

SENATE BILL 5246

State of Washington 52nd Legislature 1991 Regular Session

By Senators Sutherland, A. Smith and Rasmussen.

Read first time January 24, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to limiting tax increases on residential real
2 property; adding new sections to chapter 84.52 RCW; creating a new
3 section; and providing a contingent effective date.

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

5 NEW SECTION. **Sec. 1.** This act provides for a limitation on
6 the rate of increase of the taxes assessed on residential real property
7 in order to spread rising property taxes over a period of years.

8 NEW SECTION. **Sec. 2.** For purposes of sections 3 through 6 of
9 this act, unless the context requires otherwise:

10 (1) "Change of ownership" means a transfer of a present interest in
11 real property, including a transfer of the beneficial use of real
12 property.

13 (2) "Residential property" means a single-family dwelling unit,
14 regardless of whether such unit shares a common wall with one or more

1 other units, including the land upon which such dwelling stands, and
2 that is owned in its entirety either by a natural person or persons, a
3 housing cooperative, or a trust.

4 The term residential property also includes a mobile home that has
5 substantially lost its identity as a mobile unit by virtue of its being
6 fixed in location upon land owned or leased by the owner of the mobile
7 home and placed upon a foundation (posts or blocks) with fixed pipe,
8 connections with sewer, water, or other utilities.

9 The term residential property does not include a dwelling unit
10 primarily used in the conduct of a commercial enterprise or a dwelling
11 unit located upon real property that is primarily used in the conduct
12 of a commercial enterprise. Property is considered primarily used in
13 the conduct of a commercial enterprise if more than one-half of the
14 total square footage of the property is devoted to commercial use.

15 NEW SECTION. **Sec. 3.** Subject to the provisions of sections 2,
16 5, and 6 of this act, the aggregate tax increase on residential
17 property for purposes of property tax assessment is limited to six
18 percent per year. The rate of taxation for each taxing district that
19 is imposed upon such residences shall be reduced by the same proportion
20 to keep the increases in aggregate taxes within this limitation.

21 NEW SECTION. **Sec. 4.** All residential property that meets all
22 the qualifications of section 2 of this act, shall be taxed as provided
23 in section 3 of this act, unless and until the property is no longer
24 residential property, or a change of ownership has occurred. Upon a
25 change of ownership a new aggregate tax level is established.

26 NEW SECTION. **Sec. 5.** Upon a change of ownership involving
27 residential property, the aggregate property tax shall be established

1 as of January 1 of the year following the date the change of ownership
2 occurs. The aggregate tax shall be the tax that would have been
3 assessed had the property not met the criteria of section 2 of this
4 act.

5 NEW SECTION. **Sec. 6.** (1) An owner of residential property may
6 apply to the county assessor in the county where the property is
7 located to have his or her real property taxed according to the
8 provisions of sections 2 through 5 of this act. Application shall be
9 made on forms prepared by the department of revenue. The forms shall
10 be made available at the office of the county assessor. The
11 application shall be submitted to the county assessor for determination
12 of qualification under this chapter. The applicant shall certify that
13 he or she is the owner of a qualifying residence. The assessor shall,
14 at the time a notice of change of value is mailed to a taxpayer under
15 RCW 84.40.045, require the taxpayer to recertify that he or she is an
16 owner of a qualifying residence in order to continue to qualify for the
17 limitation provisions of sections 2 through 5 of this act.

18 (2) If, on the basis of the application submitted by the taxpayer,
19 the assessor determines that the taxpayer does not qualify for the
20 limitation under this chapter, the assessor shall so notify the
21 taxpayer in writing. The notice shall inform the taxpayer of the
22 reasons for the failure to qualify and of his or her right to appeal
23 the assessor's determination to the county board of equalization within
24 thirty days of the mailing of the notice to the taxpayer.

25 NEW SECTION. **Sec. 7.** This act shall take effect for taxes
26 payable in 1992 and thereafter, if the proposed amendment to the state
27 Constitution authorizing the limitations on taxation provided for in
28 this act is approved and ratified by the voters at a general election

1 held in November 1991. If the proposed amendment is not so approved
2 and ratified, this act is void in its entirety.

3 NEW SECTION. **Sec. 8.** Sections 2 through 6 of this act are
4 each added to chapter 84.52 RCW.