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**HOUSE BILL 3000**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Representatives Vick, Harris, Kraft, Walsh, Hayes, Manweller, Taylor, Pike, Young, Maycumber, Van Werven, Hargrove, Caldier, and Chandler

AN ACT Relating to providing property tax relief to all Washingtonians for taxes levied for collection in 2018; amending RCW 84.52.065 and 84.69.020; and creating new sections.

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

NEW SECTION. **Sec.**  The legislature recognizes that property taxes create a substantial burden on Washingtonians, especially for those subject to high local and regional property taxes and for those on fixed incomes. The legislature further recognizes the state of Washington is projected to receive more than 1.3 billion dollars in extra revenue over the next four years. It is therefore the legislature's intent to lower the property tax rate and issue property tax refunds for calendar year 2018 in order to return excess state revenue back to the taxpayers who earned it.

**Sec.**  RCW 84.52.065 and 2017 3rd sp.s. c 13 s 301 are each amended to read as follows:

(1)(a) Except as otherwise provided in this section, subject to the limitations in RCW 84.55.010, in each year the state ((~~shall~~)) must levy for collection in the following year for the support of common schools of the state a tax of three dollars and sixty cents per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

(b) For property taxes levied for collection in calendar year 2018, the rate of the tax is the rate necessary to bring the aggregate rate for state property tax levies levied under this subsection and subsection (2) of this section to a combined rate of 2.365 dollars per thousand dollars of assessed value.

(2)(a) In addition to the tax authorized under subsection (1) of this section, the state must levy an additional property tax for the support of common schools of the state.

(i) For taxes levied for collection in calendar year 2018, the rate of tax is ninety-four cents per thousand dollars of assessed value.

(ii) For taxes levied for collection in calendar years ((~~2018~~)) 2019 through 2021, the rate of tax is the rate necessary to bring the aggregate rate for state property tax levies levied under this subsection and subsection (1) of this section to a combined rate of two dollars and seventy cents per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

((~~(ii)~~)) (iii) For taxes levied for collection in calendar year 2022 and thereafter, the tax authorized under this subsection (2) is subject to the limitations of chapter 84.55 RCW.

(b) Taxes collected under this subsection (2) must be deposited into the state general fund.

(3) For taxes levied for collection in calendar years 2019 through 2021, the state property taxes levied under subsections (1) and (2) of this section are not subject to the limitations in chapter 84.55 RCW.

(4) For taxes levied for collection in calendar year 2022 and thereafter, the aggregate rate limit for state property taxes levied under subsections (1) and (2) of this section is three dollars and sixty cents per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

(5) For property taxes levied for collection in calendar years 2019 through 2021, the rate of tax levied under subsection (1) of this section is the actual rate that was levied for collection in calendar year 2018 under subsection (1) of this section.

(6) As used in this section, "the support of common schools" includes the payment of the principal and interest on bonds issued for capital construction projects for the common schools.

**Sec.**  RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each amended to read as follows:

On the order of the county treasurer, ad valorem taxes paid before or after delinquency must be refunded if they were:

(1) Paid more than once;

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

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

(4) Paid as a result of other clerical errors in listing property;

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

(6) Paid under levies or statutes adjudicated to be illegal or unconstitutional;

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

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

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

(10) Paid on the basis of an assessed valuation which was appealed to the state board of tax appeals and ordered reduced by the board: PROVIDED, That the amount refunded under subsections (9) and (10) of this section ((~~shall~~)) may only be for the difference between the tax paid on the basis of the appealed valuation and the tax payable on the valuation adjusted in accordance with the board's order;

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

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

(13) Paid on property acquired under RCW 84.60.050, and canceled under RCW 84.60.050(2);

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

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

(16) Abated under RCW 84.70.010; or

(17) Levies authorized under RCW 84.52.065, levied for collection in 2018, and paid prior to the enactment of chapter . . ., Laws of 2018 (this act): PROVIDED, the amount of refund must only be for the difference between the state property tax paid and the state property tax due after the enactment of chapter . . ., Laws of 2018 (this act).

No refunds under the provisions of this section ((~~shall~~)) may be made because of any error in determining the valuation of property, except as authorized in subsections (9), (10), (11), and (12) of this section nor may any refunds be made if a bona fide purchaser has acquired rights that would preclude the assessment and collection of the refunded tax from the property that should properly have been charged with the tax. Any refunds made on delinquent taxes must include the proportionate amount of interest and penalties paid. However, no refunds as a result of an incorrect payment authorized under subsection (8) of this section made by a third party payee ((~~shall~~)) may be granted. The county treasurer may deduct from moneys collected for the benefit of the state's levies, refunds of the state's levies including interest on the levies as provided by this section and chapter 84.68 RCW.

The county treasurer of each county must make all refunds determined to be authorized by this section, and by the first Monday in February of each year, report to the county legislative authority a list of all refunds made under this section during the previous year. The list is to include the name of the person receiving the refund, the amount of the refund, and the reason for the refund.

NEW SECTION. **Sec.**  This act is retroactive and applies to taxes levied for collection in 2018.

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