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**SUBSTITUTE HOUSE BILL 1300**

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**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representatives Wang, Horn, Phillips, Heavey, Fraser, Winsley, Rust, Leonard, Nelson, Holland, Jacobsen, Appelwick, Dorn, Ferguson, Locke, H. Sommers, Brekke, Wineberry, May, R. King, Wilson, Betrozoff, Cole, Hine, Scott and Anderson).

Read first time March 11, 1991.

1            AN ACT Relating to averaging large property tax valuation  
2 increases; amending RCW 84.04.030, 84.40.020, 84.40.030, 84.40.040,  
3 84.40.045, 84.41.041, 84.48.010, 84.48.065, 84.48.075, 84.48.080,  
4 84.12.270, 84.12.280, 84.12.310, 84.12.330, 84.12.350, 84.12.360,  
5 84.16.040, 84.16.050, 84.16.090, 84.16.110, 84.16.120, 84.24.040,  
6 84.36.041, 84.52.063, and 84.70.010; adding a new section to chapter  
7 84.04 RCW; adding a new section to chapter 84.40 RCW; and providing a  
8 contingent effective date.

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

10            NEW SECTION.    **Sec. 1.** A new section is added to chapter 84.04 RCW  
11 to read as follows:

12            "Appraised value of property" means the aggregate true and fair  
13 value of the property as last determined by the county assessor  
14 according to the revaluation program approved under chapter 84.41 RCW,

1 including revaluations based on statistical data between physical  
2 inspections.

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

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

11 **Sec. 3.** RCW 84.40.020 and 1973 c 69 s 1 are each amended to read  
12 as follows:

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

1 taxpayer during the preceding calendar year or during such portion  
2 thereof as the taxpayer was engaged in business.

3       **Sec. 4.** RCW 84.40.030 and 1988 c 222 s 14 are each amended to read  
4 as follows:

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

8       All real property shall be appraised at one hundred percent of its  
9 true and fair value in money and assessed as provided in section 5 of  
10 this act unless specifically provided otherwise by law.

11       Taxable leasehold estates shall be valued at such price as they  
12 would bring at a fair, voluntary sale for cash without any deductions  
13 for any indebtedness owed including rentals to be paid.  
14 Notwithstanding any other provisions of this section or of any other  
15 statute, when the value of any taxable leasehold estate created prior  
16 to January 1, 1971 is being determined for assessment years prior to  
17 the assessment year 1973, there shall be deducted from what would  
18 otherwise be the value thereof the present worth of the rentals and  
19 other consideration which may be required of the lessee by the lessor  
20 for the unexpired term thereof:       PROVIDED, That the foregoing  
21 provisions of this sentence shall not apply to any extension or  
22 renewal, made after December 31, 1970 of the term of any such estate,  
23 or to any such estate after the date, if any, provided for in the  
24 agreement for rental renegotiation.

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

28       (1) Any sales of the property being appraised or similar properties  
29 with respect to sales made within the past five years. The appraisal

1 shall take into consideration political restrictions such as zoning as  
2 well as physical and environmental influences. The appraisal shall  
3 also take into account, (a) in the use of sales by real estate contract  
4 as similar sales, the extent, if any, to which the stated selling price  
5 has been increased by reason of the down payment, interest rate, or  
6 other financing terms; and (b) the extent to which the sale of a  
7 similar property actually represents the general effective market  
8 demand for property of such type, in the geographical area in which  
9 such property is located. Sales involving deed releases or similar  
10 seller-developer financing arrangements shall not be used as sales of  
11 similar property.

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

24 (3) In valuing any tract or parcel of real property, the true and  
25 fair value of the land, exclusive of structures thereon shall be  
26 determined; also the true and fair value of structures thereon, but the  
27 appraised valuation shall not exceed the true and fair value of the  
28 total property as it exists. In valuing agricultural land, growing  
29 crops shall be excluded.

1        NEW SECTION.    **Sec. 5.**    A new section is added to chapter 84.40 RCW  
2 to read as follows:

3        (1) As used in this section:

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

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

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

12        (d) "Improvement increase" means the portion of the total value  
13 increase attributable to any physical improvements made to the property  
14 since the previous assessment, other than improvements exempt under RCW  
15 84.36.400 for the year for which a calculation is being made under this  
16 section. Improvement increase can never be less than zero.

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

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

22        (a) One hundred ten percent of the previous assessed value; or

23        (b) The sum of:

24        (i) The previous assessed value;

25        (ii) The improvement increase; and

26        (iii) One-quarter of the market increase.

27        (3) The assessed value of personal property is equal to the current  
28 appraised value, unless specifically provided otherwise by law.

1       **Sec. 6.** RCW 84.40.040 and 1988 c 222 s 15 are each amended to read  
2 as follows:

3       The assessor shall begin the preliminary work for each assessment  
4 not later than the first day of December of each year in all counties  
5 in the state. The assessor shall also complete the duties of listing  
6 and placing valuations on all property by May 31st of each year(~~(~~  
7 ~~except that the listing and valuation of construction under RCW~~  
8 ~~36.21.040 through 36.21.080 shall be completed by August 31st of each~~  
9 ~~year))~~, and in the following manner, to wit:

10       The assessor shall actually determine as nearly as practicable the  
11 true and fair value of each tract or lot of land listed for taxation  
12 and of each improvement located thereon and shall enter as the  
13 appraised value one hundred percent of the true and fair value of such  
14 land and of the total true and fair value of such improvements,  
15 together with the total of such one hundred percent valuations,  
16 opposite each description of property on the assessment list and tax  
17 roll.

18       The assessor shall determine the assessed value, under section 5 of  
19 this act, for each tract or lot of land listed for taxation, including  
20 improvements located thereon, and shall also enter this value opposite  
21 each description of property on the assessment list and tax roll.

22       The assessor shall make an alphabetical list of the names of all  
23 persons in the county liable to assessment of personal property, and  
24 require each person to make a correct list and statement of such  
25 property according to the standard form prescribed by the department of  
26 revenue, which statement and list shall include, if required by the  
27 form, the year of acquisition and total original cost of personal  
28 property in each category of the prescribed form, and shall be signed  
29 and verified under penalty of perjury by the person listing the  
30 property: PROVIDED, That the assessor may list and value improvements

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

22 **Sec. 7.** RCW 84.40.045 and 1977 ex.s. c 181 s 1 are each amended to  
23 read as follows:

24 The assessor shall give notice of any change in the (~~true and~~  
25 ~~fair~~) assessed value of real property for the tract or lot of land and  
26 any improvements thereon no later than thirty days after appraisal:  
27 PROVIDED, That no such notice shall be mailed during the period from  
28 January 15 to February 15 of each year: PROVIDED FURTHER, That no

1 notice need be sent with respect to changes in valuation of forest land  
2 made pursuant to chapter 84.33 RCW.

3 The notice shall contain a statement of both the prior and the new  
4 (~~((true and fair))~~) appraised and assessed values (~~((and the ratio of the~~  
5 ~~assessed value to the true and fair value on which the assessment of~~  
6 ~~the property is based))~~), stating separately land and improvement  
7 appraised values, and a brief statement of the procedure for appeal to  
8 the board of equalization and the time, date, and place of the meetings  
9 of the board.

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

11 If any taxpayer, as shown by the tax rolls, holds solely a security  
12 interest in the real property which is the subject of the notice,  
13 pursuant to a mortgage, contract of sale, or deed of trust, such  
14 taxpayer shall, upon written request of the assessor, supply, within  
15 thirty days of receipt of such request, to the assessor the name and  
16 address of the person making payments pursuant to the mortgage,  
17 contract of sale, or deed of trust, and thereafter such person shall  
18 also receive a copy of the notice provided for in this section.  
19 Willful failure to comply with such request within the time limitation  
20 provided for herein shall make such taxpayer subject to a civil penalty  
21 of five dollars for each parcel of real property within the scope of  
22 the request in which it holds the security interest, the aggregate of  
23 such penalties in any one year not to exceed five thousand dollars.  
24 The penalties provided for herein shall be recoverable in an action by  
25 the county prosecutor, and when recovered shall be deposited in the  
26 county current expense fund. The assessor shall make the request  
27 provided for by this section during the month of January.

28 **Sec. 8.** RCW 84.41.041 and 1987 c 319 s 4 are each amended to read  
29 as follows:

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

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

26 **Sec. 9.** RCW 84.48.010 and 1988 c 222 s 20 are each amended to read  
27 as follows:

28 Prior to July 15th, the county legislative authority shall form a  
29 board for the equalization of the assessment of the property of the

1 county. The members of said board shall receive a per diem amount as  
2 set by the county legislative authority for each day of actual  
3 attendance of the meeting of the board of equalization to be paid out  
4 of the current expense fund of the county: PROVIDED, That when the  
5 county legislative authority constitute the board they shall only  
6 receive their compensation as members of the county legislative  
7 authority. The board of equalization shall meet in open session for  
8 this purpose annually on the 15th day of July and, having each taken an  
9 oath fairly and impartially to perform their duties as members of such  
10 board, they shall examine and compare the returns of the assessment of  
11 the property of the county and proceed to equalize the same, so that  
12 the appraised value of each tract or lot of real property and each  
13 article or class of personal property shall be entered on the  
14 assessment list at its true and fair value, ((according to the measure  
15 of value used by the county assessor in such assessment year, which is  
16 presumed to be correct pursuant to RCW 84.40.0301)) and so that the  
17 assessed value of each tract or lot of real property is entered on the  
18 assessment list at its correct amount, and subject to the following  
19 rules:

20 First. They shall raise the appraised valuation of each tract or  
21 lot or item of real property which is returned below its true and fair  
22 value to such price or sum as to be the true and fair value thereof,  
23 and raise the assessed valuation of each tract or lot or item of real  
24 property which is returned below its correct amount to the correct  
25 amount after at least five days' notice shall have been given in  
26 writing to the owner or agent.

27 Second. They shall reduce the appraised valuation of each tract or  
28 lot or item which is returned above its true and fair value to such  
29 price or sum as to be the true and fair value thereof and reduce the

1 assessed valuation of each tract or lot or item of real property which  
2 is returned above its correct amount to the correct amount.

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

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

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

23 The clerk of the board shall keep an accurate journal or record of  
24 the proceedings and orders of said board showing the facts and evidence  
25 upon which their action is based, and the said record shall be  
26 published the same as other proceedings of county legislative  
27 authority, and shall make a true record of the changes of the  
28 descriptions and ((assessed)) appraised values ordered by the county  
29 board of equalization. The assessor shall recalculate assessed values  
30 and correct the real and personal assessment rolls in accordance with

1 the changes made by the said county board of equalization, and the  
2 assessor shall make duplicate abstracts of such corrected values, one  
3 copy of which shall be retained in the office, and one copy forwarded  
4 to the department of revenue on or before the eighteenth day of August  
5 next following the meeting of the county board of equalization.

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

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

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

20 **Sec. 10.** RCW 84.48.065 and 1989 c 378 s 14 are each amended to  
21 read as follows:

22 The county assessor or treasurer may cancel or correct assessments  
23 on the assessment or tax rolls which are erroneous due to manifest  
24 errors in description, double assessments, clerical errors in extending  
25 the rolls, clerical errors in calculating the assessed value under  
26 section 5 of this act, and such manifest errors in the listing of the  
27 property which do not involve a revaluation of property, such as the  
28 assessment of property exempted by law from taxation or the failure to  
29 deduct the exemption allowed by law to the head of a family. When the

1 county assessor cancels or corrects an assessment, the assessor shall  
2 send a notice to the taxpayer advising the taxpayer that the action of  
3 the county assessor is not final and shall be considered by the county  
4 board of equalization, and that such notice shall constitute legal  
5 notice of such fact. When the county assessor or treasurer cancels or  
6 corrects an assessment, a record of such action shall be prepared and  
7 filed with the county board of equalization, setting forth therein the  
8 facts relating to the error. The record shall also set forth by legal  
9 description all property belonging exclusively to the state, any  
10 county, or any municipal corporation whose property is exempt from  
11 taxation, upon which there remains, according to the tax roll, any  
12 unpaid taxes.

13 The county board of equalization shall consider only such matters  
14 as appear in the record filed with it by the county assessor or  
15 treasurer and shall correct only such matters as are set forth in the  
16 record, but it shall have no power to change or alter the assessment of  
17 any person, or change the aggregate value of the taxable property of  
18 the county, except insofar as it is necessary to correct the errors  
19 mentioned in this section. If the county board of equalization finds  
20 that the action of the assessor was not correct, it shall issue a  
21 supplementary roll including such corrections as are necessary, and the  
22 assessment and levy shall have the same force and effect as if made in  
23 the first instance, and the county treasurer shall proceed to collect  
24 the taxes due on the supplementary roll. The board shall make findings  
25 of the facts upon which it bases its decision on all matters submitted  
26 to it, and when so made the assessment and levy shall have the same  
27 force as if made in the first instance, and the county treasurer shall  
28 proceed to collect the taxes due on the rolls as modified.

1 The county board of equalization shall convene on a day fixed by  
2 the board for the purpose of considering such matters as appear in the  
3 record filed by the county assessor or treasurer.

4 **Sec. 11.** RCW 84.48.075 and 1988 c 222 s 23 are each amended to  
5 read as follows:

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

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

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

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

12 **Sec. 12.** RCW 84.48.080 and 1990 c 283 s 1 are each amended to read  
13 as follows:

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

23 First. The department shall classify all property, real and  
24 personal, and shall raise and lower the assessed valuation of any class  
25 of property in any county to a value that shall be equal, so far as  
26 possible, to the (~~true and fair~~) correct assessed value of such class  
27 as of January 1st of the current year, after determining the correct  
28 appraised value, and any adjustment applicable under section 5 of this  
29 act for the property, for the purpose of ascertaining the just amount

1 of tax due from each county for state purposes. In equalizing personal  
2 property as of January 1st of the current year, the department shall  
3 use the assessment level of the preceding year. Such classification  
4 may be on the basis of types of property, geographical areas, or both.

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

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

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

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

10       **Sec. 13.** RCW 84.12.270 and 1975 1st ex.s. c 278 s 165 are each  
11 amended to read as follows:

12       The department of revenue shall annually make an assessment of the  
13 operating property of all companies; and between the fifteenth day of  
14 March and the first day of July of each of said years shall prepare an  
15 assessment roll upon which it shall enter and assess the ((~~true cash~~))  
16 assessed value of all the operating property of each of such companies  
17 as of the first day of January of the year in which the assessment is  
18 made. For the purpose of determining the ((~~true cash~~)) assessed value  
19 of such property the department of revenue may inspect the property  
20 belonging to said companies and may take into consideration any  
21 information or knowledge obtained by it from such examination and  
22 inspection of such property, or of the books, records and accounts of  
23 such companies, the statements filed as required by this chapter, the  
24 reports, statements or returns of such companies filed in the office of  
25 any board, office or commission of this state or any county thereof,  
26 the earnings and earning power of such companies, the franchises owned  
27 or used by such companies, the assessed valuation of any and all  
28 property of such companies, whether operating or nonoperating property,  
29 and whether situated within or outside the state, and any other facts,

1 evidence or information that may be obtainable bearing upon the value  
2 of the operating property: PROVIDED, That in no event shall any  
3 statement or report required from any company by this chapter be  
4 conclusive upon the department of revenue in determining the amount,  
5 character and (~~true cash~~) assessed value of the operating property of  
6 such company.

7 **Sec. 14.** RCW 84.12.280 and 1987 c 153 s 2 are each amended to read  
8 as follows:

9 (1) In making the assessment of the operating property of any  
10 railroad or logging railroad company and in the apportionment of the  
11 values and the taxation thereof, all land occupied and claimed  
12 exclusively as the right-of-way for railroads, with all the tracks and  
13 substructures and superstructures which support the same, together with  
14 all side tracks, second tracks, turn-outs, station houses, depots,  
15 round houses, machine shops, or other buildings belonging to the  
16 company, used in the operation thereof, without separating the same  
17 into land and improvements, shall be assessed as real property. And  
18 the rolling stock and other movable property belonging to any railroad  
19 or logging railroad company shall be considered as personal property  
20 and taxed as such: PROVIDED, That all of the operating property of  
21 street railway companies shall be assessed and taxed as personal  
22 property.

23 (2) All of the operating property of airplane companies, telegraph  
24 companies, pipe line companies, water companies and toll bridge  
25 companies; the floating equipment of steamboat companies, and all of  
26 the operating property other than lands and buildings of electric light  
27 and power companies, telephone companies, gas companies and heating  
28 companies shall be assessed and taxed as personal property.

1        (3) Notwithstanding subsections (1) and (2) of this section, the  
2 limit provided under section 5 of this act shall be applied in the  
3 assessment of property under this section to the same extent as that  
4 limit is generally applied to property not assessed under this chapter.

5        **Sec. 15.** RCW 84.12.310 and 1975 1st ex.s. c 278 s 167 are each  
6 amended to read as follows:

7        For the purpose of determining the system value of the operating  
8 property of any such company, the department of revenue shall deduct  
9 from the ~~((actual-cash))~~ assessed value of the total assets of such  
10 company, the ~~((actual-cash))~~ assessed value of all nonoperating  
11 property owned by such company. For such purpose the department of  
12 revenue may require of the assessors of the various counties within  
13 this state a detailed list of such company's properties assessed by  
14 them, together with the assessable or assessed value thereof:  
15 PROVIDED, That such assessed or assessable value shall be advisory only  
16 and not conclusive on the department of revenue as to the value  
17 thereof.

18        **Sec. 16.** RCW 84.12.330 and 1975 1st ex.s. c 278 s 168 are each  
19 amended to read as follows:

20        Upon the assessment roll shall be placed after the name of each  
21 company a general description of the operating property of the company,  
22 which shall be considered sufficient if described in the language of  
23 subdivision (17) of RCW 84.12.200, as applied to said company,  
24 following which shall be entered the ~~((actual-cash))~~ assessed value of  
25 the operating property as determined by the department of revenue. No  
26 assessment shall be invalidated by reason of a mistake in the name of  
27 the company assessed, or the omission of the name of the owner or by  
28 the entry as owner of a name other than that of the true owner. When

1 the department of revenue shall have prepared the assessment roll and  
2 entered thereon the ((~~actual-cash~~)) assessed value of the operating  
3 property of the company, as herein required, it shall notify the  
4 company by mail of the valuation determined by it and entered upon said  
5 roll.

6 **Sec. 17.** RCW 84.12.350 and 1967 ex.s. c 26 s 17 are each amended  
7 to read as follows:

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

22 **Sec. 18.** RCW 84.12.360 and 1987 c 153 s 3 are each amended to read  
23 as follows:

24 The ((~~actual-cash~~)) assessed value of the operating property  
25 assessed to a company, as fixed and determined by the state board of  
26 equalization, shall be apportioned by the department of revenue to the  
27 respective counties and to the taxing districts thereof wherein such  
28 property is located in the following manner:

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

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

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

23 All other property of airplane companies and steamboat companies--  
24 upon the basis set forth in (~~subdivision~~) subsection (2) (~~hereof~~)  
25 of this section.

26 The basis of apportionment with reference to all public utility  
27 companies above prescribed shall not be deemed exclusive and the  
28 department of revenue in apportioning values of such companies may also  
29 take into consideration such other information, facts, circumstances,  
30 or allocation factors as will enable it to make a substantially just

1 and correct valuation of the operating property of such companies  
2 within the state and within each county thereof.

3       **Sec. 19.** RCW 84.16.040 and 1975 1st ex.s. c 278 s 179 are each  
4 amended to read as follows:

5       The department of revenue shall annually make an assessment of the  
6 operating property of each private car company; and between the first  
7 day of May and the first day of July of each of said years shall  
8 prepare an assessment roll upon which it shall enter and assess the  
9 (~~true-cash~~) assessed value of all the operating property of each of  
10 such companies as of the first day of January of the year in which the  
11 assessment is made. For the purpose of determining the (~~true-cash~~)  
12 assessed value of such property the department of revenue may take into  
13 consideration any information or knowledge obtained by it from an  
14 examination and inspection of such property, or of the books, records  
15 and accounts of such companies, the statements filed as required by  
16 this chapter, the reports, statements or returns of such companies  
17 filed in the office of any board, office or commission of this state or  
18 any county thereof, the earnings and earning power of such companies,  
19 the franchises owned or used by such companies, the assessed valuation  
20 of any and all property of such companies, whether operating property  
21 or nonoperating property, and whether situated within or without the  
22 state, and any other facts, evidences or information that may be  
23 obtainable bearing upon the value of the operating property: PROVIDED,  
24 That in no event shall any statement or report required from any  
25 company by this chapter be conclusive upon the department of revenue in  
26 determining the amount, character and (~~true-cash~~) assessed value of  
27 the operating property of such company.

1       **Sec. 20.** RCW 84.16.050 and 1975 1st ex.s. c 278 s 180 are each  
2 amended to read as follows:

3       The department of revenue may, in determining the (~~actual-cash~~)  
4 assessed value of the operating property to be placed on the assessment  
5 roll value the entire property as a unit. If the company owns, leases,  
6 operates or uses property partly within and partly without the state,  
7 the department of revenue may determine the value of the operating  
8 property within this state by the proportion that the value of such  
9 property bears to the value of the entire operating property of the  
10 company, both within and without this state. In determining the  
11 operating property which is located within this state the department of  
12 revenue may consider and base such determination on the proportion  
13 which the number of car miles of the various classes of cars made in  
14 this state bears to the total number of car miles made by the same cars  
15 within and without this state, or to the total number of car miles made  
16 by all cars of the various classes within and without this state. If  
17 the value of the operating property of the company cannot be fairly  
18 determined in such manner the department of revenue may use any other  
19 reasonable and fair method to determine the value of the operating  
20 property of the company within this state.

21       **Sec. 21.** RCW 84.16.090 and 1975 1st ex.s. c 278 s 181 are each  
22 amended to read as follows:

23       Upon the assessment roll shall be placed after the name of each  
24 company a general description of the operating property of the company,  
25 which shall be considered sufficient if described in the language of  
26 subdivision (3) of RCW 84.16.010 or otherwise, following which shall be  
27 entered the (~~actual-cash~~) assessed value of the operating property as  
28 determined by the department of revenue. No assessment shall be  
29 invalid by a mistake in the name of the company assessed, by omission

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

13       **Sec. 22.** RCW 84.16.110 and 1967 ex.s. c 26 s 18 are each amended  
14 to read as follows:

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

27       **Sec. 23.** RCW 84.16.120 and 1961 c 15 s 84.16.120 are each amended  
28 to read as follows:

1       The (~~actual-cash~~) assessed value of the property of each company  
2 as fixed and determined by the state board of equalization as herein  
3 provided shall be apportioned to the respective counties in the  
4 following manner:

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

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

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

23       **Sec. 24.** RCW 84.24.040 and 1975 1st ex.s. c 278 s 186 are each  
24 amended to read as follows:

25       A hearing shall be had at the time and place set forth in the  
26 notice provided for in RCW 84.24.030, and thereafter the department of  
27 revenue shall determine, as of the original assessment date, and in the  
28 manner provided by existing law, the (~~cash-market~~) assessed value of  
29 the property in question(~~(, and the ratio between cash market value and~~

1 ~~assessed value of the other taxable property in the county where such~~  
2 ~~property is located, and shall fix the equalized value of the property~~  
3 ~~in question at that percentage of its cash market value as of the~~  
4 ~~original assessment date, which the equalized assessed value of the~~  
5 ~~general taxable property in the county where such reassessed property~~  
6 ~~is located, bore to its cash market value)): PROVIDED, HOWEVER, That~~  
7 in case of a protest, complaint or petition based upon an alleged  
8 excessive assessment, the reassessment shall not exceed the original  
9 assessment.

10 **Sec. 25.** RCW 84.36.041 and 1989 c 379 s 2 are each amended to read  
11 as follows:

12 (1) All real and personal property used by a nonprofit home for the  
13 aging that is reasonably necessary for the purposes of the home is  
14 exempt from taxation if the benefit of the exemption inures to the home  
15 and:

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

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

22 (2) A home for the aging is eligible for a partial exemption if the  
23 home does not meet the requirements of subsection (1) of this section  
24 because fewer than fifty percent of the occupied dwelling units are  
25 occupied by eligible residents. The amount of exemption shall be  
26 calculated by multiplying the assessed value of the property reasonably  
27 necessary for the purposes of the home by a fraction. The numerator of  
28 the fraction is the number of dwelling units occupied by eligible  
29 persons multiplied by two. The denominator of the fraction is the

1 total number of occupied dwelling units. The fraction shall never  
2 exceed one.

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

6 (4) A home for the aging is exempt from taxation only if the  
7 organization operating the home is exempt from income tax under section  
8 501(c) of the federal internal revenue code as existing on January 1,  
9 1989, or such subsequent date as the director may provide by rule  
10 consistent with the purposes of this section.

11 (5) Each eligible resident of a home for the aging shall submit the  
12 form required under RCW 84.36.385 to the county assessor by July 1st of  
13 the assessment year. An eligible resident who has filed a form for a  
14 previous year need not file a new form until there is a change in  
15 status affecting the person's eligibility.

16 (6) In determining the (~~true and fair~~) appraised value of a home  
17 for the aging for purposes of the partial exemption provided by  
18 subsection (2) of this section, the assessor shall apply the  
19 computation method provided by RCW 84.34.060 and shall consider only  
20 the use to which such property is applied during the years for which  
21 such partial exemptions are available and shall not consider potential  
22 uses of such property.

23 (7) A home for the aging that was exempt for taxes levied for  
24 collection in 1990 and is not fully exempt under this section is  
25 entitled to partial exemptions as follows:

26 (a) For taxes levied for collection in 1991, two-thirds of the  
27 assessed value that would otherwise be subject to tax under this  
28 section is exempt from taxation.

1 (b) For taxes levied for collection in 1992, one-third of the  
2 assessed value that would otherwise be subject to tax under this  
3 section is exempt from taxation.

4 (8) As used in this section:

5 (a) "Eligible resident" means a person who would be eligible for an  
6 exemption under RCW 84.36.381 if the person owned a single-family  
7 dwelling. For the purposes of determining eligibility under this  
8 section, a "cotenant" as used in RCW 84.36.383 means a person who  
9 resides with an eligible resident and who shares personal financial  
10 resources with the eligible resident.

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

19 **Sec. 26.** RCW 84.52.063 and 1973 1st ex.s. c 195 s 105 are each  
20 amended to read as follows:

21 A rural library district may impose a regular property tax levy in  
22 an amount equal to that which would be produced by a levy of fifty  
23 cents per thousand dollars of assessed value multiplied by an equalized  
24 assessed valuation (~~((equal to one hundred percent of the true and fair~~  
25 ~~value of the taxable property in the rural library district))), as~~  
26 determined by the department of revenue's indicated county ratio:  
27 PROVIDED, That when any county assessor shall find that the aggregate  
28 rate of levy on any property will exceed the limitation set forth in  
29 RCW 84.52.043 and RCW 84.52.050, as now or hereafter amended, before

1 recomputing and establishing a consolidated levy in the manner set  
2 forth in RCW 84.52.010, the assessor shall first reduce the levy of any  
3 rural library district, by such amount as may be necessary, but the  
4 levy of any rural library district shall not be reduced to less than  
5 fifty cents per thousand dollars against the value of the taxable  
6 property, as determined by the county, prior to any further adjustments  
7 pursuant to RCW 84.52.010. For purposes of this section "regular  
8 property tax levy" shall mean a levy subject to the limitations  
9 provided for in Article VII, section 2 of the state Constitution and/or  
10 by statute.

11 **Sec. 27.** RCW 84.70.010 and 1987 c 319 s 6 are each amended to read  
12 as follows:

13 (1) If, on or before December 31 in any calendar year, any real or  
14 personal property placed upon the assessment roll of that year is  
15 destroyed in whole or in part, or is in an area that has been declared  
16 a disaster area by the governor and has been reduced in value by more  
17 than twenty percent as a result of a natural disaster, the ((true  
18 cash)) assessed value of such property shall be reduced for that year  
19 by an amount determined as follows:

20 (a) First take the ((true-cash)) assessed value of such taxable  
21 property before destruction or reduction in value and deduct therefrom  
22 the true cash value of the remaining property after destruction or  
23 reduction in value.

24 (b) Then divide any amount remaining by the number of days in the  
25 year and multiply the quotient by the number of days remaining in the  
26 calendar year after the date of the destruction or reduction in value  
27 of the property.

1 (2) No reduction in the (~~true-cash~~) assessed value shall be made  
2 more than three years after the date of destruction or reduction in  
3 value.

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

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

12 (5) The taxpayer may appeal the amount of reduction to the county  
13 board of equalization within thirty days of notification or July 15th  
14 of the year of reduction, whichever is later. The board shall  
15 reconvene, if necessary, to hear the appeal.

16 NEW SECTION. **Sec. 28.** If the proposed amendment to Article VII  
17 of the state Constitution authorizing averaging of large property tax  
18 valuation increases over four years is validly submitted to and is  
19 approved and ratified by the voters at a general election held in  
20 November 1991, sections 1 through 27 of this act shall take effect  
21 immediately upon certification of the election and shall be effective  
22 for taxes levied for collection in 1992 and thereafter. The department  
23 of revenue and the county assessors shall take all necessary steps to  
24 ensure that this act is implemented immediately upon becoming  
25 effective. If the proposed amendment is not so approved and ratified,  
26 sections 1 through 27 of this act are void in their entirety.