
SUBSTITUTE SENATE BILL 5449

State of Washington

64th Legislature

2015 Regular Session

By Senate Law & Justice (originally sponsored by Senators Braun, Rivers, Brown, Hobbs, Dammeier, Becker, Mullet, Sheldon, Warnick, Fain, Honeyford, Hewitt, and Frockt)

READ FIRST TIME 02/20/15.

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

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

14 **PART I**
15 **Creation of the Tax Appeal Division**

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

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

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

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

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

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

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

22 The court shall have three divisions(~~(, one of which shall be~~
23 ~~headquartered in Seattle, one of which shall be headquartered in~~
24 ~~Spokane, and one of which shall be headquartered in Tacoma:))~~ of
25 general appellate jurisdiction and one division for tax appeals. The
26 first division of general appellate jurisdiction shall be
27 headquartered in Seattle, the second division of general appellate
28 jurisdiction shall be headquartered in Tacoma, the third division of
29 general appellate jurisdiction shall be headquartered in Spokane, and
30 the tax appeal division with jurisdiction over tax appeals as
31 provided by statute headquartered in Olympia.

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

34 (a) District 1 shall consist of King county and shall have eight
35 judges;

36 (b) District 2 shall consist of Snohomish county and shall have
37 two judges; and

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

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

3 (a) District 1 shall consist of Pierce county and shall have
4 three judges;

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

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

9 (3) The third division shall have five judges from the following
10 districts:

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

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

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

18 (4) The tax appeal division shall have three judges, one from
19 each division specified in subsections (1) through (3) of this
20 section, and shall have statewide jurisdiction over tax appeals as
21 provided by statute. The tax appeal division may hold hearings in any
22 location in the state that is convenient to the parties. The county
23 clerk or board of county commissioners, upon a reasonable request of
24 a judge of the tax appeal division, shall provide suitable rooms for
25 hearings.

26 NEW SECTION. Sec. 103. A new section is added to chapter 2.06
27 RCW to read as follows:

28 The tax appeal division must consist of two departments:

29 (1) The main department:

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

33 (b) Upon petition by a party, the main department must initially
34 hear appeals that involve complex issues, issues of substantial
35 public importance, or issues that require expertise beyond a
36 commissioner's proficiency. Unless otherwise allowed by the presiding
37 judge for good cause shown, the petition for a direct appeal to the
38 main department must be filed within sixty days of the filing of the
39 initial appeal.

1 (c) A party may petition for an en banc hearing of the appeal, or
2 en banc review of a final decision of the main department when: (i)
3 The decision under appeal conflicts with a decision of the supreme
4 court or a prior decision of the tax appeal division; or (ii) the
5 appeal involves one or more questions of exceptional public
6 importance; and (iii) there are no genuine issues of material fact.
7 In so far as possible, en banc proceedings must be conducted in
8 accordance with the rules of appellate procedure applicable in the
9 divisions of general appellate jurisdiction.

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

16 (2) The commissioner department:

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

24 (b) Small claims division of the commissioner department: There
25 is hereby established a small claims division of the commissioner
26 department. The small claims division is a cost-effective and
27 informal option for taxpayers seeking an independent review of their
28 contested tax assessment. The small claims division shall have
29 jurisdiction, but not exclusive jurisdiction, in contested tax
30 assessments proceedings when:

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

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

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

35 (i) A taxpayer may appear personally or may designate a
36 representative;

37 (ii) Designated representatives include an employee of the
38 taxpayer, a trustee of a trust, a personal representative of a
39 decedent's estate, or a designated representative of a nonprofit

1 organization. The taxpayer or the taxpayer's representative may
2 testify;

3 (iii) The judges of the commissioner department must sit as the
4 judges of the small claims division;

5 (iv) A taxpayer may elect to proceed in the small claims division
6 of the commissioner department by filing a petition in the form
7 prescribed by the commissioner department no later than ninety days
8 after the taxpayer's receipt of written notice of the determination
9 that is the subject of the petition. A taxpayer may not revoke an
10 election to proceed in the small claims division;

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

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

21 (vii) Hearings in the small claims division must be informal and
22 the judge may receive such evidence as the judge deems appropriate
23 for determination of the case. The taxpayer may offer witness
24 testimony from a licensed real estate broker, a licensed appraiser,
25 or an accounting or other professional services firm by an accountant
26 licensed in this state or other person with knowledge of the facts of
27 the case. Testimony must be given under oath or affirmation; and

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

32 (d) Voluntary mediation process:

33 (i) The commissioner department shall provide an informal
34 voluntary and confidential mediation process. The purpose of the
35 mediation is to help the parties reach an agreement that settles the
36 dispute. The department shall prescribe rules for the conduct of
37 mediation consistent with the purpose of the mediation.

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

1 (A) An appointed neutral mediator shall lead and facilitate the
2 mediation. The mediator shall be a judge of the commissioner
3 department who is not the assigned trial judge;

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

7 (C) Mediation is a confidential process. All mediation
8 discussions, statements of parties, and materials provided as part of
9 the mediation are confidential, shall not be disclosed outside the
10 mediation, and shall not be used for any nonmediation purpose or used
11 in any other proceeding;

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

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

18 (e) Qualifications of commissioners:

19 (i) An individual who is appointed as a commissioner must be a
20 citizen of the United States and a resident of this state and
21 competent to perform the duties of the office including at least
22 three years' of experience practicing in state or local tax law.

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

26 (I) Will support the Constitutions of the United States and
27 Washington and faithfully and honestly discharge the duties of the
28 office; and

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

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

33 (iii) An individual while a commissioner may hold another office
34 or position of profit or pursue another calling or vocation unless
35 it:

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

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

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

3 (1) The administration and procedures of the court shall be as
4 provided by rules of the supreme court. The court shall be vested
5 with all power and authority, not inconsistent with said rules,
6 necessary to carry into complete execution all of its judgments,
7 decrees and determinations in all matters within its jurisdiction,
8 according to the rules and principles of the common law and the
9 Constitution and laws of this state.

10 (2) For the prompt and orderly administration of justice, the
11 supreme court may ~~((+1))~~ (a) transfer to the appropriate division of
12 the court for decision a case or appeal pending before the supreme
13 court; or ~~((+2))~~ (b) transfer to the supreme court for decision a
14 case or appeal pending in a division of the court.

15 (3) Subject to the provisions of this section~~((, the court shall
16 have))~~ and section 109 of this act, the divisions of general
17 appellate jurisdiction have exclusive appellate jurisdiction in all
18 cases except:

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

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

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

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

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

32 all of which shall be appealed directly to the supreme court~~((+
33 PROVIDED, That))~~. However, whenever a majority of the court before
34 which an appeal is pending, but before a hearing thereon, is in doubt
35 as to whether such appeal is within the categories set forth in
36 ~~((subsection))~~ (d) or (e) of this ~~((section))~~ subsection, the cause
37 shall be certified to the supreme court for such determination.

38 (4) The appellate jurisdiction of the court of appeals does not
39 extend to civil actions at law for the recovery of money or personal

1 property when the original amount in controversy, or the value of the
2 property does not exceed the sum of two hundred dollars.

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

6 (6) Appeals from the court to the supreme court shall be only at
7 the discretion of the supreme court upon the filing of a petition for
8 review. No case, appeal or petition for a writ filed in the supreme
9 court or the court shall be dismissed for the reason that it was not
10 filed in the proper court, but it shall be transferred to the proper
11 court.

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

14 ~~((The court))~~ (1) The divisions of general appellate jurisdiction
15 shall sit in panels of three judges and decisions shall be rendered
16 by not less than a majority of the panel. In the determination of
17 causes all decisions of the court shall be given in writing and the
18 grounds of the decisions shall be stated. All decisions of the court
19 having precedential value shall be published as opinions of the
20 court. Each panel shall determine whether a decision of the court has
21 sufficient precedential value to be published as an opinion of the
22 court. Decisions determined not to have precedential value shall not
23 be published. Panels in the first division shall be comprised of such
24 judges as the chief judge thereof shall from time to time direct.
25 Judges of the respective divisions may sit in other divisions and
26 causes may be transferred between divisions, as directed by written
27 order of the chief justice. The court may hold sessions in cities as
28 may be designated by rule.

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

31 (3) The final decisions of the main department of the tax appeal
32 division must be issued in writing and the grounds of the decisions
33 shall be stated. Except for en banc decisions, the decisions by the
34 main department of the tax appeal division must include findings of
35 fact and conclusions of law. All decisions by the main department
36 must be published as opinions of the court.

37 (4) The decisions of the main department in proceedings before a
38 single judge are subject to discretionary review by the supreme court
39 in the same manner as the decisions of other divisions of the court

1 of appeals. Except for decisions rendered in appeals from the
2 superior court under section 109(3) of this act, the parties to an en
3 banc decision have a right of appeal to the supreme court.

4 (5) The final decisions of the commissioner department must be
5 rendered in writing, and must include a statement of the facts and
6 the conclusions of law. Decisions of the commissioner department must
7 be made readily available for online research but they may not be
8 published as opinions of the tax appeal division and may not be cited
9 or relied upon as precedent. The exclusive remedy for review of any
10 decision or order of a commissioner must be by petition to the main
11 department of the tax appeal division.

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

14 A judge of the court shall be:

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

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

20 (3) A judge of the tax appeal division must have at least five
21 years' experience as an attorney practicing in state tax law.

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

24 (1) Upon the taking effect of RCW 2.06.010 through 2.06.100, the
25 governor shall appoint the judges of the court of appeals for each
26 district in the numbers provided in RCW 2.06.020, who shall hold
27 office until the second Monday in January of the year following the
28 first state general election following the effective date of this
29 act. In making the original appointments the governor shall take into
30 consideration such factors as: Personal character; intellect;
31 ability; diversity of background of experience in the practice of the
32 law; diversity of political philosophy; diversity of educational
33 experience; and diversity of affiliation with social and economic
34 groups, for the purpose of establishing a balanced appellate court
35 with the highest quality of personnel. At the first state general
36 election after the effective date of this act there shall be elected
37 from each district the number of judges provided for in RCW 2.06.020.
38 Upon taking office the judges of each division elected shall come

1 together at the direction of the chief justice and be divided by lot
2 into three equal groups; those of the first group shall hold office
3 until the second Monday in January of 1973, those of the second group
4 shall hold office until the second Monday in January of 1975, and
5 those of the third group shall hold office until the second Monday in
6 January of 1977, and until their successors are elected and
7 qualified. Thereafter, judges shall be elected for the full term of
8 six years and until their successors are elected and qualified,
9 commencing with the second Monday in January succeeding their
10 election(~~(- PROVIDED, HOWEVER, That)~~). However, if the governor shall
11 make appointments to the appellate court from membership of the
12 superior court, the governor shall, in making appointments filling
13 vacancies created in the superior courts by such action, take into
14 consideration such factors as: Personal character; intellect;
15 ability; diversity of background of experience in the practice of the
16 law; diversity of political philosophy; diversity of educational
17 experience; and diversity of affiliation with social and economic
18 groups, for the purpose of maintaining a balanced superior court with
19 the highest quality of personnel.

20 (2) At the first state general election after the establishment
21 of the tax appeal division, there must be elected the number of
22 judges to the tax appeal division provided for in RCW 2.06.020. Upon
23 taking office the judges elected must come together to be divided by
24 lot into three equal groups; those of the first group must hold
25 office until the second Monday in January of 2019, those of the
26 second group must hold office until the second Monday in January of
27 2021, and those of the third group must hold office until the second
28 Monday in January of 2023, and until their successors are elected and
29 qualified. Thereafter, judges must be elected for the full term of
30 six years and until their successors are elected and qualified,
31 commencing with the second Monday in January succeeding their
32 election.

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

35 (1) Whenever necessary for the prompt and orderly administration
36 of justice, the chief justice of the supreme court of the state of
37 Washington may appoint any regularly elected and qualified judge of
38 the superior court or any retired judge of a court of record in this
39 state to serve as judge pro tempore of the court of appeals(~~(-~~

1 ~~PROVIDED, HOWEVER, That~~). However, no judge pro tempore appointed to
2 serve on the court of appeals may serve more than ninety days in any
3 one year and a judge pro tempore of the tax appeal division must be
4 qualified for the position as provided in RCW 2.06.050(3).

5 (2) If the term of a judge of the court of appeals expires with
6 cases or other judicial business pending, the chief justice of the
7 supreme court of the state of Washington, upon the recommendation of
8 the chief presiding judge of the court of appeals, may appoint the
9 judge to serve as judge pro tempore of the court of appeals, whenever
10 necessary for the prompt and orderly administration of justice. No
11 judge may be appointed under this subsection more than one time and
12 no appointment may exceed sixty days.

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

17 NEW SECTION. Sec. 109. A new section is added to chapter 2.06
18 RCW to read as follows:

19 (1) Except as otherwise provided in this section, all proceedings
20 before the tax appeal division are original, independent proceedings
21 and must be tried without a jury and de novo. Except as provided in
22 RCW 84.40.0301, in all appeals to the tax appeal division, the
23 decision appealed from is presumed correct, and the appellant has the
24 burden of proving otherwise by a preponderance of the evidence. The
25 tax appeal division may exercise such procedural powers and authority
26 as necessary to the full exercise of its jurisdiction, including the
27 power to issue compulsory process as provided by court rule.

28 (2) The tax appeal division has jurisdiction to hear the
29 following appeals:

30 (a) Appeals of a notice of denial of a petition or a notice of
31 assessment made under RCW 82.34.110, 82.32.160, 82.32.170, or
32 82.49.060;

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

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

38 (d) Appeals by an assessor or owner of an intercounty public
39 utility or private car company from determinations by the director of

1 revenue of equalized assessed valuation of property and the
2 apportionment thereof to a county made pursuant to chapters 84.12 and
3 84.16 RCW, if filed with the tax division of the court of appeals
4 within ninety days after mailing of the determination;

5 (e) Appeals by an assessor, landowner, or owner of an intercounty
6 public utility or private car company from a determination of any
7 county indicated ratio for such county compiled by the department of
8 revenue pursuant to RCW 84.48.075, if the appeal is filed after
9 review of the ratio under RCW 84.48.075(3). A hearing under this
10 subsection (2)(e) before the court must be expeditiously held in
11 accordance with rules prescribed by the court and must take
12 precedence over all matters of the same character;

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

16 (g) Appeals from urban redevelopment property tax apportionment
17 district proposals established by governmental ordinances pursuant to
18 RCW 39.88.060;

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

22 (i) Appeals from revisions to stumpage value tables used to
23 determine value by the department of revenue pursuant to RCW
24 84.33.091;

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

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

28 (l) Appeals pursuant to RCW 84.39.020;

29 (m) Appeals of refunds denied under Title 83 RCW; and

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

34 (3) In addition to appeals under subsection (2) of this section
35 and except for cases which may be appealed or transferred directly to
36 the supreme court under RCW 2.06.030, the tax appeal division,
37 sitting en banc, shall have exclusive appellate jurisdiction over
38 appeals from the superior court in any case involving the validity of
39 any tax, assessment, or toll.

1 (4) Except as otherwise specifically provided by law, the
2 provisions of RCW 1.12.070 apply to all notices of appeal filed with
3 the tax appeal division.

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

9 (6) If, with or after the filing of a timely notice of appeal,
10 the taxpayer pays all or part of the tax or other amount in issue
11 before the tax appeal division has rendered a decision, the court
12 must treat the taxpayer's petition as a protest of a denial of a
13 claim for refund of the amount paid.

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

16 (1) The tax appeal division must stay collection of all or any
17 part of an assessment or additional assessment of the department of
18 revenue, on petition of the taxpayer, unless it finds that:

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

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

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

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

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

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

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

37 NEW SECTION. **Sec. 111.** A new section is added to chapter 2.06
38 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 2011 1st sp.s. c 43 s 431 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 human resources director, or the office of financial management and
36 the department of enterprise services when carrying out their duties
37 under chapter 41.06 RCW;

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

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

5 (3) (~~Unless a party makes an election for a formal hearing~~
6 ~~pursuant to RCW 82.03.140 or 82.03.190,~~) RCW 34.05.410 through
7 34.05.598 do not apply to a review hearing conducted by the (~~board~~
8 ~~of tax~~) tax division of the court of appeals.

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

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

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

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

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

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

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

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

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

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

1 public employment relations commission(~~(, and the board of tax~~
2 ~~appeals)~~).

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

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

21 (2) If the sponsor modifies the public improvement ordinance as
22 directed by the ~~((board)) tax division of the court of appeals, the~~
23 public improvement ordinance ~~((shall be)) is~~ effective without
24 further hearings or findings and ~~((shall)) is~~ not ~~((be))~~ subject to
25 any further appeal. If the sponsor modifies the public improvement
26 ordinance in a manner other than as directed by the ~~((board)) tax~~
27 ~~division of the court of appeals, the public improvement ordinance~~
28 ~~((shall be)) is~~ subject to the procedures established pursuant to RCW
29 39.88.040 and 39.88.050.

30 **Sec. 204.** RCW 42.17A.705 and 2012 c 229 s 582 are each amended
31 to read as follows:

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

34 (1) The chief administrative law judge, the director of
35 agriculture, the director of the department of services for the
36 blind, the chief information officer of the office of chief
37 information officer, the director of the state system of community
38 and technical colleges, the director of commerce, the director of the

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

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

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

32 (4) Central Washington University board of trustees, the boards
33 of trustees of each community college and each technical college,
34 each member of the state board for community and technical colleges,
35 state convention and trade center board of directors, Eastern
36 Washington University board of trustees, Washington economic
37 development finance authority, Washington energy northwest executive
38 board, The Evergreen State College board of trustees, executive
39 ethics board, fish and wildlife commission, forest practices appeals
40 board, forest practices board, gambling commission, Washington health

1 care facilities authority, student achievement council, higher
2 education facilities authority, horse racing commission, state
3 housing finance commission, human rights commission, indeterminate
4 sentence review board, board of industrial insurance appeals, state
5 investment board, commission on judicial conduct, legislative ethics
6 board, life sciences discovery fund authority board of trustees,
7 liquor control board, lottery commission, Pacific Northwest electric
8 power and conservation planning council, parks and recreation
9 commission, Washington personnel resources board, board of pilotage
10 commissioners, pollution control hearings board, public disclosure
11 commission, public employees' benefits board, recreation and
12 conservation funding board, salmon recovery funding board, shorelines
13 hearings board, (~~board of tax appeals,~~) transportation commission,
14 University of Washington board of regents, utilities and
15 transportation commission, Washington State University board of
16 regents, and Western Washington University board of trustees.

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

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

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

1 (3) Review of the decision of the department regarding the sale
2 price established for a shoreland to be sold pursuant to this section
3 may be obtained by the upland owner by filing a petition with the
4 ~~((board of tax appeals created in accordance with chapter 82.03 RCW
5 within thirty))~~ tax division of the court of appeals within thirty
6 days after the mailing of notification by the department to the owner
7 regarding the price. The ~~((board of tax appeals shall))~~ tax division
8 of the court of appeals must review the cases in an adjudicative
9 proceeding as described in chapter 34.05 RCW, the administrative
10 procedure act, and the ~~((board's))~~ court's review ~~((shall))~~ must be
11 de novo. Decisions of the ~~((board of tax))~~ tax division of the court
12 of appeals regarding fair market values determined pursuant to this
13 section ~~((shall be))~~ are final ~~((unless appealed to the superior
14 court pursuant to RCW 34.05.510 through 34.05.598))~~.

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

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

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

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

30 (2)(a) A lessee, or a sublessee in the case where the sublessee
31 is responsible for paying the tax imposed under this chapter, of
32 property used for residential purposes may petition the county board
33 of equalization for a change in appraised value when the department
34 of revenue establishes taxable rent under RCW 82.29A.020(2)~~((+b))~~
35 (g) based on an appraisal done by the county assessor at the request
36 of the department. The petition must be on forms prescribed or
37 approved by the department ~~((of revenue))~~ and any petition not
38 conforming to those requirements or not properly completed ~~((shall))~~

1 may not be considered by the board. The petition must be filed with
2 the board within the time period set forth in RCW 84.40.038. A
3 decision of the board of equalization may be appealed by the taxpayer
4 to the ~~((board of tax))~~ tax division of the court of appeals as
5 provided in RCW 84.08.130.

6 (b) A sublessee, in the case where the sublessee is responsible
7 for paying the tax imposed under this chapter, of property used for
8 residential purposes may petition the department for a change in
9 taxable rent when the department of revenue establishes taxable rent
10 under RCW 82.29A.020(2)~~((+b))~~ (g).

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

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

16 (4) In selecting leasehold excise tax returns for audit the
17 department ~~((of revenue shall))~~ must give priority to any return an
18 audit of which is specifically requested in writing by the county
19 assessor or treasurer or other chief financial officer of any city or
20 county affected by such return. Notwithstanding the provisions of RCW
21 82.32.330, findings of fact and determinations of the amount of
22 taxable rent made pursuant to the provisions of this chapter
23 ~~((shall))~~ must be open to public inspection at all reasonable times.

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

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

1 thereof forthwith. If a conference is granted, the department
2 (~~shall~~) must fix the time and place therefor and notify the
3 petitioner thereof by mail or electronically as provided in RCW
4 82.32.135. After the conference the department may make such
5 determination as may appear to it to be just and lawful and (~~shall~~)
6 must mail a copy of its determination to the petitioner, or provide a
7 copy of its determination electronically as provided in RCW
8 82.32.135. If no such petition is filed within the (~~thirty-day~~)
9 ninety-day period the assessment covered by the notice shall become
10 final.

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

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

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

1 electronically as provided in RCW 82.32.135. If denied, the taxpayer
2 may file an appeal with the tax division of the court of appeals
3 within ninety days.

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

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

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

36 (3) It (~~(shall)~~) is not (~~(be)~~) necessary for the taxpayer to
37 protest against the payment of any tax or to make any demand to have
38 the same refunded or to petition the director for a hearing in order
39 to appeal to the superior court or the tax division of the court of

1 appeals, but no court action or proceeding of any kind (~~shall~~) may
2 be maintained by the taxpayer to recover any tax paid, or any part
3 thereof, except as (~~herein~~) provided in this section.

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

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

10 (1) Any vessel owner disputing an appraised value under RCW
11 82.49.050 or disputing whether the vessel is taxable, may petition
12 for a conference with the department as provided under RCW 82.32.160,
13 or for reduction of the tax due as provided under RCW 82.32.170.

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

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

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

34 (2) The department may require any county board of equalization
35 to reconvene at any time for the purpose of performing or completing
36 any duty or taking any action it might lawfully have performed or
37 taken at any of its previous meetings. No board may be reconvened
38 later than three years after the date of adjournment of its regularly

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

1 situated and (~~shall~~) must be paid out of the proper funds of such
2 county upon the order of the department of revenue.

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

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

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

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

33 (1) The department (~~of revenue shall~~) must designate areas
34 containing timber having similar growing, harvesting, and marketing
35 conditions to be used as units for the preparation and application of
36 stumpage values. Each year on or before December 31st for use the
37 following January through June 30th, and on or before June 30th for
38 use the following July through December 31st, the department

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

11 (a) Gross proceeds from sales on the stump of similar timber of
12 like quality and character at similar locations, and in similar
13 quantities;

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

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

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

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

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

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

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

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

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

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

38 (b)(i) (~~The term~~) "Rate of interest" means the rate of interest
39 charged by the farm credit administration and other large financial
40 institutions regularly making loans secured by farm and agricultural

1 lands through mortgages or similar legal instruments, averaged over
2 the immediate past five years.

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

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

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

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

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

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

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

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

1 department (~~shall~~) must supply forms to the county assessor to
2 allow persons to apply for the program at the county assessor's
3 office.

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

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

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

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

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

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

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

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

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

38 (1) The owner or person responsible for payment of taxes on any
39 property may petition the county board of equalization for a change
in the assessed valuation placed upon such property by the county

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

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

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

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

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

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

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

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

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

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

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

3 (f) The taxpayer was not sent a revaluation notice under RCW
4 84.40.045 for the current assessment year and the taxpayer can
5 demonstrate both of the following:

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

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

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

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

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

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

36 (a) The department (~~shall~~) must classify all property, real and
37 personal, and (~~shall~~) must raise and lower the valuation of any
38 class of property in any county to a value that (~~shall be~~) equals,
39 so far as possible, to the true and fair value of such class as of

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

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

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

1 Errors in taxable values mean errors corrected by a final reviewing
2 body.

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

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

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

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

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

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

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

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

32 (3) When any assessment of property is made which does not appear
33 on the assessment list certified by the county board of equalization
34 to the department (~~of revenue~~) the county assessor (~~shall~~) must
35 indicate to the county treasurer the assessments and the taxes due
36 therefrom when the list is delivered to the county treasurer on
37 December 15th. The county treasurer (~~shall~~) must then notify the
38 department (~~of revenue~~) of the taxes due the state from the
39 assessments which did not appear on the assessment list certified by
40 the county board of equalization to the department (~~of revenue~~).

1 The county treasurer (~~shall~~) must make proper accounting of all
2 sums collected as either advance tax, compensating or additional tax,
3 or supplemental or omitted tax and (~~shall~~) must notify the
4 department (~~of revenue~~) of the amounts due the various state funds
5 according to the levy used in extending such tax, and those amounts
6 (~~shall~~) immediately become due and owing to the various state
7 funds, to be paid to the state treasurer in the same manner as taxes
8 extended on the regular tax roll.

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

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

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

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

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

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

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

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

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

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

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

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

1 paid on the basis of the appealed valuation and the tax payable on
2 the valuation adjusted in accordance with the (~~board's~~) court's
3 order;

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

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

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

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

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

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

26 (2) No refunds under the provisions of this section (~~shall~~) may
27 be made because of any error in determining the valuation of
28 property, except as authorized in subsection(~~(s (9), (10), (11), and~~
29 ~~(12)~~) (1)(i), (j), (k), and (l) of this section nor may any refunds
30 be made if a bona fide purchaser has acquired rights that would
31 preclude the assessment and collection of the refunded tax from the
32 property that should properly have been charged with the tax. Any
33 refunds made on delinquent taxes (~~shall~~) must include the
34 proportionate amount of interest and penalties paid. However, no
35 refunds as a result of an incorrect payment authorized under
36 subsection (~~(8)~~) (1)(h) of this section made by a third party payee
37 (~~shall~~) may be granted. The county treasurer may deduct from moneys
38 collected for the benefit of the state's levy, refunds of the state
39 levy including interest on the levy as provided by this section and
40 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 2014 c 16 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 NEW SECTION. **Sec. 224.** To provide an orderly transition in
31 establishing the tax division of the court of appeals, beginning
32 February 1, 2017, prior to the creation of the tax division of the
33 court of appeals, judges for the tax division of the court of appeals
34 may take any action necessary to enable the judges to properly
35 exercise the duties, functions, and powers given the tax division of
36 the court of appeals.

1 **Sec. 225.** RCW 84.69.180 and 2013 c 239 s 1 are each amended to
2 read as follows:

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

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

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

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

19 NEW SECTION. **Sec. 226.** (1) The state board of tax appeals is
20 transferred to the tax division of the court of appeals.

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

30 (b) Any appropriations made to the state board of tax appeals, on
31 the effective date of this section, must be transferred and credited
32 to the tax division of the court of appeals.

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

1 (3) All employees of the state board of tax appeals are
2 transferred to the jurisdiction of the tax division of the court of
3 appeals. All employees classified under chapter 41.06 RCW, the state
4 civil service law, are assigned to the tax division of the court of
5 appeals to perform their usual duties upon the same terms as
6 formerly, without any loss of rights, subject to any action that may
7 be appropriate thereafter in accordance with the laws and rules
8 governing state civil service.

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

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

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

23 NEW SECTION. **Sec. 227.** The following acts or parts of acts are
24 each repealed:

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

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

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

29 (4) RCW 82.03.040 (Removal of members—Grounds—Procedure) and
30 1967 ex.s. c 26 s 33;

31 (5) RCW 82.03.050 (Operation on part-time or full-time basis—
32 Salary—Compensation—Travel expenses) and 2013 c 23 s 311, 1975-'76
33 2nd ex.s. c 34 s 176, 1970 ex.s. c 65 s 2, & 1967 ex.s. c 26 s 34;

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

1 (7) RCW 82.03.070 (Executive director, tax referees, clerk,
2 assistants) and 1988 c 222 s 2 & 1967 ex.s. c 26 s 36;
3 (8) RCW 82.03.080 (Chair) and 2013 c 23 s 313 & 1967 ex.s. c 26 s
4 37;
5 (9) RCW 82.03.090 (Office of board—Quorum—Hearings) and 1967
6 ex.s. c 26 s 38;
7 (10) RCW 82.03.100 (Findings and decisions—Signing—Filing—
8 Public inspection) and 1967 ex.s. c 26 s 39;
9 (11) RCW 82.03.110 (Publication of findings and decisions) and
10 1967 ex.s. c 26 s 40;
11 (12) RCW 82.03.120 (Journal of final findings and decisions) and
12 1988 c 222 s 3 & 1967 ex.s. c 26 s 41;
13 (13) RCW 82.03.130 (Appeals to board—Jurisdiction as to types of
14 appeals—Filing) and 2005 c 253 s 7, 1998 c 54 s 1, 1994 c 123 s 3,
15 1992 c 206 s 9, 1989 c 378 s 4, 1982 1st ex.s. c 46 s 6, 1977 ex.s. c
16 284 s 2, & 1967 ex.s. c 26 s 42;
17 (14) RCW 82.03.140 (Appeals to board—Election of formal or
18 informal hearing) and 2000 c 103 s 1, 1988 c 222 s 4, 1982 1st ex.s.
19 c 46 s 8, & 1967 ex.s. c 26 s 43;
20 (15) RCW 82.03.150 (Appeals to board—Informal hearings, powers of
21 board or tax referees—Assistance) and 2000 c 103 s 2, 1988 c 222 s 5,
22 & 1967 ex.s. c 26 s 44;
23 (16) RCW 82.03.160 (Appeals to board—Formal hearings, powers of
24 board or tax referees—Assistance) and 2000 c 103 s 3, 1989 c 175 s
25 175, 1988 c 222 s 6, & 1967 ex.s. c 26 s 45;
26 (17) RCW 82.03.170 (Rules of practice and procedure) and 1988 c
27 222 s 7 & 1967 ex.s. c 26 s 46;
28 (18) RCW 82.03.180 (Judicial review) and 2000 c 103 s 4, 1989 c
29 175 s 176, 1982 1st ex.s. c 46 s 9, & 1967 ex.s. c 26 s 47;
30 (19) RCW 82.03.190 (Appeal to board from denial of petition or
31 notice of determination as to reduction or refund—Procedure—Notice)
32 and 2012 c 39 s 3, 1998 c 54 s 2, 1989 c 378 s 5, 1983 c 3 s 211,
33 1979 ex.s. c 209 s 50, 1975 1st ex.s. c 158 s 3, & 1967 ex.s. c 26 s
34 48;
35 (20) RCW 82.03.200 (Appeals from county board of equalization—
36 Evidence submission in advance of hearing) and 1994 c 301 s 17; and
37 (21) RCW 82.32.150 (Contest of tax—Prepayment required—
38 Restraining orders and injunctions barred) and 1961 c 15 s 82.32.150.

PART III

Miscellaneous Provisions

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NEW SECTION. **Sec. 301.** (1) Except for sections 226 and 227 of this act, this act takes effect January 1, 2016.

(2) Sections 226 and 227 of this act take effect July 1, 2017.

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