

1 eligible real property owners who paid state property taxes in 2006.
2 The refund is equal to four hundred dollars for each eligible real
3 property owner. The department of revenue may use information from the
4 tax rolls of each county to identify all eligible real property owners
5 under this section. Any such refunds shall be made by means of
6 vouchers approved by the department of revenue and by the issuance of
7 state warrants drawn upon and payable from such funds as the
8 legislature may provide.

9 (2)(a) For the purposes of this section, "eligible real property
10 owner" means a person who paid state property taxes imposed upon a
11 residence owned and occupied by the person as a principal place of
12 residence in calendar year 2006.

13 (b) For the purposes of this section, the terms "residence,"
14 "owned," and "occupied" have meanings consistent with their meanings in
15 RCW 84.36.379 through 84.36.389.

16 (3) Any eligible real property owner may return the state property
17 tax rebate check to the department of revenue indicating that the owner
18 wishes to have the rebate check spent on any of the following state
19 government services:

- 20 Education
- 21 Health Care
- 22 Parks
- 23 Transportation
- 24 General Fund

25 The department shall keep a record of all rebate checks returned
26 and prepare a report to the appropriate committees of the legislature
27 by November 1, 2007, indicating the total number of rebate checks
28 returned, the total amount of rebates returned, and which state
29 government services were checked on the returned rebate check. The
30 department shall credit all returned rebate checks to the appropriate
31 fund.

32 **PART II**
33 **LIMITING PROPERTY TAX INCREASES TO ONE PERCENT**

1 "Appraised value of property" means the aggregate true and fair
2 value of the property as last determined by the county assessor
3 according to the revaluation program approved under chapter 84.41 RCW,
4 including revaluations based on statistical data between physical
5 inspections.

6 **Sec. 302.** RCW 84.04.030 and 2001 c 187 s 2 are each amended to
7 read as follows:

8 "Assessed value of property" shall be held and construed to mean
9 the aggregate valuation of the property subject to taxation by any
10 taxing district as determined under section 305 of this act, reduced by
11 the value of any applicable exemptions under RCW 84.36.381 or other
12 law, and placed on the last completed and balanced tax rolls of the
13 county preceding the date of any tax levy.

14 **Sec. 303.** RCW 84.40.020 and 2005 c 274 s 364 are each amended to
15 read as follows:

16 All real property in this state subject to taxation shall be listed
17 and assessed every year, with reference to its appraised and assessed
18 values on the first day of January of the year in which it is assessed.
19 Such listing and all supporting documents and records shall be open to
20 public inspection during the regular office hours of the assessor's
21 office: PROVIDED, That confidential income data is hereby exempted
22 from public inspection as noted in RCW 42.56.070 and (~~42.56.210~~)
23 42.56.230. All personal property in this state subject to taxation
24 shall be listed and assessed every year, with reference to its value
25 and ownership on the first day of January of the year in which it is
26 assessed: PROVIDED, That if the stock of goods, wares, merchandise or
27 material, whether in a raw or finished state or in process of
28 manufacture, owned or held by any taxpayer on January 1 of any year
29 does not fairly represent the average stock carried by such taxpayer,
30 such stock shall be listed and assessed upon the basis of the monthly
31 average of stock owned or held by such taxpayer during the preceding
32 calendar year or during such portion thereof as the taxpayer was
33 engaged in business.

34 **Sec. 304.** RCW 84.40.030 and 2001 c 187 s 17 are each amended to
35 read as follows:

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

4 All real property shall be appraised at one hundred percent of its
5 true and fair value in money and assessed as provided in section 305 of
6 this act unless specifically provided otherwise by law.

7 Taxable leasehold estates shall be valued at such price as they
8 would bring at a fair, voluntary sale for cash without any deductions
9 for any indebtedness owed including rentals to be paid.

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

13 (1) Any sales of the property being appraised or similar properties
14 with respect to sales made within the past five years. The appraisal
15 shall be consistent with the comprehensive land use plan, development
16 regulations under chapter 36.70A RCW, zoning, and any other
17 governmental policies or practices in effect at the time of appraisal
18 that affect the use of property, as well as physical and environmental
19 influences. An assessment may not be determined by a method that
20 assumes a land usage not permitted, for that property being appraised,
21 under existing zoning or land use planning ordinances or statutes. The
22 appraisal shall also take into account: (a) In the use of sales by
23 real estate contract as similar sales, the extent, if any, to which the
24 stated selling price has been increased by reason of the down payment,
25 interest rate, or other financing terms; and (b) the extent to which
26 the sale of a similar property actually represents the general
27 effective market demand for property of such type, in the geographical
28 area in which such property is located. Sales involving deed releases
29 or similar seller-developer financing arrangements shall not be used as
30 sales of similar property.

31 (2) In addition to sales as defined in subsection (1) of this
32 section, consideration may be given to cost, cost less depreciation,
33 reconstruction cost less depreciation, or capitalization of income that
34 would be derived from prudent use of the property. In the case of
35 property of a complex nature, or being used under terms of a franchise
36 from a public agency, or operating as a public utility, or property not
37 having a record of sale within five years and not having a significant
38 number of sales of similar property in the general area, the provisions

1 of this subsection shall be the dominant factors in valuation. When
2 provisions of this subsection are relied upon for establishing values
3 the property owner shall be advised upon request of the factors used in
4 arriving at such value.

5 (3) In valuing any tract or parcel of real property, the true and
6 fair value of the land, exclusive of structures thereon shall be
7 determined; also the true and fair value of structures thereon, but the
8 valuation shall not exceed the true and fair value of the total
9 property as it exists. In valuing agricultural land, growing crops
10 shall be excluded.

11 NEW SECTION. **Sec. 305.** A new section is added to chapter 84.40
12 RCW to read as follows:

13 (1) As used in this section:

14 (a) "Previous assessed value" means the assessed value for the year
15 immediately preceding the year for which a calculation is being made
16 under this section.

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

19 (c) "Total value increase" means the current appraised value minus
20 the previous assessed value. Total value increase can never be less
21 than zero.

22 (d) "Improvement increase" means the portion of the total value
23 increase attributable to any physical improvements made to the property
24 since the previous assessment, other than improvements exempt under RCW
25 84.36.400 for the year for which a calculation is being made under this
26 section. Improvement increase can never be less than zero.

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

29 (2) The assessed value of property is equal to the lesser of the
30 current appraised value or a limited value determined under this
31 section. The limited value is equal to the greater of:

32 (a) The improvement increase plus one hundred five percent of the
33 previous assessed value; or

34 (b) The sum of:

35 (i) The previous assessed value;

36 (ii) The improvement increase; and

37 (iii) Fifteen percent of the market increase.

1 (3) Upon loss of preferential tax treatment for property that
2 qualifies for preferential tax treatment under chapter 84.14, 84.26,
3 84.33, 84.34, or 84.36 RCW, the previous assessed value shall be the
4 assessed value the property would have had without the preferential tax
5 treatment.

6 **Sec. 306.** RCW 84.40.040 and 2003 c 302 s 1 are each amended to
7 read as follows:

8 The assessor shall begin the preliminary work for each assessment
9 not later than the first day of December of each year in all counties
10 in the state. The assessor shall also complete the duties of listing
11 and placing valuations on all property by May 31st of each year, except
12 that the listing and valuation of construction and mobile homes under
13 RCW 36.21.080 and 36.21.090 shall be completed by August 31st of each
14 year, and in the following manner, to wit:

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

22 The assessor shall determine the assessed value, under section 305
23 of this act, for each tract or lot of land listed for taxation,
24 including improvements located thereon, and shall also enter this value
25 opposite each description of property on the assessment list and tax
26 roll.

27 The assessor shall make an alphabetical list of the names of all
28 persons in the county liable to assessment of personal property, and
29 require each person to make a correct list and statement of such
30 property according to the standard form prescribed by the department of
31 revenue, which statement and list shall include, if required by the
32 form, the year of acquisition and total original cost of personal
33 property in each category of the prescribed form. However, the
34 assessor may list and value improvements on publicly owned land in the
35 same manner as real property is listed and valued, including
36 conformance with the revaluation program required under chapter 84.41
37 RCW. Such list and statement shall be filed on or before the last day

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

20 **Sec. 307.** RCW 84.40.045 and 2001 c 187 s 19 are each amended to
21 read as follows:

22 The assessor shall give notice of any change in the (~~true and~~
23 ~~fair~~) assessed value of real property for the tract or lot of land and
24 any improvements thereon no later than thirty days after appraisal:
25 PROVIDED, That no such notice shall be mailed during the period from
26 January 15 to February 15 of each year: PROVIDED FURTHER, That no
27 notice need be sent with respect to changes in valuation of forest land
28 made pursuant to chapter 84.33 RCW.

29 The notice shall contain a statement of both the prior and the new
30 (~~true and fair~~) appraised and assessed values, stating separately
31 land and improvement appraised values, and a brief statement of the
32 procedure for appeal to the board of equalization and the time, date,
33 and place of the meetings of the board.

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

35 If any taxpayer, as shown by the tax rolls, holds solely a security
36 interest in the real property which is the subject of the notice,
37 pursuant to a mortgage, contract of sale, or deed of trust, such

1 taxpayer shall, upon written request of the assessor, supply, within
2 thirty days of receipt of such request, to the assessor the name and
3 address of the person making payments pursuant to the mortgage,
4 contract of sale, or deed of trust, and thereafter such person shall
5 also receive a copy of the notice provided for in this section.
6 Willful failure to comply with such request within the time limitation
7 provided for herein shall make such taxpayer subject to a maximum civil
8 penalty of five thousand dollars. The penalties provided for herein
9 shall be recoverable in an action by the county prosecutor, and when
10 recovered shall be deposited in the county current expense fund. The
11 assessor shall make the request provided for by this section during the
12 month of January.

13 **Sec. 308.** RCW 84.41.041 and 2001 c 187 s 21 are each amended to
14 read as follows:

15 Each county assessor shall cause taxable real property to be
16 physically inspected and valued at least once every six years in
17 accordance with RCW 84.41.030, and in accordance with a plan filed with
18 and approved by the department of revenue. Such revaluation plan shall
19 provide that a reasonable portion of all taxable real property within
20 a county shall be revalued and these newly-determined values placed on
21 the assessment rolls each year. The department may approve a plan that
22 provides that all property in the county be revalued every two years.
23 If the revaluation plan provides for physical inspection at least once
24 each four years, during the intervals between each physical inspection
25 of real property, the appraised valuation of such property may be
26 adjusted to its current true and fair value, such adjustments to be
27 based upon appropriate statistical data. If the revaluation plan
28 provides for physical inspection less frequently than once each four
29 years, during the intervals between each physical inspection of real
30 property, the valuation of such property shall be adjusted to its
31 current true and fair value, such adjustments to be made once each year
32 and to be based upon appropriate statistical data. If the appraised
33 valuation is changed, the assessed value shall be recalculated under
34 section 305 of this act.

35 The assessor may require property owners to submit pertinent data
36 respecting taxable property in their control including data respecting

1 any sale or purchase of said property within the past five years, the
2 cost and characteristics of any improvement on the property and other
3 facts necessary for appraisal of the property.

4 **Sec. 309.** RCW 84.48.010 and 2001 c 187 s 22 are each amended to
5 read as follows:

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

27 First. They shall raise the appraised valuation of each tract or
28 lot or item of real property which is returned below its true and fair
29 value to such price or sum as to be the true and fair value thereof,
30 and raise the assessed valuation of each tract or lot or item of real
31 property which is returned below its correct amount to the correct
32 amount after at least five days' notice shall have been given in
33 writing to the owner or agent.

34 Second. They shall reduce the appraised valuation of each tract or
35 lot or item which is returned above its true and fair value to such
36 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 below 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
31 the changes made by the said county board of equalization, and the
32 assessor shall make duplicate abstracts of such corrected values, one
33 copy of which shall be retained in the office, and one copy forwarded
34 to the department of revenue on or before the eighteenth day of August
35 next following the meeting of the county board of equalization.

36 The county board of equalization shall meet on the 15th day of July
37 and may continue in session and adjourn from time to time during a
38 period not to exceed four weeks, but shall remain in session not less

1 than three days: PROVIDED, That the county board of equalization with
2 the approval of the county legislative authority may convene at any
3 time when petitions filed exceed twenty-five, or ten percent of the
4 number of appeals filed in the preceding year, whichever is greater.

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

8 County legislative authorities as such shall at no time have any
9 authority to change the valuation of the property of any person or to
10 release or commute in whole or in part the taxes due on the property of
11 any person.

12 **Sec. 310.** RCW 84.48.065 and 2001 c 187 s 23 are each amended to
13 read as follows:

14 (1) The county assessor or treasurer may cancel or correct
15 assessments on the assessment or tax rolls which are erroneous due to
16 manifest errors in description, double assessments, clerical errors in
17 extending the rolls, clerical errors in calculating the assessed value
18 under section 305 of this act, and such manifest errors in the listing
19 of the property which do not involve a revaluation of property, except
20 in the case that a taxpayer produces proof that an authorized land use
21 authority has made a definitive change in the property's land use
22 designation. In such a case, correction of the assessment or tax rolls
23 may be made notwithstanding the fact that the action involves a
24 revaluation of property. Manifest errors that do not involve a
25 revaluation of property include the assessment of property exempted by
26 law from taxation or the failure to deduct the exemption allowed by law
27 to the head of a family. When the county assessor cancels or corrects
28 an assessment, the assessor shall send a notice to the taxpayer in
29 accordance with RCW 84.40.045, advising the taxpayer that the action
30 has been taken and notifying the taxpayer of the right to appeal the
31 cancellation or correction to the county board of equalization, in
32 accordance with RCW 84.40.038. When the county assessor or treasurer
33 cancels or corrects an assessment, a record of such action shall be
34 prepared, setting forth therein the facts relating to the error. The
35 record shall also set forth by legal description all property belonging
36 exclusively to the state, any county, or any municipal corporation
37 whose property is exempt from taxation, upon which there remains,

1 according to the tax roll, any unpaid taxes. No manifest error
2 cancellation or correction, including a cancellation or correction made
3 due to a definitive change of land use designation, shall be made for
4 any period more than three years preceding the year in which the error
5 is discovered.

6 (2)(a) In the case of a definitive change of land use designation,
7 an assessor shall make corrections that involve a revaluation of
8 property to the assessment roll when:

9 (i) The assessor and taxpayer have signed an agreement as to the
10 true and fair value of the taxpayer's property setting forth in the
11 agreement the valuation information upon which the agreement is based;
12 and

13 (ii) The assessment roll has previously been certified in
14 accordance with RCW 84.40.320.

15 (b) In all other cases, an assessor shall make corrections that
16 involve a revaluation of property to the assessment roll when:

17 (i) The assessor and taxpayer have signed an agreement as to the
18 true and fair value of the taxpayer's property setting forth in the
19 agreement the valuation information upon which the agreement is based;
20 and

21 (ii) The following conditions are met:

22 (A) The assessment roll has previously been certified in accordance
23 with RCW 84.40.320;

24 (B) The taxpayer has timely filed a petition with the county board
25 of equalization pursuant to RCW 84.40.038 for the current assessment
26 year;

27 (C) The county board of equalization has not yet held a hearing on
28 the merits of the taxpayer's petition.

29 (3) The assessor shall issue a supplementary roll or rolls
30 including such cancellations and corrections, and the assessment and
31 levy shall have the same force and effect as if made in the first
32 instance, and the county treasurer shall proceed to collect the taxes
33 due on the rolls as modified.

34 **Sec. 311.** RCW 84.48.075 and 2001 c 187 s 24 are each amended to
35 read as follows:

36 (1) The department of revenue shall annually, prior to the first
37 Monday in September, determine and submit to each assessor a

1 preliminary indicated ratio for each county: PROVIDED, That the
2 department shall establish rules and regulations pertinent to the
3 determination of the indicated ratio, the indicated real property ratio
4 and the indicated personal property ratio: PROVIDED FURTHER, That
5 these rules and regulations may provide that data, as is necessary for
6 said determination, which is available from the county assessor of any
7 county and which has been audited as to its validity by the department,
8 shall be utilized by the department in determining the indicated ratio.

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

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

22 (4) The department of revenue shall also examine procedures used by
23 the assessor to assess real and personal property in the county,
24 including calculations, use of prescribed value schedules, and efforts
25 to locate all taxable property in the county. If any examination by
26 the department discloses other than market value is being listed as the
27 appraised value on the county assessment rolls of the county by the
28 assessor and, after due notification by the department, is not
29 corrected, the department of revenue shall, in accordance with rules
30 adopted by the department, adjust the ratio of that type of property,
31 which adjustment shall be used for determining the county's indicated
32 ratio.

33 **Sec. 312.** RCW 84.48.080 and 2001 c 185 s 12 are each amended to
34 read as follows:

35 (1) Annually during the months of September and October, the
36 department of revenue shall examine and compare the returns of the
37 assessment of the property in the several counties of the state, and

1 the assessment of the property of railroad and other companies assessed
2 by the department, and proceed to equalize the same, so that each
3 county in the state shall pay its due and just proportion of the taxes
4 for state purposes for such assessment year, according to the ratio the
5 assessed valuation of the property in each county bears to the correct
6 total assessed valuation of all property in the state.

7 (a) The department shall classify all property, real and personal,
8 and shall raise and lower the assessed valuation of any class of
9 property in any county to a value that shall be equal, so far as
10 possible, to the (~~true and fair~~) correct assessed value of such class
11 as of January 1st of the current year, after determining the correct
12 appraised value, and any adjustment applicable under section 305 of
13 this act for the property, for the purpose of ascertaining the just
14 amount of tax due from each county for state purposes. In equalizing
15 personal property as of January 1st of the current year, the department
16 shall use valuation data with respect to personal property from the
17 three years immediately preceding the current assessment year in a
18 manner it deems appropriate. Such classification may be on the basis
19 of types of property, geographical areas, or both. For purposes of
20 this section, for each county that has not provided the department with
21 an assessment return by December 1st, the department shall proceed,
22 using facts and information and in a manner it deems appropriate, to
23 estimate the value of each class of property in the county.

24 (b) The department shall keep a full record of its proceedings and
25 the same shall be published annually by the department.

26 (2) The department shall levy the state taxes authorized by law.
27 The amount levied in any one year for general state purposes shall not
28 exceed the lawful dollar rate on the dollar of the assessed value of
29 the property of the entire state, (~~which assessed value shall be one~~
30 ~~hundred percent of the true and fair value of the property in money~~)
31 as equalized under this section. The department shall apportion the
32 amount of tax for state purposes levied by the department, among the
33 several counties, in proportion to the valuation of the taxable
34 property of the county for the year as equalized by the department:
35 PROVIDED, That for purposes of this apportionment, the department shall
36 recompute the previous year's levy and the apportionment thereof to
37 correct for changes and errors in taxable values reported to the
38 department after October 1 of the preceding year and shall adjust the

1 apportioned amount of the current year's state levy for each county by
2 the difference between the apportioned amounts established by the
3 original and revised levy computations for the previous year. For
4 purposes of this section, changes in taxable values mean a final
5 adjustment made by a county board of equalization, the state board of
6 tax appeals, or a court of competent jurisdiction and shall include
7 additions of omitted property, other additions or deletions from the
8 assessment or tax rolls, any assessment return provided by a county to
9 the department subsequent to December 1st, or a change in the indicated
10 ratio of a county. Errors in taxable values mean errors corrected by
11 a final reviewing body.

12 In addition to computing a levy under this subsection that is
13 reduced under RCW 84.55.012, the department shall compute a
14 hypothetical levy without regard to the reduction under RCW 84.55.012.
15 This hypothetical levy shall also be apportioned among the several
16 counties in proportion to the valuation of the taxable property of the
17 county for the year, as equalized by the department, in the same manner
18 as the actual levy and shall be used by the county assessors for the
19 purpose of recomputing and establishing a consolidated levy under RCW
20 84.52.010.

21 (3) The department shall have authority to adopt rules and
22 regulations to enforce obedience to its orders in all matters in
23 relation to the returns of county assessments, the equalization of
24 values, and the apportionment of the state levy by the department.

25 (4) After the completion of the duties prescribed in this section,
26 the director of the department shall certify the record of the
27 proceedings of the department under this section, the tax levies made
28 for state purposes and the apportionment thereof among the counties,
29 and the certification shall be available for public inspection.

30 **Sec. 313.** RCW 84.12.270 and 2001 c 187 s 3 are each amended to
31 read as follows:

32 The department of revenue shall annually make an assessment of the
33 operating property of all companies; and between the fifteenth day of
34 March and the first day of July of each year shall prepare an
35 assessment roll upon which it shall enter (~~(and assess)~~) the (~~(true and~~
36 ~~fair)~~) assessed value of all the operating property of each of such
37 companies as of the first day of January of the year in which the

1 assessment is made. For the purpose of determining the (~~true and~~
2 ~~fair~~) assessed value of such property the department of revenue may
3 inspect the property belonging to said companies and may take into
4 consideration any information or knowledge obtained by it from such
5 examination and inspection of such property, or of the books, records,
6 and accounts of such companies, the statements filed as required by
7 this chapter, the reports, statements, or returns of such companies
8 filed in the office of any board, office, or commission of this state
9 or any county thereof, the earnings and earning power of such
10 companies, the franchises owned or used by such companies, the true and
11 fair valuation of any and all property of such companies, whether
12 operating or nonoperating property, and whether situated within or
13 outside the state, and any other facts, evidence, or information that
14 may be obtainable bearing upon the value of the operating property:
15 PROVIDED, That in no event shall any statement or report required from
16 any company by this chapter be conclusive upon the department of
17 revenue in determining the amount, character, and (~~true and fair~~)
18 assessed value of the operating property of such company.

19 **Sec. 314.** RCW 84.12.280 and 2001 c 187 s 4 are each amended to
20 read as follows:

21 (1) In making the assessment of the operating property of any
22 railroad or logging railroad company and in the apportionment of the
23 values and the taxation thereof, all land occupied and claimed
24 exclusively as the right-of-way for railroads, with all the tracks and
25 substructures and superstructures which support the same, together with
26 all side tracks, second tracks, turn-outs, station houses, depots,
27 round houses, machine shops, or other buildings belonging to the
28 company, used in the operation thereof, without separating the same
29 into land and improvements, shall be assessed as real property. And
30 the rolling stock and other movable property belonging to any railroad
31 or logging railroad company shall be considered as personal property
32 and taxed as such: PROVIDED, That all of the operating property of
33 street railway companies shall be assessed and taxed as personal
34 property.

35 (2) All of the operating property of airplane companies, telegraph
36 companies, pipe line companies, and all of the operating property other

1 than lands and buildings of electric light and power companies,
2 telephone companies, and gas companies shall be assessed and taxed as
3 personal property.

4 (3) Notwithstanding subsections (1) and (2) of this section, the
5 limit provided under section 105 of this act shall be applied in the
6 assessment of property under this section to the same extent as that
7 limit is generally applied to property not assessed under this chapter.

8 **Sec. 315.** RCW 84.12.310 and 2001 c 187 s 5 are each amended to
9 read as follows:

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

21 **Sec. 316.** RCW 84.12.330 and 2001 c 187 s 6 are each amended to
22 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 RCW 84.12.200(12), as applied to the company, following which shall be
27 entered the (~~true and fair~~) assessed value of the operating property
28 as determined by the department of revenue. No assessment shall be
29 invalidated by reason of a mistake in the name of the company assessed,
30 or the omission of the name of the owner or by the entry as owner of a
31 name other than that of the true owner. When the department of revenue
32 shall have prepared the assessment roll and entered thereon the (~~true
33 and fair~~) assessed value of the operating property of the company, as
34 herein required, it shall notify the company by mail of the valuation
35 determined by it and entered upon the roll.

1 **Sec. 317.** RCW 84.12.350 and 2001 c 187 s 7 are each amended to
2 read as follows:

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

17 **Sec. 318.** RCW 84.12.360 and 2001 c 187 s 8 are each amended to
18 read as follows:

19 The (~~true and fair~~) assessed value of the operating property
20 assessed to a company, as fixed and determined by the department of
21 revenue, shall be apportioned by the department of revenue to the
22 respective counties and to the taxing districts thereof wherein such
23 property is located in the following manner:

24 (1) Property of all railroad companies other than street railroad
25 companies, telegraph companies and pipe line companies--upon the basis
26 of that proportion of the value of the total operating property within
27 the state which the mileage of track, as classified by the department
28 of revenue (in case of railroads), mileage of wire (in the case of
29 telegraph companies), and mileage of pipe line (in the case of pipe
30 line companies) within each county or taxing district bears to the
31 total mileage thereof within the state, at the end of the calendar year
32 last past. For the purpose of such apportionment the department may
33 classify railroad track.

34 (2) Property of street railroad companies, telephone companies,
35 electric light and power companies, and gas companies--upon the basis
36 of relative value of the operating property within each county and

1 taxing district to the value of the total operating property within the
2 state to be determined by such factors as the department of revenue
3 shall deem proper.

4 (3) Planes or other aircraft of airplane companies--upon the basis
5 of such factor or factors of allocation, to be determined by the
6 department of revenue, as will secure a substantially fair and
7 equitable division between counties and other taxing districts.

8 All other property of airplane companies--upon the basis set forth
9 in subsection (2) of this section.

10 The basis of apportionment with reference to all public utility
11 companies above prescribed shall not be deemed exclusive and the
12 department of revenue in apportioning values of such companies may also
13 take into consideration such other information, facts, circumstances,
14 or allocation factors as will enable it to make a substantially just
15 and correct valuation of the operating property of such companies
16 within the state and within each county thereof.

17 **Sec. 319.** RCW 84.16.040 and 2001 c 187 s 9 are each amended to
18 read as follows:

19 The department of revenue shall annually make an assessment of the
20 operating property of each private car company; and between the first
21 day of May and the first day of July of each year shall prepare an
22 assessment roll upon which it shall enter (~~and assess~~) the (~~true and~~
23 ~~fair~~) assessed value of all the operating property of each of such
24 companies as of the first day of January of the year in which the
25 assessment is made. For the purpose of determining the (~~true and~~
26 ~~fair~~) assessed value of such property the department of revenue may
27 take into consideration any information or knowledge obtained by it
28 from an examination and inspection of such property, or of the books,
29 records, and accounts of such companies, the statements filed as
30 required by this chapter, the reports, statements, or returns of such
31 companies filed in the office of any board, office, or commission of
32 this state or any county thereof, the earnings and earning power of
33 such companies, the franchises owned or used by such companies, the
34 true and fair valuation of any and all property of such companies,
35 whether operating property or nonoperating property, and whether
36 situated within or without the state, and any other facts, evidences,
37 or information that may be obtainable bearing upon the value of the

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

6 **Sec. 320.** RCW 84.16.050 and 2001 c 187 s 10 are each amended to
7 read as follows:

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

26 **Sec. 321.** RCW 84.16.090 and 2001 c 187 s 11 are each amended to
27 read as follows:

28 Upon the assessment roll shall be placed after the name of each
29 company a general description of the operating property of the company,
30 which shall be considered sufficient if described in the language of
31 RCW 84.16.010(3) or otherwise, following which shall be entered the
32 (~~true and fair~~) assessed value of the operating property as
33 determined by the department of revenue. No assessment shall be
34 invalid by a mistake in the name of the company assessed, by omission
35 of the name of the owner or by the entry of a name other than that of
36 the true owner. When the department of revenue shall have prepared the

1 assessment roll and entered thereon the (~~true and fair~~) assessed
2 value of the operating property of the company, as required, it shall
3 notify the company by mail of the valuation determined by it and
4 entered upon the roll; and thereupon such assessed valuation shall
5 become the (~~true and fair~~) assessed value of the operating property
6 of the company, subject to revision or correction by the department of
7 revenue as hereinafter provided; and shall be the valuation upon which,
8 after equalization by the department of revenue as hereinafter
9 provided, the taxes of such company shall be based and computed.

10 **Sec. 322.** RCW 84.16.110 and 2001 c 187 s 12 are each amended to
11 read as follows:

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

25 **Sec. 323.** RCW 84.16.120 and 2001 c 187 s 13 are each amended to
26 read as follows:

27 The (~~true and fair~~) assessed value of the property of each
28 company as fixed and determined by the department of revenue as herein
29 provided shall be apportioned to the respective counties in the
30 following manner:

31 (1) If all the operating property of the company is situated
32 entirely within a county and none of such property is located within,
33 extends into, or through or is operated into or through any other
34 county, the entire value thereof shall be apportioned to the county
35 within which such property is situated, located, and operated.

1 (2) If the operating property of any company is situated or located
2 within, extends into or is operated into or through more than one
3 county, the value thereof shall be apportioned to the respective
4 counties into or through which its cars are operated in the proportion
5 that the length of main line track of the respective railroads moving
6 such cars in such counties bears to the total length of main line track
7 of such respective railroads in this state.

8 (3) If the property of any company is of such character that it
9 will not be reasonable, feasible or fair to apportion the value as
10 hereinabove provided, the value thereof shall be apportioned between
11 the respective counties into or through which such property extends or
12 is operated or in which the same is located in such manner as may be
13 reasonable, feasible and fair.

14 **Sec. 324.** RCW 84.36.041 and 2001 c 187 s 14 are each amended to
15 read as follows:

16 (1) All real and personal property used by a nonprofit home for the
17 aging that is reasonably necessary for the purposes of the home is
18 exempt from taxation if the benefit of the exemption inures to the home
19 and:

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

22 (b) The home is subsidized under a federal department of housing
23 and urban development program. The department of revenue shall provide
24 by rule a definition of homes eligible for exemption under this
25 subsection (1)(b), consistent with the purposes of this section.

26 (2) All real and personal property used by a nonprofit home for the
27 aging that is reasonably necessary for the purposes of the home is
28 exempt from taxation if the benefit of the exemption inures to the home
29 and the construction, rehabilitation, acquisition, or refinancing of
30 the home is financed under a program using bonds exempt from federal
31 income tax if at least seventy-five percent of the total amount
32 financed uses the tax exempt bonds and the financing program requires
33 the home to reserve a percentage of all dwelling units so financed for
34 low-income residents. The initial term of the exemption under this
35 subsection shall equal the term of the tax exempt bond used in
36 connection with the financing program, or the term of the requirement
37 to reserve dwelling units for low-income residents, whichever is

1 shorter. If the financing program involves less than the entire home,
2 only those dwelling units included in the financing program are
3 eligible for total exemption. The department of revenue shall provide
4 by rule the requirements for monitoring compliance with the provisions
5 of this subsection and the requirements for exemption including:

6 (a) The number or percentage of dwelling units required to be
7 occupied by low-income residents, and a definition of low income;

8 (b) The type and character of the dwelling units, whether
9 independent units or otherwise; and

10 (c) Any particular requirements for continuing care retirement
11 communities.

12 (3) A home for the aging is eligible for a partial exemption on the
13 real property and a total exemption for the home's personal property if
14 the home does not meet the requirements of subsection (1) of this
15 section because fewer than fifty percent of the occupied dwelling units
16 are occupied by eligible residents, as follows:

17 (a) A partial exemption shall be allowed for each dwelling unit in
18 a home occupied by a resident requiring assistance with activities of
19 daily living.

20 (b) A partial exemption shall be allowed for each dwelling unit in
21 a home occupied by an eligible resident.

22 (c) A partial exemption shall be allowed for an area jointly used
23 by a home for the aging and by a nonprofit organization, association,
24 or corporation currently exempt from property taxation under one of the
25 other provisions of this chapter. The shared area must be reasonably
26 necessary for the purposes of the nonprofit organization, association,
27 or corporation exempt from property taxation under one of the other
28 provisions of this chapter, such as kitchen, dining, and laundry areas.

29 (d) The amount of exemption shall be calculated by multiplying the
30 assessed value of the property reasonably necessary for the purposes of
31 the home, less the assessed value of any area exempt under (c) of this
32 subsection, by a fraction. The numerator of the fraction is the number
33 of dwelling units occupied by eligible residents and by residents
34 requiring assistance with activities of daily living. The denominator
35 of the fraction is the total number of occupied dwelling units as of
36 December 31st of the first assessment year the home becomes operational
37 for which exemption is claimed and January 1st of each subsequent
38 assessment year for which exemption is claimed.

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

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

9 (6) In order for the home to be eligible for exemption under
10 subsections (1)(a) and (3)(b) of this section, each eligible resident
11 of a home for the aging shall submit an income verification form to the
12 county assessor by July 1st of the assessment year for which exemption
13 is claimed. However, during the first year a home becomes operational,
14 the county assessor shall accept income verification forms from
15 eligible residents up to December 31st of the assessment year. The
16 income verification form shall be prescribed and furnished by the
17 department of revenue. An eligible resident who has filed a form for
18 a previous year need not file a new form until there is a change in
19 status affecting the person's eligibility.

20 (7) In determining the (~~true and fair~~) assessed value of a home
21 for the aging for purposes of the partial exemption provided by
22 subsection (3) of this section, the assessor shall apply the
23 computation method provided by RCW 84.34.060 and shall consider only
24 the use to which such property is applied during the years for which
25 such partial exemptions are available and shall not consider potential
26 uses of such property.

27 (8) As used in this section:

28 (a) "Eligible resident" means a person who:

29 (i) Occupied the dwelling unit as a principal place of residence as
30 of December 31st of the first assessment year the home becomes
31 operational. In each subsequent year, the eligible resident must
32 occupy the dwelling unit as a principal place of residence as of
33 January 1st of the assessment year for which the exemption is claimed.
34 Confinement of the person to a hospital or nursing home does not
35 disqualify the claim of exemption if the dwelling unit is temporarily
36 unoccupied or if the dwelling unit is occupied by a spouse, a person
37 financially dependent on the claimant for support, or both; and

1 (ii) Is sixty-one years of age or older on December 31st of the
2 year in which the exemption claim is filed, or is, at the time of
3 filing, retired from regular gainful employment by reason of physical
4 disability. Any surviving spouse of a person who was receiving an
5 exemption at the time of the person's death shall qualify if the
6 surviving spouse is fifty-seven years of age or older and otherwise
7 meets the requirements of this subsection; and

8 (iii) Has a combined disposable income of no more than the greater
9 of twenty-two thousand dollars or eighty percent of the median income
10 adjusted for family size as most recently determined by the federal
11 department of housing and urban development for the county in which the
12 person resides. For the purposes of determining eligibility under this
13 section, a "cotenant" means a person who resides with an eligible
14 resident and who shares personal financial resources with the eligible
15 resident.

16 (b) "Combined disposable income" means the disposable income of the
17 person submitting the income verification form, plus the disposable
18 income of his or her spouse, and the disposable income of each cotenant
19 occupying the dwelling unit for the preceding calendar year, less
20 amounts paid by the person submitting the income verification form or
21 his or her spouse or cotenant during the previous year for the
22 treatment or care of either person received in the dwelling unit or in
23 a nursing home. If the person submitting the income verification form
24 was retired for two months or more of the preceding year, the combined
25 disposable income of such person shall be calculated by multiplying the
26 average monthly combined disposable income of such person during the
27 months such person was retired by twelve. If the income of the person
28 submitting the income verification form is reduced for two or more
29 months of the preceding year by reason of the death of the person's
30 spouse, the combined disposable income of such person shall be
31 calculated by multiplying the average monthly combined disposable
32 income of such person after the death of the spouse by twelve.

33 (c) "Disposable income" means adjusted gross income as defined in
34 the federal internal revenue code, as amended prior to January 1, 1989,
35 or such subsequent date as the director may provide by rule consistent
36 with the purpose of this section, plus all of the following items to
37 the extent they are not included in or have been deducted from adjusted
38 gross income:

1 (i) Capital gains, other than gain excluded from income under
2 section 121 of the federal internal revenue code to the extent it is
3 reinvested in a new principal residence;

4 (ii) Amounts deducted for loss;

5 (iii) Amounts deducted for depreciation;

6 (iv) Pension and annuity receipts;

7 (v) Military pay and benefits other than attendant-care and
8 medical-aid payments;

9 (vi) Veterans benefits other than attendant-care and medical-aid
10 payments;

11 (vii) Federal social security act and railroad retirement benefits;

12 (viii) Dividend receipts; and

13 (ix) Interest received on state and municipal bonds.

14 (d) "Resident requiring assistance with activities of daily living"
15 means a person who requires significant assistance with the activities
16 of daily living and who would be at risk of nursing home placement
17 without this assistance.

18 (e) "Home for the aging" means a residential housing facility that
19 (i) provides a housing arrangement chosen voluntarily by the resident,
20 the resident's guardian or conservator, or another responsible person;
21 (ii) has only residents who are at least sixty-one years of age or who
22 have needs for care generally compatible with persons who are at least
23 sixty-one years of age; and (iii) provides varying levels of care and
24 supervision, as agreed to at the time of admission or as determined
25 necessary at subsequent times of reappraisal.

26 (9) A for-profit home for the aging that converts to nonprofit
27 status after June 11, 1992, and would otherwise be eligible for tax
28 exemption under this section may not receive the tax exemption until
29 five years have elapsed since the conversion. The exemption shall then
30 be ratably granted over the next five years.

31 **Sec. 325.** RCW 84.52.063 and 2001 c 187 s 25 are each amended to
32 read as follows:

33 A rural library district may impose a regular property tax levy in
34 an amount equal to that which would be produced by a levy of fifty
35 cents per thousand dollars of assessed value multiplied by an equalized
36 assessed valuation (~~(equal to one hundred percent of the true and fair~~
37 ~~value of the taxable property in the rural library district)), as~~

1 determined by the department of revenue's indicated county ratio(~~(+~~
2 ~~PROVIDED, That~~)). However, when any county assessor shall find that
3 the aggregate rate of levy on any property will exceed the limitation
4 set forth in RCW 84.52.043 and 84.52.050, as now or hereafter amended,
5 before recomputing and establishing a consolidated levy in the manner
6 set forth in RCW 84.52.010, the assessor shall first reduce the levy of
7 any rural library district, by such amount as may be necessary, but the
8 levy of any rural library district shall not be reduced to less than
9 fifty cents per thousand dollars against the value of the taxable
10 property, as determined by the county, prior to any further adjustments
11 pursuant to RCW 84.52.010. For purposes of this section "regular
12 property tax levy" shall mean a levy subject to the limitations
13 provided for in Article VII, section 2 of the state Constitution and/or
14 by statute.

15 **Sec. 326.** RCW 84.70.010 and 2005 c 56 s 1 are each amended to read
16 as follows:

17 (1) If, on or before December 31 in any calendar year, any real or
18 personal property placed upon the assessment roll of that year is
19 destroyed in whole or in part, or is in an area that has been declared
20 a disaster area by the governor or the county legislative authority and
21 has been reduced in value by more than twenty percent as a result of a
22 natural disaster, the (~~true and fair~~) assessed value of such property
23 shall be reduced for that assessment year by an amount determined by
24 taking the (~~true and fair~~) assessed value of such taxable property
25 before destruction or reduction in value and deduct therefrom the true
26 and fair value of the remaining property after destruction or reduction
27 in value.

28 (2) Taxes levied for collection in the year in which the (~~true and~~
29 ~~fair~~) assessed value has been reduced under subsection (1) of this
30 section shall be abated in whole or in part as provided in this
31 subsection. The amount of taxes to be abated shall be determined by
32 first multiplying the amount deducted from the (~~true and fair~~)
33 assessed value under subsection (1) of this section by the rate of levy
34 applicable to the property in the tax year. Then divide the product by
35 the number of days in the year and multiply the quotient by the number
36 of days remaining in the calendar year after the date of the
37 destruction or reduction in value of the property. If taxes abated

1 under this section have been paid, the amount paid shall be refunded
2 under RCW 84.69.020. The tax relief provided for in this section for
3 the tax year in which the damage or destruction occurred does not apply
4 to property damaged or destroyed voluntarily.

5 (3) No reduction in the (~~true and fair~~) assessed value or
6 abatements shall be made more than three years after the date of
7 destruction or reduction in value.

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

12 (5) If destroyed property is replaced prior to the valuation dates
13 contained in RCW 36.21.080 and 36.21.090, the total taxable value for
14 that assessment year shall not exceed the assessed value as of the
15 appropriate valuation date in RCW 36.21.080 or 36.21.090, whichever is
16 appropriate.

17 (6) The taxpayer may appeal the amount of reduction to the county
18 board of equalization in accordance with the provisions of RCW
19 84.40.038. The board shall reconvene, if necessary, to hear the
20 appeal.

21 **PART IV**
22 **MISCELLANEOUS**

23 NEW SECTION. **Sec. 401.** Sections 101, 201, and 202 of this act are
24 necessary for the immediate preservation of the public peace, health,
25 or safety, or support of the state government and its existing public
26 institutions, and takes effect immediately.

27 NEW SECTION. **Sec. 402.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 403.** Part headings used in this act are not any
32 part of the law.

1 NEW SECTION. **Sec. 404.** Sections 301 through 326 of this act apply
2 to taxes levied for collection in 2008 and thereafter.

3 NEW SECTION. **Sec. 405.** Sections 301 through 326 of this act take
4 effect if the proposed amendment to Article VII, section 1 of the state
5 Constitution providing for a phase-in of increases in assessed value
6 (HJR (H-1740.1/07)) is validly submitted to and is approved and
7 ratified by the voters at a general election held in November 2007. If
8 the proposed amendment is not approved and ratified, sections 301
9 through 326 of this act are void in their entirety.

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