables  
24 and any revisions thereof are subject to review by the ways and means  
25 committees of the house of representatives and senate prior to  
26 finalization. Tables of stumpage values (~~shall~~) must be signed by  
27 the director or the director's designee. A copy thereof (~~shall~~)  
28 must be mailed to anyone who has submitted to the department a  
29 written request for a copy.

30 (4) On or before the sixtieth day after the date of final  
31 adoption of any stumpage value tables, any harvester may appeal to  
32 the (~~board of tax~~) tax division of the court of appeals for a  
33 revision of stumpage values for an area determined pursuant to  
34 subsection (3) of this section.

35 **Sec. 215.** RCW 84.34.065 and 2014 c 97 s 310 are each amended to  
36 read as follows:

37 (1) The true and fair value of farm and agricultural land  
38 (~~shall~~) must be determined by consideration of the earning or  
39 productive capacity of comparable lands from crops grown most

1 typically in the area averaged over not less than five years,  
2 capitalized at indicative rates. The earning or productive capacity  
3 of farm and agricultural lands is the "net cash rental," capitalized  
4 at a "rate of interest" charged on long term loans secured by a  
5 mortgage on farm or agricultural land plus a component for property  
6 taxes. The current use value of land under RCW 84.34.020(2)(f) must  
7 be established as: The prior year's average value of open space farm  
8 and agricultural land used in the county plus the value of land  
9 improvements such as septic, water, and power used to serve the  
10 residence. This may not be interpreted to require the assessor to  
11 list improvements to the land with the value of the land.

12 (2) For the purposes of the (~~above~~) computation in subsection  
13 (1) of this section:

14 (a)(i) The term "net cash rental" means the average rental paid  
15 on an annual basis, in cash, for the land being appraised and other  
16 farm and agricultural land of similar quality and similarly situated  
17 that is available for lease for a period of at least three years to  
18 any reliable person without unreasonable restrictions on its use for  
19 production of agricultural crops. There is allowed as a deduction  
20 from the rental received or computed any costs of crop production  
21 charged against the landlord if the costs are such as are customarily  
22 paid by a landlord. If "net cash rental" data is not available, the  
23 earning or productive capacity of farm and agricultural lands is  
24 determined by the cash value of typical or usual crops grown on land  
25 of similar quality and similarly situated averaged over not less than  
26 five years. Standard costs of production are allowed as a deduction  
27 from the cash value of the crops.

28 (ii) The current "net cash rental" or "earning capacity" is  
29 determined by the assessor with the advice of the advisory committee  
30 as provided in RCW 84.34.145, and through a continuing internal  
31 study, assisted by studies of the department (~~of revenue~~). This net  
32 cash rental figure as it applies to any farm and agricultural land  
33 may be challenged before the same boards or authorities as would be  
34 the case with regard to assessed values on general property.

35 (b)(i) (~~The term~~) "Rate of interest" means the rate of interest  
36 charged by the farm credit administration and other large financial  
37 institutions regularly making loans secured by farm and agricultural  
38 lands through mortgages or similar legal instruments, averaged over  
39 the immediate past five years.

1 (ii) The "rate of interest" must be determined annually by a rule  
2 adopted by the department (~~(of revenue)~~) and such rule must be  
3 published in the state register not later than January 1<sup>st</sup> of each  
4 year for use in that assessment year. The department (~~(of revenue)~~)  
5 determination may be appealed to the (~~(state board of tax)~~) tax  
6 division of the court of appeals within thirty days after the date of  
7 publication by any owner of farm or agricultural land or the assessor  
8 of any county containing farm and agricultural land.

9 (c) (~~(The)~~) "Component for property taxes" (~~(is)~~) means a figure  
10 obtained by dividing the assessed value of all property in the county  
11 into the property taxes levied within the county in the year  
12 preceding the assessment and multiplying the quotient obtained by one  
13 hundred.

14 **Sec. 216.** RCW 84.36.850 and 2013 c 23 s 352 are each amended to  
15 read as follows:

16 (1) Any applicant aggrieved by the department's (~~(of revenue's)~~)  
17 denial of an exemption application may petition the (~~(state board of~~  
18 ~~tax)~~) tax division of the court of appeals to review an application  
19 for either real or personal property tax exemption and the (~~(board~~  
20 ~~shall)~~) tax division of the court of appeals must consider any  
21 appeals to determine (~~(+1)~~): If the property is entitled to an  
22 exemption(~~(-)~~); and (~~(+2)~~) the amount or portion thereof.

23 (2) A county assessor of the county in which the exempted  
24 property is located (~~(shall be)~~) is empowered to appeal to the  
25 (~~(state board of tax)~~) tax division of the court of appeals to review  
26 any real or personal property tax exemption approved by the  
27 department (~~(of revenue which)~~) that he or she feels is not  
28 warranted.

29 (3) Appeals from a department (~~(of revenue)~~) decision must be  
30 made within thirty days after the mailing of the approval or denial.

31 **Sec. 217.** RCW 84.39.020 and 2005 c 253 s 2 are each amended to  
32 read as follows:

33 (1) Each claimant applying for assistance under RCW 84.39.010  
34 (~~(shall)~~) must file a claim with the department, on forms prescribed  
35 by the department, no later than thirty days before the tax is due.  
36 The department may waive this requirement for good cause shown. The  
37 department (~~(shall)~~) must supply forms to the county assessor to

1 allow persons to apply for the program at the county assessor's  
2 office.

3 (2) The claim (~~shall~~) must designate the property to which the  
4 assistance applies and (~~shall~~) must include a statement setting  
5 forth (~~(a)~~): A list of all members of the claimant's household(~~(  
6 b)~~); facts establishing the eligibility under this section(~~(  
7 c)~~); and (~~(e)~~) any other relevant information required by the rules of  
8 the department. Each copy (~~shall~~) must be signed by the claimant  
9 subject to the penalties as provided in chapter 9A.72 RCW for false  
10 swearing. The first claim (~~shall~~) must include proof of the  
11 claimant's age acceptable to the department.

12 (3)(a) The following documentation (~~shall~~) must be filed with a  
13 claim along with any other documentation required by the department:

14 (~~(a)~~) (i) The deceased veteran's DD 214 report of separation,  
15 or its equivalent, that must be under honorable conditions;

16 (~~(b)~~) (ii) A copy of the applicant's certificate of marriage to  
17 the deceased;

18 (~~(c)~~) (iii) A copy of the deceased veteran's death certificate;  
19 and

20 (~~(d)~~) (iv) A letter from the United States veterans'  
21 administration certifying that the death of the veteran meets the  
22 requirements of RCW 84.39.010(2).

23 (b) The department of veterans affairs (~~shall~~) must assist an  
24 eligible widow or widower in the preparation and submission of an  
25 application and the procurement of necessary substantiating  
26 documentation.

27 (4) The department (~~shall~~) must determine if each claimant is  
28 eligible each year. Any applicant aggrieved by the department's  
29 denial of assistance may petition the (~~state board of tax~~) tax  
30 division of the court of appeals to review the denial and the (~~board~~  
31 ~~shall~~) tax division of the court of appeals must consider any  
32 appeals to determine (~~(a)~~): If the claimant is entitled to  
33 assistance; and (~~(b)~~) the amount or portion thereof.

34 **Sec. 218.** RCW 84.40.038 and 2014 c 97 s 407 are each amended to  
35 read as follows:

36 (1) The owner or person responsible for payment of taxes on any  
37 property may petition the county board of equalization for a change  
38 in the assessed valuation placed upon such property by the county  
39 assessor or for any other reason specifically authorized by statute.

1 Such petition must be made on forms prescribed or approved by the  
2 department ((of revenue)) and any petition not conforming to those  
3 requirements or not properly completed may not be considered by the  
4 board. The petition must be filed with the board:

5 (a) On or before July 1st of the year of the assessment or  
6 determination;

7 (b) Within thirty days after the date the assessment, value  
8 change notice, or other notice was mailed;

9 (c) Within thirty days after the date that the assessor  
10 electronically (i) transmitted the assessment, value change notice,  
11 or other notice, or (ii) notified the owner or person responsible for  
12 payment of taxes that the assessment, value change notice, or other  
13 notice was available to be accessed by the owner or other person; or

14 (d) Within a time limit of up to sixty days adopted by the county  
15 legislative authority, whichever is later. If a county legislative  
16 authority sets a time limit, the authority may not change the limit  
17 for three years from the adoption of the limit.

18 (2) The board of equalization may waive the filing deadline if  
19 the petition is filed within a reasonable time after the filing  
20 deadline and the petitioner shows good cause for the late filing.  
21 However, the board of equalization must waive the filing deadline for  
22 the circumstance described under (f) of this subsection if the  
23 petition is filed within a reasonable time after the filing deadline.  
24 The decision of the board of equalization regarding a waiver of the  
25 filing deadline is final and not appealable under RCW 84.08.130. Good  
26 cause may be shown by one or more of the following events or  
27 circumstances:

28 (a) Death or serious illness of the taxpayer or his or her  
29 immediate family;

30 (b) The taxpayer was absent from the address where the taxpayer  
31 normally receives the assessment or value change notice, was absent  
32 for more than fifteen days of the days allowed in subsection (1) of  
33 this section before the filing deadline, and the filing deadline is  
34 after July 1;

35 (c) Incorrect written advice regarding filing requirements  
36 received from board of equalization staff, county assessor's staff,  
37 or staff of the property tax advisor designated under RCW 84.48.140;

38 (d) Natural disaster such as flood or earthquake;

39 (e) Delay or loss related to the delivery of the petition by the  
40 postal service, and documented by the postal service;

1 (f) The taxpayer was not sent a revaluation notice under RCW  
2 84.40.045 for the current assessment year and the taxpayer can  
3 demonstrate both of the following:

4 (i) The taxpayer's property value did not change from the  
5 previous year; and

6 (ii) The taxpayer's property is located in an area revalued by  
7 the assessor for the current assessment year; or

8 (g) Other circumstances as the department may provide by rule.

9 (3) The owner or person responsible for payment of taxes on any  
10 property may request that the appeal be heard by the (~~state board of~~  
11 ~~tax~~) tax division of the court of appeals without a hearing by the  
12 county board of equalization when the assessor, the owner or person  
13 responsible for payment of taxes on the property, and a majority of  
14 the county board of equalization agree that a direct appeal to the  
15 (~~state board of tax~~) tax division of the court of appeals is  
16 appropriate. The (~~state board of tax~~) tax division of the court of  
17 appeals may reject the appeal, in which case the county board of  
18 equalization must consider the appeal under RCW 84.48.010. Notice of  
19 such a rejection, together with the reason therefor, must be provided  
20 to the affected parties and the county board of equalization within  
21 thirty days of receipt of the direct appeal by the (~~state board~~)  
22 tax division of the court of appeals.

23 **Sec. 219.** RCW 84.48.080 and 2008 c 86 s 502 are each amended to  
24 read as follows:

25 (1) Annually during the months of September and October, the  
26 department (~~of revenue shall~~) must examine and compare the returns  
27 of the assessment of the property in the several counties of the  
28 state, and the assessment of the property of railroad and other  
29 companies assessed by the department, and proceed to equalize the  
30 same, so that each county in the state (~~shall~~) must pay its due and  
31 just proportion of the taxes for state purposes for such assessment  
32 year, according to the ratio the valuation of the property in each  
33 county bears to the total valuation of all property in the state.

34 (a) The department (~~shall~~) must classify all property, real and  
35 personal, and (~~shall~~) must raise and lower the valuation of any  
36 class of property in any county to a value that (~~shall be~~) equals,  
37 so far as possible, to the true and fair value of such class as of  
38 January 1st of the current year for the purpose of ascertaining the  
39 just amount of tax due from each county for state purposes. In

1 equalizing personal property as of January 1st of the current year,  
2 the department (~~shall~~) must use valuation data with respect to  
3 personal property from the three years immediately preceding the  
4 current assessment year in a manner it deems appropriate. Such  
5 classification may be on the basis of types of property, geographical  
6 areas, or both. For purposes of this section, for each county that  
7 has not provided the department with an assessment return by December  
8 1st, the department (~~shall~~) must proceed, using facts and  
9 information and in a manner it deems appropriate, to estimate the  
10 value of each class of property in the county.

11 (b) The department (~~shall~~) must keep a full record of its  
12 proceedings and the same (~~shall~~) must be published annually by the  
13 department.

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



1 (3) The department (~~shall have~~) has authority to adopt rules  
2 and regulations to enforce obedience to its orders in all matters in  
3 relation to the returns of county assessments, the equalization of  
4 values, and the apportionment of the state levy by the department.

5 (4) After the completion of the duties prescribed in this  
6 section, the director of the department (~~shall~~) must certify the  
7 record of the proceedings of the department under this section, the  
8 tax levies made for state purposes and the apportionment thereof  
9 among the counties, and the certification (~~shall~~) must be available  
10 for public inspection.

11 **Sec. 220.** RCW 84.52.018 and 1994 c 124 s 37 are each amended to  
12 read as follows:

13 (1) Whenever any property value or claim for exemption or  
14 cancellation of a property assessment is appealed to the (~~state~~  
15 ~~board of tax appeals or~~) court of competent jurisdiction or tax  
16 division of the court of appeals and the dollar difference between  
17 the total value asserted by the taxpayer and the total value asserted  
18 by the opposing party exceeds one-fourth of one percent of the total  
19 assessed value of property in the county, the assessor (~~shall~~) may  
20 use only that portion of the total value which is not in controversy  
21 for purposes of computing the levy rates and extending the tax on the  
22 tax roll in accordance with this chapter, unless the (~~state board of~~  
23 ~~tax~~) tax division of the court of appeals has issued its  
24 determination at the time of extending the tax.

25 (2) When the (~~state board of tax~~) tax division of the court of  
26 appeals or court of competent jurisdiction makes its final  
27 determination, the proper amount of tax (~~shall~~) must be extended  
28 and collected for each taxing district if this has not already been  
29 done. The amount of tax collected and extended (~~shall~~) must include  
30 interest at the rate of nine percent per year on the amount of the  
31 (~~board's~~) tax division of the court of appeals' final determination  
32 minus the amount not in controversy. The interest (~~shall~~) accrues  
33 from the date the taxes on the amount not in controversy were first  
34 due and payable. Any amount extended in excess of that permitted by  
35 chapter 84.55 RCW (~~shall~~) must be held in abeyance and used to  
36 reduce the levy rates of the next succeeding levy.

37 **Sec. 221.** RCW 84.56.290 and 1991 c 245 s 37 are each amended to  
38 read as follows:

1       (1) Whenever any tax (~~shall have been heretofore, or shall be~~  
2 ~~hereafter,~~) has been canceled, reduced, or modified in any final  
3 judicial, county board of equalization, (~~state board of tax~~  
4 ~~appeals,~~) or administrative proceeding; or whenever any tax (~~shall~~  
5 ~~have been heretofore, or shall be hereafter,~~) has been canceled by  
6 sale of property to any irrigation district under foreclosure  
7 proceedings for delinquent irrigation district assessments; or  
8 whenever any contracts or leases on public lands (~~shall have been~~  
9 ~~heretofore, or shall be hereafter,~~) has been canceled and the tax  
10 thereon remains unpaid for a period of two years, the director (~~of~~  
11 ~~revenue shall~~) must, upon receipt from the county treasurer of a  
12 certified copy of the final judgment, order, or decree canceling,  
13 reducing, or modifying taxes, or of a certificate from the county  
14 treasurer of the cancellation by sale to an irrigation district, or  
15 of a certificate from the commissioner of public lands and the county  
16 treasurer of the cancellation of public land contracts or leases and  
17 nonpayment of taxes thereon, as the case may be, make corresponding  
18 entries and corrections on the director's records of the state's  
19 portion of reduced or canceled tax.

20       (2) Upon canceling taxes deemed uncollectible, the county  
21 commissioners (~~shall~~) must notify the county treasurer of such  
22 action, whereupon the county treasurer (~~shall~~) must deduct on the  
23 treasurer's records the amount of such uncollectible taxes due the  
24 various state funds and (~~shall~~) must immediately notify the  
25 department (~~of revenue~~) of the treasurer's action and of the reason  
26 therefor; which uncollectible tax (~~shall not then nor thereafter~~  
27 ~~be~~) is not due or owing the various state funds and the necessary  
28 corrections (~~shall~~) must be made by the county treasurer upon the  
29 quarterly settlement next following.

30       (3) When any assessment of property is made which does not appear  
31 on the assessment list certified by the county board of equalization  
32 to the department (~~of revenue~~) the county assessor (~~shall~~) must  
33 indicate to the county treasurer the assessments and the taxes due  
34 therefrom when the list is delivered to the county treasurer on  
35 December 15th. The county treasurer (~~shall~~) must then notify the  
36 department (~~of revenue~~) of the taxes due the state from the  
37 assessments which did not appear on the assessment list certified by  
38 the county board of equalization to the department (~~of revenue~~).  
39 The county treasurer (~~shall~~) must make proper accounting of all  
40 sums collected as either advance tax, compensating or additional tax,

1 or supplemental or omitted tax and (~~shall~~) must notify the  
2 department (~~of revenue~~) of the amounts due the various state funds  
3 according to the levy used in extending such tax, and those amounts  
4 (~~shall~~) immediately become due and owing to the various state  
5 funds, to be paid to the state treasurer in the same manner as taxes  
6 extended on the regular tax roll.

7 **Sec. 222.** RCW 84.69.020 and 2005 c 502 s 9 are each amended to  
8 read as follows:

9 (1) On the order of the county treasurer, ad valorem taxes paid  
10 before or after delinquency (~~shall~~) must be refunded if they were:

11 (~~(1)~~) (a) Paid more than once;

12 (~~(2)~~) (b) Paid as a result of manifest error in description;

13 (~~(3)~~) (c) Paid as a result of a clerical error in extending the  
14 tax rolls;

15 (~~(4)~~) (d) Paid as a result of other clerical errors in listing  
16 property;

17 (~~(5)~~) (e) Paid with respect to improvements which did not exist  
18 on assessment date;

19 (~~(6)~~) (f) Paid under levies or statutes adjudicated to be  
20 illegal or unconstitutional;

21 (~~(7)~~) (g) Paid as a result of mistake, inadvertence, or lack of  
22 knowledge by any person exempted from paying real property taxes or a  
23 portion thereof pursuant to RCW 84.36.381 through 84.36.389, as now  
24 or hereafter amended;

25 (~~(8)~~) (h) Paid as a result of mistake, inadvertence, or lack of  
26 knowledge by either a public official or employee or by any person  
27 with respect to real property in which the person paying the same has  
28 no legal interest;

29 (~~(9)~~) (i) Paid on the basis of an assessed valuation which was  
30 appealed to the county board of equalization and ordered reduced by  
31 the board;

32 (~~(10)~~) (j) Paid on the basis of an assessed valuation (~~which~~)  
33 that was appealed to the (~~state board of tax~~) tax division of the  
34 court of appeals and ordered reduced by the (~~board: PROVIDED, That~~)  
35 tax division of the court of appeals. However, the amount refunded  
36 under (~~subsections (9) and (10) of this section shall~~) (i) and (j)  
37 of this subsection (1) may only be for the difference between the tax  
38 paid on the basis of the appealed valuation and the tax payable on

1 the valuation adjusted in accordance with the (~~board's~~) court's  
2 order;

3 (~~(11)~~) (k) Paid as a state property tax levied upon property,  
4 the assessed value of which has been established by the (~~state board~~  
5 ~~of tax~~) tax division of the court appeals for the year of such  
6 levy(~~(: PROVIDED, HOWEVER, That)~~). However, the amount refunded  
7 (~~shall~~) may only be for the difference between the state property  
8 tax paid and the amount of state property tax which would, when added  
9 to all other property taxes within the one percent limitation of  
10 Article VII, section 2 of the state Constitution equal one percent of  
11 the assessed value established by the (~~board~~) court;

12 (~~(12)~~) (l) Paid on the basis of an assessed valuation which was  
13 adjudicated to be unlawful or excessive(~~(: PROVIDED, That)~~). However,  
14 the amount refunded (~~shall~~) must be for the difference between the  
15 amount of tax which was paid on the basis of the valuation adjudged  
16 unlawful or excessive and the amount of tax payable on the basis of  
17 the assessed valuation determined as a result of the proceeding;

18 (~~(13)~~) (m) Paid on property acquired under RCW 84.60.050, and  
19 canceled under RCW 84.60.050(2);

20 (~~(14)~~) (n) Paid on the basis of an assessed valuation that was  
21 reduced under RCW 84.48.065;

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

24 (~~(16)~~) (p) Abated under RCW 84.70.010.

25 (2) No refunds under the provisions of this section (~~shall~~) may  
26 be made because of any error in determining the valuation of  
27 property, except as authorized in subsection(~~(s- (9), (10), (11), and~~  
28 ~~(12)~~) (1)(i), (j), (k), and (l) of this section nor may any refunds  
29 be made if a bona fide purchaser has acquired rights that would  
30 preclude the assessment and collection of the refunded tax from the  
31 property that should properly have been charged with the tax. Any  
32 refunds made on delinquent taxes (~~shall~~) must include the  
33 proportionate amount of interest and penalties paid. However, no  
34 refunds as a result of an incorrect payment authorized under  
35 subsection (~~(8)~~) (1)(h) of this section made by a third party payee  
36 (~~shall~~) may be granted. The county treasurer may deduct from moneys  
37 collected for the benefit of the state's levy, refunds of the state  
38 levy including interest on the levy as provided by this section and  
39 chapter 84.68 RCW.

1       (3) The county treasurer of each county (~~shall~~) must make all  
2 refunds determined to be authorized by this section, and by the first  
3 Monday in February of each year, report to the county legislative  
4 authority a list of all refunds made under this section during the  
5 previous year. The list is to include the name of the person  
6 receiving the refund, the amount of the refund, and the reason for  
7 the refund.

8       **Sec. 223.** RCW 84.69.030 and 2015 c 174 s 1 are each amended to  
9 read as follows:

10       (1) Except as provided in this section, no orders for a refund  
11 under this chapter may be made except on a claim:

12       (a) Verified by the person who paid the tax, the person's  
13 guardian, executor, or administrator; and

14       (b) Filed with the county treasurer within three years after the  
15 due date of the payment sought to be refunded; and

16       (c) Stating the statutory ground upon which the refund is  
17 claimed.

18       (2) No claim for an order of refund is required for a refund that  
19 is based upon:

20       (a) An order of the board of equalization, (~~state board of tax~~  
21 ~~appeals~~) tax division of the court of tax appeals, or court of  
22 competent jurisdiction justifying a refund under RCW 84.69.020 (9)  
23 through (12);

24       (b) A decision by the treasurer or assessor that is rendered  
25 within three years after the due date of the payment to be refunded,  
26 justifying a refund under RCW 84.69.020; or

27       (c) A decision by the assessor or department approving an  
28 exemption application that is filed under chapter 84.36 RCW within  
29 three years after the due date of the payment to be refunded.

30       (3) A county legislative authority may authorize a refund on a  
31 claim filed more than three years after the due date of the payment  
32 sought to be refunded if the claim arises from taxes paid as a result  
33 of a manifest error in a description of property.

34       **Sec. 224.** RCW 84.69.180 and 2013 c 239 s 1 are each amended to  
35 read as follows:

36       (1) Taxing districts other than the state may levy a tax upon all  
37 the taxable property within the district for the purpose of:

1 (a) Funding refunds paid or to be paid under this chapter, except  
2 for refunds under RCW 84.69.020(1)(a), including interest, as ordered  
3 by the county treasurer or county legislative authority within the  
4 preceding twelve months; and

5 (b) Reimbursing the taxing district for taxes abated or  
6 (~~cancelled~~) canceled, offset by any supplemental taxes collected  
7 under this title, other than amounts collected under RCW 84.52.018  
8 within the preceding twelve months. This subsection (1)(b) only  
9 applies to abatements and cancellations that do not require a refund  
10 under this chapter. Abatements and cancellations that require a  
11 refund are included within the scope of (a) of this subsection.

12 (2) As provided in RCW 84.55.070, the provisions of chapter 84.55  
13 RCW do not apply to a levy made by or for a taxing district under  
14 this section.

15 NEW SECTION. **Sec. 225.** (1) The board of tax appeals is hereby  
16 abolished and its powers, duties, and functions are hereby  
17 transferred to the tax appeal division of the court of appeals.

18 (2)(a) All reports, documents, surveys, books, records, files,  
19 papers, or written material in the possession of the board of tax  
20 appeals must be delivered to the custody of the tax appeal division  
21 of the court of appeals. All cabinets, furniture, office equipment,  
22 motor vehicles, and other tangible property employed by the board of  
23 tax appeals must be made available to the tax appeal division of the  
24 court of appeals. All funds, credits, or other assets held by the  
25 board of tax appeals must be assigned to the tax appeal division of  
26 the court of appeals.

27 (b) Any appropriations made to the board of tax appeals must, on  
28 the effective date of this section, be transferred and credited to  
29 the tax appeal division of the court of appeals.

30 (c) If any question arises as to the transfer of any personnel,  
31 funds, books, documents, records, papers, files, equipment, or other  
32 tangible property used or held in the exercise of the powers and the  
33 performance of the duties and functions transferred, the director of  
34 financial management must make a determination as to the proper  
35 allocation and certify the same to the state agencies concerned.

36 (3) Other than members of the board of tax appeals and tax  
37 referees appointed by the board, all employees of the board of tax  
38 appeals are transferred to the jurisdiction of the tax appeal  
39 division of the court of appeals. All employees classified under

1 chapter 41.06 RCW, the state civil service law, are assigned to the  
2 tax appeal division of the court of appeals to perform their usual  
3 duties upon the same terms as formerly, without any loss of rights,  
4 subject to any action that may be appropriate thereafter in  
5 accordance with the laws and rules governing state civil service.

6 (4) All rules and all pending business before the board of tax  
7 appeals must be continued and acted upon by the tax appeal division  
8 of the court of appeals. All existing contracts and obligations  
9 remain in full force and must be performed by the tax appeal division  
10 of the court of appeals.

11 (5) The transfer of the powers, duties, functions, and personnel  
12 of the board of tax appeals does not affect the validity of any act  
13 performed before the effective date of this section.

14 (6) If apportionments of budgeted funds are required because of  
15 the transfers directed by this section, the director of financial  
16 management must certify the apportionments to the agencies affected,  
17 the state auditor, and the state treasurer. Each of these must make  
18 the appropriate transfer and adjustments in funds and appropriation  
19 accounts and equipment records in accordance with the certification.

20 NEW SECTION. **Sec. 226.** The following acts or parts of acts are  
21 each repealed:

22 (1) RCW 82.03.010 (Board created) and 1967 ex.s. c 26 s 30;

23 (2) RCW 82.03.020 (Members—Number—Qualifications—Appointment)  
24 and 1967 ex.s. c 26 s 31;

25 (3) RCW 82.03.030 (Terms—Vacancies) and 1967 ex.s. c 26 s 32;

26 (4) RCW 82.03.040 (Removal of members—Grounds—Procedure) and  
27 1967 ex.s. c 26 s 33;

28 (5) RCW 82.03.050 (Operation on part-time or full-time basis—  
29 Salary—Compensation—Travel expenses) and 2013 c 23 s 311, 1975-'76  
30 2nd ex.s. c 34 s 176, 1970 ex.s. c 65 s 2, & 1967 ex.s. c 26 s 34;

31 (6) RCW 82.03.060 (Members not to be candidate or hold public  
32 office, engage in inconsistent occupation nor be on political  
33 committee—Restriction on leaving board) and 2013 c 23 s 312 & 1967  
34 ex.s. c 26 s 35;

35 (7) RCW 82.03.070 (Executive director, tax referees, clerk,  
36 assistants) and 1988 c 222 s 2 & 1967 ex.s. c 26 s 36;

37 (8) RCW 82.03.080 (Chair) and 2013 c 23 s 313 & 1967 ex.s. c 26 s  
38 37;

1 (9) RCW 82.03.090 (Office of board—Quorum—Hearings) and 1967  
2 ex.s. c 26 s 38;

3 (10) RCW 82.03.100 (Findings and decisions—Signing—Filing—  
4 Public inspection) and 1967 ex.s. c 26 s 39;

5 (11) RCW 82.03.110 (Publication of findings and decisions) and  
6 1967 ex.s. c 26 s 40;

7 (12) RCW 82.03.120 (Journal of final findings and decisions) and  
8 1988 c 222 s 3 & 1967 ex.s. c 26 s 41;

9 (13) RCW 82.03.130 (Appeals to board—Jurisdiction as to types of  
10 appeals—Filing) and 2005 c 253 s 7, 1998 c 54 s 1, 1994 c 123 s 3,  
11 1992 c 206 s 9, 1989 c 378 s 4, 1982 1st ex.s. c 46 s 6, 1977 ex.s. c  
12 284 s 2, & 1967 ex.s. c 26 s 42;

13 (14) RCW 82.03.140 (Appeals to board—Election of formal or  
14 informal hearing) and 2000 c 103 s 1, 1988 c 222 s 4, 1982 1st ex.s.  
15 c 46 s 8, & 1967 ex.s. c 26 s 43;

16 (15) RCW 82.03.150 (Appeals to board—Informal hearings, powers of  
17 board or tax referees—Assistance) and 2000 c 103 s 2, 1988 c 222 s 5,  
18 & 1967 ex.s. c 26 s 44;

19 (16) RCW 82.03.160 (Appeals to board—Formal hearings, powers of  
20 board or tax referees—Assistance) and 2000 c 103 s 3, 1989 c 175 s  
21 175, 1988 c 222 s 6, & 1967 ex.s. c 26 s 45;

22 (17) RCW 82.03.170 (Rules of practice and procedure) and 1988 c  
23 222 s 7 & 1967 ex.s. c 26 s 46;

24 (18) RCW 82.03.180 (Judicial review) and 2000 c 103 s 4, 1989 c  
25 175 s 176, 1982 1st ex.s. c 46 s 9, & 1967 ex.s. c 26 s 47;

26 (19) RCW 82.03.190 (Appeal to board from denial of petition or  
27 notice of determination as to reduction or refund—Procedure—Notice)  
28 and 2012 c 39 s 3, 1998 c 54 s 2, 1989 c 378 s 5, 1983 c 3 s 211,  
29 1979 ex.s. c 209 s 50, 1975 1st ex.s. c 158 s 3, & 1967 ex.s. c 26 s  
30 48;

31 (20) RCW 82.03.200 (Appeals from county board of equalization—  
32 Evidence submission in advance of hearing) and 1994 c 301 s 17; and

33 (21) RCW 82.32.150 (Contest of tax—Prepayment required—  
34 Restraining orders and injunctions barred) and 1961 c 15 s  
35 82.32.150."



**2SSB 5449 - S AMD 534**

By Senator Braun

**PULLED 02/17/2016**

1        On page 1, line 2 of the title, after "appeals;" strike the  
2 remainder of the title and insert "amending RCW 2.06.020, 2.06.030,  
3 2.06.040, 2.06.050, 2.06.070, 2.06.150, 34.05.030, 39.88.060,  
4 79.125.450, 82.01.090, 82.29A.060, 82.32.160, 82.32.170, 82.32.180,  
5 82.49.060, 84.08.060, 84.08.130, 84.33.091, 84.34.065, 84.36.850,  
6 84.39.020, 84.40.038, 84.48.080, 84.52.018, 84.56.290, 84.69.020,  
7 84.69.030, and 84.69.180; reenacting and amending RCW 34.12.020 and  
8 42.17A.705; adding new sections to chapter 2.06 RCW; creating new  
9 sections; and repealing RCW 82.03.010, 82.03.020, 82.03.030,  
10 82.03.040, 82.03.050, 82.03.060, 82.03.070, 82.03.080, 82.03.090,  
11 82.03.100, 82.03.110, 82.03.120, 82.03.130, 82.03.140, 82.03.150,  
12 82.03.160, 82.03.170, 82.03.180, 82.03.190, 82.03.200, and  
13 82.32.150."

EFFECT: Clarifies that tax court commissioners preside over cases in the commissioners department and the small claims division. Creates a small claims process in the commissioners department for cases up to \$25,000, as well as a mediation process. Phases out the upfront payment of disputed taxes through 2027. Modifies and expands the list of individuals who may represent a taxpayer in proceedings before the small claims division. Clarifies that a tax appeal division judge must have at least 5 years of experience as an attorney practicing Washington state and local tax law. Makes technical changes.

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