

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2479**

Chapter 124, Laws of 1994

53rd Legislature  
1994 Regular Session

EXCISE AND PROPERTY TAX STATUTES--TECHNICAL CORRECTIONS

EFFECTIVE DATE: 6/9/94

Passed by the House February 9, 1994  
Yeas 95 Nays 0

BRIAN EBERSOLE

**Speaker of the  
House of Representatives**

Passed by the Senate March 4, 1994  
Yeas 44 Nays 0

JOEL PRITCHARD

**President of the Senate**

Approved March 28, 1994

MIKE LOWRY

**Governor of the State of Washington**

CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2479** as passed by the House of Representatives and the Senate on the dates hereon set forth.

MARILYN SHOWALTER

**Chief Clerk**

FILED

March 28, 1994 - 11:30 a.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2479**

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Passed Legislature - 1994 Regular Session

**State of Washington                      53rd Legislature                      1994 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representatives G. Fisher, Foreman, Karahalios and Springer; by request of Department of Revenue)

Read first time 02/02/94.

1            AN ACT Relating to general technical corrections of excise and  
2 property tax statutes; amending RCW 36.21.011, 82.04.270, 82.04.4282,  
3 82.04.440, 82.08.026, 82.12.022, 82.12.023, 82.16.050, 84.12.200,  
4 84.12.340, 84.16.100, 84.36.020, 84.36.264, 84.36.800, 84.36.810,  
5 84.40.030, 84.40.080, 84.40.085, 84.40.170, 84.40.175, 84.40.230,  
6 84.48.022, 84.48.026, 84.48.028, 84.48.032, 84.48.036, 84.48.050,  
7 84.48.110, 84.48.120, 84.48.130, 84.48.140, 84.52.010, 84.52.018,  
8 84.52.030, 84.60.050, 84.68.020, and 84.68.090; amending 1987 2nd ex.s.  
9 c 3 s 1 (uncodified); amending 1987 2nd ex.s. c 3 s 3 (uncodified);  
10 adding a new section to chapter 82.12 RCW; creating a new section; and  
11 repealing RCW 84.24.010, 84.24.020, 84.24.030, 84.24.040, 84.24.050,  
12 84.24.060, and 84.24.070.

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

14            **Sec. 1.** RCW 36.21.011 and 1973 1st ex.s. c 11 s 1 are each amended  
15 to read as follows:

16            Any assessor who deems it necessary in order to (~~enable him to~~)  
17 complete the listing and the valuation of the property of (~~his~~) the  
18 county within the time prescribed by law, (1) may appoint one or more  
19 well qualified persons to act as (~~his~~) assistants or deputies who

1 shall not engage in the private practice of appraising within the  
2 county in which he or she is employed without the written permission of  
3 the ((~~county~~)) assessor filed with the ((~~county~~)) auditor; and each  
4 such assistant or deputy so appointed shall, under the direction of the  
5 assessor, after taking the required oath, perform all the duties  
6 enjoined upon, vested in or imposed upon assessors, and (2) may  
7 contract with any persons, firms or corporations, who are expert  
8 appraisers, to assist in the valuation of property.

9 To assist each assessor in obtaining adequate and well qualified  
10 assistants or deputies, the state department of personnel, after  
11 consultation with the Washington state association of county assessors,  
12 the Washington state association of counties, and the department of  
13 revenue, shall establish by July 1, 1967, and shall thereafter  
14 maintain, a classification and salary plan for those employees of an  
15 assessor who act as appraisers. The plan shall recommend the salary  
16 range and employment qualifications for each position encompassed by  
17 it, and shall, to the fullest extent practicable, conform to the  
18 classification plan, salary schedules and employment qualifications for  
19 state employees performing similar appraisal functions.

20 If an assessor intends to put such plan into effect in ((~~his~~)) the  
21 county, ((~~he~~)) the assessor shall inform the department of revenue and  
22 the ((~~board of county commissioners~~)) county legislative authority of  
23 this intent in writing. The department of revenue and the ((~~board~~))  
24 county legislative authority may thereupon each designate a  
25 representative, and such representative or representatives as may be  
26 designated by the department of revenue or the ((~~board~~)) county  
27 legislative authority, or both, shall form with the assessor a  
28 committee. The committee so formed may, by unanimous vote only,  
29 determine the required number of certified appraiser positions and  
30 their salaries necessary to enable the ((~~county~~)) assessor to carry out  
31 the requirements relating to revaluation of property in chapter 84.41  
32 RCW. The determination of the committee shall be certified to the  
33 ((~~board of county commissioners~~)) county legislative authority. The  
34 committee ((~~provided for herein~~)) may be formed only once in a period  
35 of four calendar years.

36 After such determination, the assessor may provide, in each of  
37 ((~~his~~)) the four next succeeding annual budget estimates, for as many  
38 positions as are established in such determination. Each ((~~board of~~  
39 ~~county commissioners~~)) county legislative authority to which such a

1 budget estimate is submitted shall allow sufficient funds for such  
2 positions. An employee may be appointed to a position covered by the  
3 plan only if the employee meets the employment qualifications  
4 established by the plan.

5 **Sec. 2.** RCW 82.04.270 and 1993 sp.s. c 25 s 105 are each amended  
6 to read as follows:

7 (1) Upon every person except persons taxable under subsections (1)  
8 or (8) of RCW 82.04.260 engaging within this state in the business of  
9 making sales at wholesale; as to such persons the amount of tax with  
10 respect to such business shall be equal to the gross proceeds of sales  
11 of such business multiplied by the rate of 0.484 percent.

12 (2) The tax imposed by this section is levied and shall be  
13 collected from every person engaged in the business of distributing in  
14 this state articles of tangible personal property, owned by them from  
15 their own warehouse or other central location in this state to two or  
16 more of their own retail stores or outlets, where no change of title or  
17 ownership occurs, the intent hereof being to impose a tax equal to the  
18 wholesaler's tax upon persons performing functions essentially  
19 comparable to those of a wholesaler, but not actually making sales(~~(:~~  
20 ~~PROVIDED, That~~)). The tax designated in this section may not be  
21 assessed twice to the same person for the same article. The amount of  
22 the tax as to such persons shall be computed by multiplying 0.484  
23 percent of the value of the article so distributed as of the time of  
24 such distribution(~~(:~~ ~~PROVIDED, That persons engaged in the activities~~  
25 described in this subsection shall not be liable for the tax imposed if  
26 by proper invoice it can be shown that they have purchased such  
27 property from a wholesaler who has paid a business and occupation tax  
28 to the state upon the same articles. This proviso shall not apply to  
29 purchases from manufacturers as defined in RCW 82.04.110)). The  
30 department of revenue shall prescribe uniform and equitable rules for  
31 the purpose of ascertaining such value, which value shall correspond as  
32 nearly as possible to the gross proceeds from sales at wholesale in  
33 this state of similar articles of like quality and character, and in  
34 similar quantities by other taxpayers(~~(:~~ ~~PROVIDED FURTHER, That~~)).  
35 Delivery trucks or vans will not under the purposes of this section be  
36 considered to be retail stores or outlets.

1       **Sec. 3.** RCW 82.04.4282 and 1989 c 392 s 1 are each amended to read  
2 as follows:

3       In computing tax there may be deducted from the measure of tax  
4 amounts derived from ~~((1))~~ bona fide (1) initiation fees, (2) dues,  
5 (3) contributions, (4) donations, (5) tuition fees, (6) charges made by  
6 a nonprofit trade or professional organization for attending or  
7 occupying space at a trade show, convention, or educational seminar  
8 sponsored by the nonprofit trade or professional organization, which  
9 trade show, convention, or educational seminar is not open to the  
10 general public, (7) charges made for operation of privately operated  
11 kindergartens, and (8) endowment funds. This ~~((paragraph))~~ section  
12 shall not be construed to exempt any person, association, or society  
13 from tax liability upon selling tangible personal property or upon  
14 providing facilities or services for which a special charge is made to  
15 members or others. If dues are in exchange for any significant amount  
16 of goods or services rendered by the recipient thereof to members  
17 without any additional charge to the member, or if the dues are  
18 graduated upon the amount of goods or services rendered, the value of  
19 such goods or services shall not be considered as a deduction  
20 ~~((hereunder))~~ under this section.

21       **Sec. 4.** RCW 82.04.440 and 1987 2nd ex.s. c 3 s 2 are each amended  
22 to read as follows:

23       (1) Every person engaged in activities which are within the purview  
24 of the provisions of two or more of sections RCW 82.04.230 to  
25 82.04.290, inclusive, shall be taxable under each paragraph applicable  
26 to the activities engaged in.

27       (2) Persons taxable under RCW 82.04.250 ~~((or))~~, 82.04.270, or  
28 82.04.260(7) with respect to selling products in this state shall be  
29 allowed a credit against those taxes for any (a) manufacturing taxes  
30 paid with respect to the manufacturing of products so sold in this  
31 state, and/or (b) extracting taxes paid with respect to the extracting  
32 of products so sold in this state or ingredients of products so sold in  
33 this state. Extracting taxes taken as credit under subsection (3) of  
34 this section may also be taken under this subsection, if otherwise  
35 allowable under this subsection. The amount of the credit shall not  
36 exceed the tax liability arising under this chapter with respect to the  
37 sale of those products.

1 (3) Persons taxable under RCW 82.04.240 or 82.04.260 subsection (4)  
2 shall be allowed a credit against those taxes for any extracting taxes  
3 paid with respect to extracting the ingredients of the products so  
4 manufactured in this state. The amount of the credit shall not exceed  
5 the tax liability arising under this chapter with respect to the  
6 manufacturing of those products.

7 (4) Persons taxable under RCW 82.04.230, 82.04.240, or subsection  
8 (2), (3), (4), (5), or (7) of RCW 82.04.260 with respect to extracting  
9 or manufacturing products in this state shall be allowed a credit  
10 against those taxes for any (i) gross receipts taxes paid to another  
11 state with respect to the sales of the products so extracted or  
12 manufactured in this state, (ii) manufacturing taxes paid with respect  
13 to the manufacturing of products using ingredients so extracted in this  
14 state, or (iii) manufacturing taxes paid with respect to manufacturing  
15 activities completed in another state for products so manufactured in  
16 this state. The amount of the credit shall not exceed the tax  
17 liability arising under this chapter with respect to the extraction or  
18 manufacturing of those products.

19 (5) For the purpose of this section:

20 (a) "Gross receipts tax" means a tax:

21 (i) Which is imposed on or measured by the gross volume of  
22 business, in terms of gross receipts or in other terms, and in the  
23 determination of which the deductions allowed would not constitute the  
24 tax an income tax or value added tax; and

25 (ii) Which is also not, pursuant to law or custom, separately  
26 stated from the sales price.

27 (b) "State" means (i) the state of Washington, (ii) a state of the  
28 United States other than Washington, or any political subdivision of  
29 such other state, (iii) the District of Columbia, and (iv) any foreign  
30 country or political subdivision thereof.

31 (c) "Manufacturing tax" means a gross receipts tax imposed on the  
32 act or privilege of engaging in business as a manufacturer, and  
33 includes (i) the taxes imposed in RCW 82.04.240 and subsections (2),  
34 (3), (4), (5), and (7) of RCW 82.04.260, and (ii) similar gross  
35 receipts taxes paid to other states.

36 (d) "Extracting tax" means a gross receipts tax imposed on the act  
37 or privilege of engaging in business as an extractor, and includes the  
38 tax imposed in RCW 82.04.230 and similar gross receipts taxes paid to  
39 other states.

1 (e) "Business", "manufacturer", "extractor", and other terms used  
2 in this section have the meanings given in RCW 82.04.020 through  
3 82.04.212, notwithstanding the use of those terms in the context of  
4 describing taxes imposed by other states.

5 **Sec. 5.** 1987 2nd ex.s. c 3 s 1 (uncodified) is amended to read as  
6 follows:

7 The legislature finds that the invalidation of the multiple  
8 activities exemption contained in RCW 82.04.440 by the United States  
9 Supreme Court now requires adjustments to the state's business and  
10 occupation tax to achieve constitutional equality between Washington  
11 taxpayers who have conducted and will continue to conduct business in  
12 interstate and intrastate commerce. It is the intent of (~~this act~~)  
13 chapter 3, Laws of 1987 2nd ex. sess. and sections 4 through 7 of this  
14 act to preserve the integrity of Washington's business and occupation  
15 tax system and impose only that financial burden upon the state  
16 necessary to establish parity in taxation between such taxpayers.

17 Thus, (~~this act~~) chapter 3, Laws of 1987 2nd ex. sess. and  
18 sections 4 through 7 of this act extends the system of credits  
19 originated in RCW 82.04.440 in 1985 to provide for equal treatment of  
20 taxpayers engaging in extracting, manufacturing or selling regardless  
21 of the location in which any of such activities occurs. It is further  
22 intended that RCW 82.04.440, as amended by section 2 (~~of this act~~),  
23 chapter 3, Laws of 1987 2nd ex. sess. and sections 4 through 7 of this  
24 act, shall be construed and applied in a manner that will eliminate  
25 unconstitutional discrimination between taxpayers and ensure the  
26 preservation and collection of revenues from the conduct of multiple  
27 activities in which taxpayers in this state may engage.

28 **Sec. 6.** 1987 2nd ex.s. c 3 s 3 (uncodified) is amended to read as  
29 follows:

30 If it is determined by a court of competent jurisdiction, in a  
31 judgment not subject to review, that relief is appropriate for any tax  
32 reporting periods before August 11, 1987, in respect to RCW 82.04.440  
33 as it existed before August 11, 1987, it is the intent of the  
34 legislature that the credits provided in RCW 82.04.440 as amended by  
35 section 2 (~~of this act~~), chapter 3, Laws of 1987 2nd ex. sess. and  
36 section 4 of this act shall be applied to such reporting periods and

1 that relief for such periods be limited to the granting of such  
2 credits.

3 NEW SECTION. **Sec. 7.** Except as otherwise provided in section 6 of  
4 this act, section 4 of this act applies retrospectively to all tax  
5 reporting periods on or after June 23, 1987.

6 **Sec. 8.** RCW 82.08.026 and 1989 c 384 s 4 are each amended to read  
7 as follows:

8 The tax levied by RCW 82.08.020 shall not apply to sales of natural  
9 or manufactured gas that is taxable under RCW 82.12.022.

10 **Sec. 9.** RCW 82.12.022 and 1989 c 384 s 3 are each amended to read  
11 as follows:

12 (1) There is hereby levied and there shall be collected from every  
13 person in this state a use tax for the privilege of using natural gas  
14 or manufactured gas within this state as a consumer.

15 (2) The tax shall be levied and collected in an amount equal to the  
16 value of the article used by the taxpayer multiplied by the rate in  
17 effect for the public utility tax on gas distribution businesses under  
18 RCW 82.16.020(~~((1)(b))~~). The "value of the article used" does not  
19 include any amounts that are paid for the hire or use of a gas  
20 distribution business as defined in RCW 82.16.010(7) in transporting  
21 the gas subject to tax under this subsection if those amounts are  
22 subject to tax under that chapter.

23 (3) The tax levied in this section shall not apply to the use of  
24 natural or manufactured gas delivered to the consumer by other means  
25 than through a pipeline.

26 (4) The tax levied in this section shall not apply to the use of  
27 natural or manufactured gas if the person who sold the gas to the  
28 consumer has paid a tax under RCW 82.16.020(~~((1)(b))~~) with respect to  
29 the gas for which exemption is sought under this subsection.

30 (~~((4))~~) (5) There shall be a credit against the tax levied under  
31 this section in an amount equal to any tax paid by:

32 (a) The person who sold the gas to the consumer when that tax is a  
33 gross receipts tax similar to that imposed pursuant to RCW  
34 82.16.020(~~((1)(b))~~) by another state with respect to the gas for which  
35 a credit is sought under this subsection; or



1 (b) The person consuming the gas upon which a use tax similar to  
2 the tax imposed by this section was paid to another state with respect  
3 to the gas for which a credit is sought under this subsection.

4 ~~((+5+))~~ (6) The use tax hereby imposed shall be paid by the  
5 consumer to the department.

6 ~~((+6+))~~ (7) There is imposed a reporting requirement on the person  
7 who delivered the gas to the consumer to make a quarterly report to the  
8 department. Such report shall contain the volume of gas delivered,  
9 name of the consumer to whom delivered, and such other information as  
10 the department shall require by rule.

11 ~~((+7+))~~ (8) The department may adopt rules under chapter 34.05 RCW  
12 for the administration and enforcement of sections 1 through 6, chapter  
13 384, Laws of 1989.

14 **Sec. 10.** RCW 82.12.023 and 1989 c 384 s 5 are each amended to read  
15 as follows:

16 The tax levied by RCW 82.12.020 shall not apply in respect to the  
17 use of natural or manufactured gas that is taxable under RCW 82.12.022.

18 NEW SECTION. **Sec. 11.** A new section is added to chapter 82.12 RCW  
19 to read as follows:

20 The tax imposed by RCW 82.12.020 shall not apply in respect to the  
21 use of newspapers.

22 **Sec. 12.** RCW 82.16.050 and 1989 c 302 s 103 are each amended to  
23 read as follows:

24 In computing tax there may be deducted from the gross income the  
25 following items:

26 (1) Amounts derived by municipally owned or operated public service  
27 businesses, directly from taxes levied for the support or maintenance  
28 thereof: PROVIDED, That this section shall not be construed to exempt  
29 service charges which are spread on the property tax rolls and  
30 collected as taxes;

31 (2) Amounts derived from the sale of commodities to persons in the  
32 same public service business as the seller, for resale as such within  
33 this state. This deduction is allowed only with respect to water  
34 distribution, light and power, gas distribution or other public service  
35 businesses which furnish water, electrical energy, gas or any other  
36 commodity in the performance of public service businesses;

1 (3) Amounts actually paid by a taxpayer to another person taxable  
2 under this chapter as the latter's portion of the consideration due for  
3 services furnished jointly by both, if the total amount has been  
4 credited to and appears in the gross income reported for tax by the  
5 former;

6 (4) The amount of cash discount actually taken by the purchaser or  
7 customer;

8 (5) The amount of credit losses actually sustained by taxpayers  
9 whose regular books of accounts are kept upon an accrual basis;

10 (6) Amounts derived from business which the state is prohibited  
11 from taxing under the Constitution of this state or the Constitution or  
12 laws of the United States;

13 (7) Amounts derived from the distribution of water through an  
14 irrigation system, for irrigation purposes;

15 (8) Amounts derived from the transportation of commodities from  
16 points of origin in this state to final destination outside this state,  
17 or from points of origin outside this state to final destination in  
18 this state, with respect to which the carrier grants to the shipper the  
19 privilege of stopping the shipment in transit at some point in this  
20 state for the purpose of storing, manufacturing, milling, or other  
21 processing, and thereafter forwards the same commodity, or its  
22 equivalent, in the same or converted form, under a through freight rate  
23 from point of origin to final destination; and amounts derived from the  
24 transportation of commodities from points of origin in the state to an  
25 export elevator, wharf, dock or ship side on tidewater or navigable  
26 tributaries thereto from which such commodities are forwarded, without  
27 intervening transportation, by vessel, in their original form, to  
28 interstate or foreign destinations: PROVIDED, That no deduction will  
29 be allowed when the point of origin and the point of delivery to such  
30 an export elevator, wharf, dock, or ship side are located within the  
31 corporate limits of the same city or town;

32 (9) Amounts derived from the production, sale, or transfer of  
33 electrical energy for resale or consumption outside the state (~~(if the~~  
34 ~~production or generation of such energy is subject to tax under the~~  
35 ~~manufacturing classification of chapter 82.04 RCW: PROVIDED, That the~~  
36 ~~exemption set forth in RCW 82.04.310 shall not be applicable to the~~  
37 ~~generation or production of the electrical energy so produced, sold, or~~  
38 ~~transferred: AND PROVIDED FURTHER, That no credit has been claimed as~~  
39 ~~an offset to taxes imposed under RCW 82.04.240))~~);

1 (10) Amounts derived from the distribution of water by a nonprofit  
2 water association and used for capital improvements by that nonprofit  
3 water association;

4 (11) Amounts paid by a sewerage collection business taxable under  
5 RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the  
6 treatment or disposal of sewage.

7 **Sec. 13.** RCW 84.12.200 and 1987 c 153 s 1 are each amended to read  
8 as follows:

9 For the purposes of this chapter and unless otherwise required by  
10 the context:

11 (1) "Department" without other designation means the department of  
12 revenue of the state of Washington.

13 (2) "Railroad company" (~~shall~~) means and includes any person  
14 owning or operating a railroad, street railway, suburban railroad or  
15 interurban railroad in this state, whether its line of railroad be  
16 maintained at the surface, or above or below the surface of the earth,  
17 or by whatever power its vehicles are transported; or owning any  
18 station, depot, terminal or bridge for railroad purposes, as owner,  
19 lessee or otherwise.

20 (3) "Airplane company" (~~shall~~) means and includes any person  
21 owning, controlling, operating or managing real or personal property,  
22 used or to be used for or in connection with or to facilitate the  
23 conveyance and transportation of persons and/or property by aircraft,  
24 and engaged in the business of transporting persons and/or property for  
25 compensation, as owner, lessee or otherwise.

26 (4) "Electric light and power company" (~~shall~~) means and includes  
27 any person owning, controlling, operating or managing real or personal  
28 property, used or to be used for or in connection with or to facilitate  
29 the generation, transmission or distribution of electricity in this  
30 state, and engaged in the business of furnishing, transmitting,  
31 distributing or generating electrical energy for light, heat or power  
32 for compensation as owner, lessee or otherwise.

33 (5) "Telegraph company" (~~shall~~) means and includes any person  
34 owning, controlling, operating or managing any telegraph or cable line  
35 in this state, with appliances for the transmission of messages, and  
36 engaged in the business of furnishing telegraph service for  
37 compensation, as owner, lessee or otherwise.

1 (6) "Telephone company" (~~shall~~) means and includes any person  
2 owning, controlling, operating or managing real or personal property,  
3 used or to be used for or in connection with or to facilitate the  
4 transmission of communication by telephone in this state-owned or  
5 controlled exchanges and/or switchboards, and engaged in the business  
6 of furnishing telephonic communication for compensation as owner,  
7 lessee or otherwise.

8 (7) "Gas company" (~~shall~~) means and includes any person owning,  
9 controlling, operating or managing real or personal property, used or  
10 to be used for or in connection with or to facilitate the manufacture,  
11 transportation, or distribution of natural or manufactured gas in this  
12 state, and engaged for compensation in the business of furnishing gas  
13 for light, heat, power or other use, as owner, lessee or otherwise.

14 (8) "Pipe line company" (~~shall~~) means and includes any person  
15 owning, controlling, operating or managing real or personal property,  
16 used or to be used for or in connection with or to facilitate the  
17 conveyance or transportation of oils, natural or manufactured gas  
18 and/or other substances, except water, by pipe line in this state, and  
19 engaged in such business for compensation, as owner, lessee or  
20 otherwise.

21 ~~(9) ("Water company" shall mean and include any person owning,~~  
22 ~~controlling, operating or managing real or personal property, used or~~  
23 ~~to be used for or in connection with or to facilitate the supply,~~  
24 ~~storage, distribution, diversion or carriage of water in this state,~~  
25 ~~and engaged in the business of furnishing water for power, irrigation,~~  
26 ~~manufacturing, domestic or other uses for compensation, as owner,~~  
27 ~~lessee or otherwise.~~

28 ~~(10) "Heating company" shall mean and include any person owning,~~  
29 ~~controlling, operating or managing real or personal property, used or~~  
30 ~~to be used for or in connection with or to facilitate the generation~~  
31 ~~and/or distribution of steam or hot water for heat, power,~~  
32 ~~manufacturing or other purposes in this state, and engaged principally~~  
33 ~~in business of furnishing, distributing, supplying or generating steam~~  
34 ~~or hot water for heat, power, manufacturing or other purposes for~~  
35 ~~compensation, as owner, lessee or otherwise.~~

36 ~~(11) "Toll bridge company" shall mean and include any person~~  
37 ~~owning, controlling, operating, or managing real or personal property,~~  
38 ~~used for or in connection with or to facilitate the conveyance or~~  
39 ~~transportation of persons and/or property over a bridge or bridge~~

1 ~~approach over any stream, river or body of water within, or partly~~  
2 ~~within this state, and operated as a toll bridge for compensation, as~~  
3 ~~owner, lessee, or otherwise.~~

4 ~~(12))~~ "Steamboat company" (~~shall~~) means and includes any person  
5 owning, controlling, operating or managing real or personal property,  
6 used or to be used for or in connection with or to facilitate the  
7 conveyance and transportation of persons and/or property by vessel or  
8 ferry, upon the waters within this state, including the rivers and  
9 lakes and Puget Sound, between fixed termini or over a regular route,  
10 and engaged in the business of transporting persons and/or property for  
11 compensation as owner, lessee or otherwise.

12 ~~((13))~~ (10) "Logging railroad company" (~~shall~~) means and  
13 includes any person owning, controlling, operating or managing real or  
14 personal property, used or to be used for or in connection with or to  
15 facilitate the conveyance and transportation of forest products by rail  
16 in this state, and engaged in the business of transporting forest  
17 products either as private carrier or carrier for hire.

18 ~~((14))~~ (11) "Person" (~~shall~~) means and includes any individual,  
19 firm, copartnership, joint venture, association, corporation, trust, or  
20 any other group acting as a unit, whether mutual, cooperative or  
21 otherwise, and/or trustees or receivers appointed by any court.

22 ~~((15))~~ (12) "Company" (~~shall~~) means and includes any railroad  
23 company, motor vehicle transportation company, airplane company,  
24 electric light and power company, telegraph company, telephone company,  
25 gas company, pipe line company, (~~water company, heating company, toll~~  
26 ~~bridge company,~~) steamboat company, or logging railroad company; and  
27 the term "companies" (~~shall~~) means and includes all of such  
28 companies.

29 ~~((16))~~ (13) "Operating property" (~~shall~~) means and includes all  
30 property, real and personal, owned by any company, or held by it as  
31 occupant, lessee or otherwise, including all franchises and lands,  
32 buildings, rights-of-way, water powers, motor vehicles, wagons, horses,  
33 aircraft, aerodromes, hangars, office furniture, water mains, gas  
34 mains, pipe lines, pumping stations, tanks, tank farms, holders,  
35 reservoirs, telephone lines, telegraph lines, transmission and  
36 distribution lines, dams, generating plants, poles, wires, cables,  
37 conduits, switch boards, devices, appliances, instruments, equipment,  
38 machinery, vessels, ferries, landing slips, docks, roadbeds, tracks,  
39 terminals, rolling stock equipment, appurtenances and all other

1 property of a like or different kind, situate within the state of  
2 Washington, used by the company in the conduct of its operations; and,  
3 in case of personal property used partly within and partly without the  
4 state, it (~~shall~~) means and includes a proportion of such personal  
5 property to be determined as in this chapter provided.

6 (~~(17)~~) (14) "Nonoperating property" (~~shall~~) means all physical  
7 property owned by any company, other than that used during the  
8 preceding calendar year in the conduct of its operations. It (~~shall~~)  
9 includes all lands and/or buildings wholly used by any person other  
10 than the owning company. In cases where lands and/or buildings are  
11 used partially by the owning company in the conduct of its operations  
12 and partially by any other person not assessable under this chapter  
13 under lease, sublease, or other form of tenancy, the operating and  
14 nonoperating property of the company whose property is assessed  
15 hereunder shall be determined by the department of revenue in such  
16 manner as will, in its judgment, secure the separate valuation of such  
17 operating and nonoperating property upon a fair and equitable basis.  
18 The amount of operating revenue received from tenants or occupants of  
19 property of the owning company shall not be considered material in  
20 determining the classification of such property.

21 **Sec. 14.** RCW 84.12.340 and 1975 1st ex.s. c 278 s 169 are each  
22 amended to read as follows:

23 (~~(At any time between the tenth and twenty fifth days of July,~~  
24 ~~inclusive, following the making of the assessment, every company shall~~  
25 ~~be entitled on its own motion, presented to the department of revenue~~  
26 ~~before the tenth day of July, to a hearing and to present evidence~~  
27 ~~before the department of revenue,)) Following the making of an  
28 assessment, every company may present a motion for a hearing on the  
29 assessment with the department of revenue within the first ten working  
30 days of July. The hearing on this motion shall be held within ten  
31 working days following the hearing request period. During this  
32 hearing, the company may present evidence relating to the value of its  
33 operating property and to the value of other taxable property in the  
34 counties in which its operating property is situate. Upon request in  
35 writing for such hearing, the department shall appoint a time and  
36 place therefor, within the period aforesaid, the hearing to be  
37 conducted in such manner as the department shall direct. Hearings  
38 provided for in this section may be held at such times and in such~~

1 places throughout the state as the department may deem proper or  
2 necessary, may be adjourned from time to time and from place to place  
3 and may be conducted by the department of revenue or by such member or  
4 members thereof as may be duly delegated to act for it. Testimony  
5 taken (~~before less than the entire department of revenue~~) at this  
6 hearing shall be (~~reported and a transcript thereof filed with the~~  
7 ~~department of revenue prior to its decision~~) recorded.

8       **Sec. 15.** RCW 84.16.100 and 1975 1st ex.s. c 278 s 182 are each  
9 amended to read as follows:

10       Every company assessed under the provisions of this chapter shall  
11 be entitled on its own motion to a hearing and to present evidence  
12 before the department of revenue, (~~at any time between the twentieth~~  
13 ~~day of July and the fifteenth day of August~~) within the ten working  
14 days following the hearing request period, relating to the value of the  
15 operating property of such company and to the value of the other  
16 taxable property in the counties in which the operating property of  
17 such company is situate. Upon request in writing for such hearing,  
18 which must be presented to the department of revenue (~~on or before the~~  
19 ~~twentieth day~~) within the first ten working days of July following the  
20 making of the assessment, the department shall appoint a time and place  
21 therefor, within the respective periods aforesaid, the hearing to be  
22 conducted in such manner as the department shall direct. Hearings  
23 provided for in this section may be held at such times and in such  
24 places throughout the state as the department may deem proper or  
25 necessary and may be adjourned from time to time and from place to  
26 place.

27       **Sec. 16.** RCW 84.36.020 and 1975 1st ex.s. c 291 s 12 are each  
28 amended to read as follows:

29       The following real and personal property shall be exempt from  
30 taxation:

31       All lands, (~~and~~) buildings, and personal property required for  
32 necessary administration and maintenance, used, or to the extent used,  
33 exclusively for public burying grounds or cemeteries without  
34 discrimination as to race, color, national origin or ancestry;

35       All churches, personal property, and the ground, not exceeding five  
36 acres in area, upon which a church of any nonprofit recognized  
37 religious denomination is or shall be built, together with a parsonage,

1 convent, and buildings and improvements required for the maintenance  
2 and safeguarding of such property. The area exempted shall in any case  
3 include all ground covered by the church, parsonage, convent, and  
4 buildings and improvements required for the maintenance and  
5 safeguarding of such property and the structures and ground necessary  
6 for street access, parking, light, and ventilation, but the area of  
7 unoccupied ground exempted in such cases, in connection with church,  
8 parsonage, convent, and buildings and improvements required for the  
9 maintenance and safeguarding of such property, shall not exceed the  
10 equivalent of one hundred twenty by one hundred twenty feet except  
11 where additional unoccupied land may be required to conform with state  
12 or local codes, zoning, or licensing requirements. The parsonage and  
13 convent need not be on land contiguous to the church property. To be  
14 exempt the property must be wholly used for church purposes: PROVIDED,  
15 That the loan or rental of property otherwise exempt under this  
16 paragraph to a nonprofit organization, association, or corporation, or  
17 school for use for an eleemosynary activity shall not nullify the  
18 exemption provided in this paragraph if the rental income, if any, is  
19 reasonable and is devoted solely to the operation and maintenance of  
20 the property.

21 **Sec. 17.** RCW 84.36.264 and 1973 c 112 s 3 are each amended to read  
22 as follows:

23 Owners of property desiring tax exempt status pursuant to the  
24 provisions of RCW 84.36.260(~~(, as now or hereafter amended,)~~) shall  
25 make an application (~~((therefor with the assessor of the county wherein~~  
26 ~~such property is located))~~) for the exemption with the department.  
27 (~~((Prior to approval the assessor shall forward a copy of the initial~~  
28 ~~application to the department of revenue and a copy of the option))~~) If  
29 such property qualifies pursuant to RCW 84.36.260(2), (~~((as now or~~  
30 ~~hereafter amended))~~) a copy of the option shall also be submitted to the  
31 department. Such option shall clearly state the purchase price  
32 pursuant to the option or the appraisal value as determined by the  
33 department of revenue.

34 **Sec. 18.** RCW 84.36.800 and 1993 c 79 s 2 are each amended to read  
35 as follows:



1 As used in RCW 84.36.020, 84.36.030, 84.36.550, 84.36.037,  
2 84.36.040, 84.36.041, 84.36.050, 84.36.060, and 84.36.800 through  
3 84.36.865:

4 (1) "Church purposes" means the use of real and personal property  
5 owned by a nonprofit religious organization for religious worship or  
6 related administrative, educational, eleemosynary, and social  
7 activities. This definition is to be broadly construed;

8 (2) "Convent" means a house or set of buildings occupied by a  
9 community of (~~clergy~~) clergy or nuns devoted to religious life  
10 under a superior;

11 (3) "Hospital" means any portion of a hospital building, or other  
12 buildings in connection therewith, used as a residence for persons  
13 engaged or employed in the operation of a hospital, or operated as a  
14 portion of the hospital unit;

15 (4) "Nonprofit" means an organization, association or corporation  
16 no part of the income of which is paid directly or indirectly to its  
17 members, stockholders, officers, directors or trustees except in the  
18 form of services rendered by the organization, association, or  
19 corporation in accordance with its purposes and bylaws and the salary  
20 or compensation paid to officers of such organization, association or  
21 corporation is for actual services rendered and compares to the salary  
22 or compensation of like positions within the public services of the  
23 state;

24 (5) "Parsonage" means a residence occupied by a (~~clergyman who~~  
25 ~~is~~) member of the clergy who has been designated for a particular  
26 congregation and who holds regular services therefor.

27 **Sec. 19.** RCW 84.36.810 and 1993 c 79 s 4 are each amended to read  
28 as follows:

29 (1) Upon cessation of a use under which an exemption has been  
30 granted pursuant to RCW 84.36.030, 84.36.550, 84.36.037, 84.36.040,  
31 84.36.041, 84.36.043, 84.36.050, and 84.36.060, the county treasurer  
32 shall collect all taxes which would have been paid had the property not  
33 been exempt during the three years preceding, or the life of such  
34 exemption, if such be less, together with the interest at the same rate  
35 and computed in the same way as that upon delinquent property taxes(~~(÷~~  
36 ~~PROVIDED, That~~)). Where the property has been granted an exemption for  
37 more than ten years, taxes and interest shall not be assessed under  
38 this section.

1 (2) Subsection (1) of this section applies only when ownership of  
2 the property is transferred or when fifty-one percent or more of the  
3 area of the property has lost its exempt status. The additional tax  
4 under subsection (1) of this section shall not be imposed if the  
5 cessation of use resulted solely from:

6 (a) Transfer to a nonprofit organization, association, or  
7 corporation for a use which also qualifies and is granted exemption  
8 under the provisions of chapter 84.36 RCW;

9 (b) A taking through the exercise of the power of eminent domain,  
10 or sale or transfer to an entity having the power of eminent domain in  
11 anticipation of the exercise of such power;

12 (c) Official action by an agency of the state of Washington or by  
13 the county or city within which the property is located which disallows  
14 the present use of such property;

15 (d) A natural disaster such as a flood, windstorm, earthquake, or  
16 other such calamity rather than by virtue of the act of the  
17 organization, association, or corporation changing the use of such  
18 property;

19 (e) Relocation of the activity and use of another location or site  
20 except for undeveloped properties of camp facilities exempted under RCW  
21 84.36.030;

22 (f) Cancellation of a lease on property that had been exempt under  
23 RCW 84.36.040, 84.36.041, 84.36.043, or 84.36.060;

24 (g) A change in the exempt portion of a home for the aging under  
25 RCW 84.36.041(~~((+2))~~)(3), as long as some portion of the home remains  
26 exempt;

27 (h) The conversion of a full exemption of a home for the aging to  
28 a partial exemption or taxable status or the conversion of a partial  
29 exemption to taxable status under RCW 84.36.041(~~((+7))~~) (8).

30 **Sec. 20.** RCW 84.40.030 and 1993 c 436 s 1 are each amended to read  
31 as follows:

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

35 Taxable leasehold estates shall be valued at such price as they  
36 would bring at a fair, voluntary sale for cash without any deductions  
37 for any indebtedness owed including rentals to be paid.  
38 (~~Notwithstanding any other provisions of this section or of any other~~

1 ~~statute, when the value of any taxable leasehold estate created prior~~  
2 ~~to January 1, 1971 is being determined for assessment years prior to~~  
3 ~~the assessment year 1973, there shall be deducted from what would~~  
4 ~~otherwise be the value thereof the present worth of the rentals and~~  
5 ~~other consideration which may be required of the lessee by the lessor~~  
6 ~~for the unexpired term thereof: PROVIDED, That the foregoing~~  
7 ~~provisions of this sentence shall not apply to any extension or~~  
8 ~~renewal, made after December 31, 1970 of the term of any such estate,~~  
9 ~~or to any such estate after the date, if any, provided for in the~~  
10 ~~agreement for rental renegotiation.))~~

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

14 (1) Any sales of the property being appraised or similar properties  
15 with respect to sales made within the past five years. The appraisal  
16 shall be consistent with the comprehensive land use plan, development  
17 regulations under chapter 36.70A RCW, zoning, and any other  
18 governmental policies or practices in effect at the time of appraisal  
19 that affect the use of property, as well as physical and environmental  
20 influences. The appraisal shall also take into account((~~7~~)): (a) in  
21 the use of sales by real estate contract as similar sales, the extent,  
22 if any, to which the stated selling price has been increased by reason  
23 of the down payment, interest rate, or other financing terms; and (b)  
24 the extent to which the sale of a similar property actually represents  
25 the general effective market demand for property of such type, in the  
26 geographical area in which such property is located. Sales involving  
27 deed releases or similar seller-developer financing arrangements shall  
28 not be used as sales of similar property.

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

1 values the property owner shall be advised upon request of the factors  
2 used in arriving at such value.

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

8 **Sec. 21.** RCW 84.40.080 and 1973 2nd ex.s. c 8 s 1 are each amended  
9 to read as follows:

10 The assessor, upon ~~((his))~~ the assessor's own motion, or upon the  
11 application of any taxpayer, shall enter in the detail and assessment  
12 list of the current year any property shown to have been omitted from  
13 the assessment list of any preceding year, at the valuation of that  
14 year, or if not then valued, at such valuation as the assessor shall  
15 determine from the preceding year, and such valuation shall be stated  
16 in a separate line from the valuation of the current year. Where  
17 improvements have not been valued and assessed as a part of the real  
18 estate upon which the same may be located, as evidenced by the  
19 assessment rolls, they may be separately valued and assessed as omitted  
20 property under this section(~~(:—PROVIDED, That))~~). No such assessment  
21 shall be made in any case where a bona fide purchaser, encumbrancer, or  
22 contract buyer has acquired any interest in said property prior to the  
23 time such improvements are assessed. When such an omitted assessment  
24 is made, the taxes levied thereon may be paid within one year of the  
25 due date of the taxes for the year in which the assessment is made  
26 without penalty or interest(~~(:—AND PROVIDED FURTHER, That))~~). In the  
27 assessment of personal property, the assessor shall assess the omitted  
28 value not reported by the taxpayer as evidenced by an inspection of  
29 either the property or the books and records of said taxpayer by the  
30 assessor.

31 **Sec. 22.** RCW 84.40.085 and 1973 2nd ex.s. c 8 s 2 are each amended  
32 to read as follows:

33 No omitted property or omitted value assessment shall be made for  
34 any period more than three years preceding the year in which the  
35 omission is discovered. The assessor, upon discovery of such omission,  
36 shall forward a copy of the amended personal property affidavit along  
37 with a letter of particulars informing the taxpayer of the findings and

1 of ((his)) the taxpayer's right of appeal to the county board of  
2 equalization. Upon request of either the taxpayer or the assessor, the  
3 county board of equalization may be reconvened to act on ((subject  
4 omits)) the omitted property or omitted value assessments.

5 **Sec. 23.** RCW 84.40.170 and 1961 c 15 s 84.40.170 are each amended  
6 to read as follows:

7 In all cases of irregular subdivided tracts or lots of land other  
8 than any regular government subdivision the ((county)) assessor shall  
9 outline a plat of such tracts or lots and notify the owner or owners  
10 thereof with a request to have the same surveyed by the county  
11 engineer, and cause the same to be platted into numbered (or lettered)  
12 lots or tracts(~~(: PROVIDED, HOWEVER, That where)~~). If any county has  
13 in its possession the correct field notes of any such tract or lot of  
14 land a new survey shall not be necessary(~~(, but)~~) and such tracts may  
15 be mapped from such field notes. In case the owner of such tracts or  
16 lots neglects or refuses to have the same surveyed or platted, the  
17 ((county)) assessor shall notify the (~~board of county commissioners~~)  
18 county legislative authority in and for the county, who may order and  
19 direct the county engineer to make the proper survey and plat of the  
20 tracts and lots. A plat shall be made on which said tracts or lots of  
21 land shall be accurately described by lines, and numbered (or  
22 lettered), which numbers (or letters) together with number of the  
23 section, township and range shall be distinctly marked on such plat,  
24 and the field notes of all such tracts or lots of land shall describe  
25 each tract or lot according to the survey, and such tract or lot shall  
26 be numbered (or lettered) to correspond with its number (or letter) on  
27 the map. The plat shall be given a designated name by the surveyor  
28 thereof. When the survey, plat, field notes and name of plat, shall  
29 have been approved by the board of county commissioners, the plat and  
30 field notes shall be filed and recorded in the office of the county  
31 auditor, and the description of any tract or lot of land described in  
32 said plats by number (or letter), section, township and range, shall be  
33 a sufficient and legal description for revenue and all other purposes.

34 **Sec. 24.** RCW 84.40.175 and 1986 c 285 s 3 are each amended to read  
35 as follows:

36 At the time of making the assessment of real property, the assessor  
37 shall enter each description of property exempt under the provisions of

1 ((~~RCW 84.36.005 through 84.36.060~~)) chapter 84.36 RCW, and value and  
2 list the same in the manner and subject to the same rule as ((~~he~~)) the  
3 assessor is required to assess all other property, designating in each  
4 case to whom such property belongs(~~(, and for what purpose used, to~~  
5 ~~entitle it to exemption, and he shall require from every person~~  
6 ~~claiming such exemption proof of the right to such exemption:~~  
7 ~~PROVIDED, That~~)). However, with respect to publicly owned property  
8 exempt from taxation under provisions of RCW 84.36.010, the assessor  
9 shall value only such property as is leased to or occupied by a private  
10 person under an agreement allowing such person to occupy or use such  
11 property for a private purpose when a request for such valuation is  
12 received from the department of revenue or the lessee of such property  
13 for use in determining the taxable rent as provided for in chapter  
14 82.29A RCW: PROVIDED FURTHER, That this section shall not prohibit any  
15 assessor from valuing any public property leased to or occupied by a  
16 private person for private purposes.

17 **Sec. 25.** RCW 84.40.230 and 1961 c 15 s 84.40.230 are each amended  
18 to read as follows:

19 When any real property is sold on contract by the United States of  
20 America, the state, or any county or municipality, and ((~~such~~)) the  
21 contract expresses or implies that the vendee is entitled to the  
22 possession, use, benefits and profits thereof and therefrom so long as  
23 ((~~he~~)) the vendee complies with the terms of ((~~such~~)) the contract, it  
24 shall be deemed that the vendor retains title merely as security for  
25 the fulfillment of the contract, and ((~~such~~)) the property shall be  
26 assessed and taxed in the same manner as other similar property in  
27 private ownership is taxed, and the tax roll shall contain, opposite  
28 the description of the property so assessed the following notation:  
29 "Subject to title remaining in the vendor" or other notation of similar  
30 significance. No foreclosure for delinquent taxes nor any deed issued  
31 pursuant thereto shall extinguish or otherwise affect the title of the  
32 vendor. In any case under former law where the contract and not the  
33 property was taxed no deed of the property described in such contract  
34 shall ever be executed and delivered by the state or any county or  
35 municipality until all taxes assessed against such contract and local  
36 assessments assessed against the land described thereon are fully paid.

1       **Sec. 26.** RCW 84.48.022 and 1970 ex.s. c 55 s 5 are each amended to  
2 read as follows:

3       All meetings of the board of equalization shall be held at the  
4 county courthouse, or other suitable place within the county, and the  
5 (~~board of county commissioners~~) county legislative authority shall  
6 make provision for a suitable meeting place.

7       **Sec. 27.** RCW 84.48.026 and 1970 ex.s. c 55 s 6 are each amended to  
8 read as follows:

9       The terms of each appointed member of the board shall be for three  
10 years or until their successors are appointed(~~(: PROVIDED, HOWEVER,)~~).  
11 Each appointed member may be removed by a majority vote of the (~~county~~  
12 ~~commissioners or other~~) county legislative (~~body~~) authority.

13       **Sec. 28.** RCW 84.48.028 and 1970 ex.s. c 55 s 7 are each amended to  
14 read as follows:

15       The board may appoint a clerk of the board and any assistants the  
16 board might need, all to serve at the pleasure of the members of the  
17 board, and the clerk or (~~his~~) assistant(~~(-)~~) shall attend all  
18 sessions thereof, and shall keep the record. Neither the assessor nor  
19 any of (~~his~~) the assessor's staff may serve as clerk.

20       **Sec. 29.** RCW 84.48.032 and 1970 ex.s. c 55 s 8 are each amended to  
21 read as follows:

22       The board may hire one or more appraisers accredited by the  
23 department of revenue or certified ((as such)) by the Washington state  
24 department of (~~personnel~~) licensing, society of real estate  
25 appraisers, American institute of real estate appraisers, or  
26 international association of assessing officers, and not otherwise  
27 employed by the county, and other necessary personnel for the purpose  
28 of aiding the board and carrying out its functions and duties. In  
29 addition, the boards of the various counties may make reciprocal  
30 arrangements for the exchange of the appraisers with other counties.  
31 Such appraisers need not be residents of the county.

32       **Sec. 30.** RCW 84.48.036 and 1970 ex.s. c 55 s 9 are each amended to  
33 read as follows:

34       The county (~~commissioners~~) legislative authority may provide an  
35 adequate annual budget and funds for operation and needs of the board

1 of equalization, including, but not limited to the costs and expenses  
2 of the board, such as the meeting place, the necessary equipment and  
3 facilities, materials, the salaries of the clerk of the board and  
4 ~~((his))~~ the clerk's assistants, the expenses of the members of the  
5 board during the sessions, travel, in-service training, and payment of  
6 salaries of all such employees hired by the board, to facilitate its  
7 work.

8 **Sec. 31.** RCW 84.48.050 and 1961 c 15 s 84.48.050 are each amended  
9 to read as follows:

10 The county assessor shall, on or before the fifteenth day of  
11 January in each year, make out and transmit to the state auditor, in  
12 such form as may be prescribed, a complete abstract of the tax rolls of  
13 the county, showing the number of acres of land assessed, the value of  
14 such land, including the structures thereon; the value of town and city  
15 lots, including structures; the total value of all taxable personal  
16 property in the county; the aggregate amount of all taxable property in  
17 the county; the total amount as equalized and the total amount of taxes  
18 levied in the county for state, county, city and other taxing district  
19 purposes, for that year. Should the assessor of any county fail to  
20 transmit to the ~~((state board of equalization))~~ department of revenue  
21 the abstract provided for in RCW 84.48.010 ~~((by the time the state~~  
22 ~~board of equalization convenes))~~, and if, by reason of such failure to  
23 transmit such abstract, any county shall fail to collect and pay to the  
24 state its due proportion of the state tax for any year, the ~~((state~~  
25 ~~board of equalization))~~ department of revenue shall~~((, at its next~~  
26 ~~annual session,))~~ ascertain what amount of state tax said county has  
27 failed to collect, and certify the same to the state auditor, who shall  
28 charge the amount to the proper county and notify the auditor of said  
29 county of the amount of said charge; said sum shall be due and payable  
30 immediately by warrant in favor of the state on the current expense  
31 fund of said county.

32 **Sec. 32.** RCW 84.48.110 and 1987 c 168 s 1 are each amended to read  
33 as follows:

34 ~~((Within three days after the record of the proceedings of the~~  
35 ~~state board of equalization is certified by the director of the~~  
36 ~~department))~~ After certifying the record of the proceedings of the  
37 department in accordance with RCW 84.48.080, the department shall



1 transmit to each county assessor a copy of the record of the  
2 proceedings of the (~~board~~) department, specifying the amount to be  
3 levied and collected (~~on said assessment books~~) for state purposes  
4 for such year, and in addition thereto it shall certify to each county  
5 assessor the amount due to each state fund and unpaid from such county  
6 for the fifth preceding year, and such delinquent state taxes shall be  
7 added to the amount levied for the current year. The department shall  
8 close the account of each county for the fifth preceding year and  
9 charge the amount of such delinquency to the tax levy of the current  
10 year. These delinquent taxes shall not be subject to chapter 84.55  
11 RCW. All taxes collected on and after the first day of July last  
12 preceding such certificate, on account of delinquent state taxes for  
13 the fifth preceding year shall belong to the county and by the county  
14 treasurer be credited to the current expense fund of the county in  
15 which collected.

16 **Sec. 33.** RCW 84.48.120 and 1987 c 168 s 2 are each amended to read  
17 as follows:

18 It shall be the duty of the (~~county~~) assessor of each county,  
19 when (~~he~~) the assessor shall have received from the state department  
20 of revenue the assessed valuation of the property of railroad and other  
21 companies assessed by the department of revenue and apportioned to the  
22 county, and placed the same on the tax rolls, and received the report  
23 of the department of revenue of the amount of taxes levied for state  
24 purposes, to compute the required percent on the assessed value of  
25 property in the county, and such state taxes shall be extended on the  
26 tax rolls (~~in the proper column: PROVIDED, That~~). The rates so  
27 computed shall not be such as to raise a surplus of more than five  
28 percent over the total amount required by the (~~state board of~~  
29 equalization: PROVIDED FURTHER, That) department. Any surplus raised  
30 shall be remitted to the state in accordance with RCW 84.56.280.

31 **Sec. 34.** RCW 84.48.130 and 1975 1st ex.s. c 278 s 207 are each  
32 amended to read as follows:

33 It shall be the duty of the (~~county~~) assessor of each county,  
34 when (~~he~~) the assessor shall have received from the state department  
35 of revenue the certificate of the assessed valuation of the property of  
36 railroad and/or other companies assessed by the department of revenue  
37 and apportioned to the county, and shall have distributed the value so

1 certified (~~to him~~), to the several taxing districts in (~~his~~) the  
2 county entitled to a proportionate value thereof, and placed the same  
3 upon the tax rolls of the county, to certify to the (~~board of county~~  
4 ~~commissioners~~) county legislative authority and to the officers  
5 authorized by law to estimate expenditures and/or levy taxes for any  
6 taxing district coextensive with the county, the total assessed value  
7 of property in the county as shown by the completed tax rolls, and to  
8 certify to the officers authorized by law to estimate expenditures  
9 and/or levy taxes for each taxing district in the county not  
10 coextensive with the county, the total assessed value of the property  
11 in such taxing district.

12 **Sec. 35.** RCW 84.48.140 and 1971 ex.s. c 288 s 11 are each amended  
13 to read as follows:

14 The county (~~commissioners or governing board~~) legislative  
15 authority of any county may designate one or more persons to act as a  
16 property tax advisor to any person liable for payment of property taxes  
17 in the county. A person designated as a property tax advisor shall not  
18 be an employee of the assessor's office or have been associated in any  
19 way with the determination of any valuation of property for taxation  
20 purposes that may be the subject of an appeal. A person designated as  
21 a property tax advisor may be compensated on a fee basis or as an  
22 employee by the county from any funds available to the county for use  
23 in property evaluation including funds available from the state for use  
24 in the property tax revaluation program.

25 The property tax advisor shall perform such duties as may be set  
26 forth by resolution of the county (~~commissioners or other governing~~)  
27 legislative authority.

28 If any (~~board of county commissioners~~) county legislative  
29 authority elects to designate a property tax advisor, (~~they~~) it shall  
30 publicize the services available.

31 **Sec. 36.** RCW 84.52.010 and 1993 c 337 s 4 are each amended to read  
32 as follows:

33 Except as is permitted under RCW 84.55.050, all taxes shall be  
34 levied or voted in specific amounts.

35 The rate percent of all taxes for state and county purposes, and  
36 purposes of taxing districts coextensive with the county, shall be  
37 determined, calculated and fixed by the county assessors of the

1 respective counties, within the limitations provided by law, upon the  
2 assessed valuation of the property of the county, as shown by the  
3 completed tax rolls of the county, and the rate percent of all taxes  
4 levied for purposes of taxing districts within any county shall be  
5 determined, calculated and fixed by the county assessors of the  
6 respective counties, within the limitations provided by law, upon the  
7 assessed valuation of the property of the taxing districts  
8 respectively.

9 When a county assessor finds that the aggregate rate of tax levy on  
10 any property, that is subject to the limitations set forth in RCW  
11 84.52.043 or 84.52.050, as now or hereafter amended, exceeds the  
12 limitations provided in either of these sections, the assessor shall  
13 recompute and establish a consolidated levy in the following manner:

14 (1) The full certified rates of tax levy for state, county, county  
15 road district, and city or town purposes shall be extended on the tax  
16 rolls in amounts not exceeding the limitations established by law(~~(7~~  
17 ~~subject to subsection (2)(e) of this section)~~); however any state levy  
18 shall take precedence over all other levies and shall not be reduced  
19 for any purpose other than that required by RCW 84.55.010; however, if  
20 as a result of the levies imposed under RCW 84.52.069, 84.34.230, and  
21 84.52.105, the combined rates of regular property tax levies exceed one  
22 percent of the true and fair value of any property, then the levies  
23 imposed under RCW 84.34.230 and 84.52.105, and any portion of the levy  
24 imposed under RCW 84.52.069 that is in excess of thirty cents per  
25 thousand dollars of assessed value, shall be reduced on a pro rata  
26 basis or eliminated until the combined rates of regular property tax  
27 levies no longer exceed one percent of the true and fair value of any  
28 property; and

29 (2) The certified rates of tax levy subject to these limitations by  
30 all junior taxing districts imposing taxes on such property shall be  
31 reduced or eliminated as follows to bring the consolidated levy of  
32 taxes on such property within the provisions of these limitations:

33 (a) First, the certified property tax levy rates of those junior  
34 taxing districts authorized under RCW 36.68.525, 36.69.145, and  
35 67.38.130 shall be reduced on a pro rata basis or eliminated;

36 (b) Second, if the consolidated tax levy rate still exceeds these  
37 limitations, the certified property tax levy rates of flood control  
38 zone districts shall be reduced on a pro rata basis or eliminated;

1 (c) Third, if the consolidated tax levy rate still exceeds these  
2 limitations, the certified property tax levy rates of all other junior  
3 taxing districts, other than fire protection districts, library  
4 districts, the first fifty cent per thousand dollars of assessed  
5 valuation levies for metropolitan park districts, and the first fifty  
6 cent per thousand dollars of assessed valuation levies for public  
7 hospital districts, shall be reduced on a pro rata basis or eliminated;

8 (d) Fourth, if the consolidated tax levy rate still exceeds these  
9 limitations, the certified property tax levy rates authorized to fire  
10 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced  
11 on a pro rata basis or eliminated; and

12 (e) Fifth, if the consolidated tax levy rate still exceeds these  
13 limitations, the certified property tax levy rates authorized for fire  
14 protection districts under RCW 52.16.130, library districts,  
15 metropolitan park districts under their first fifty cent per thousand  
16 dollars of assessed valuation levy, and public hospital districts under  
17 their first fifty cent per thousand dollars of assessed valuation levy,  
18 shall be reduced on a pro rata basis or eliminated.

19 **Sec. 37.** RCW 84.52.018 and 1989 c 378 s 15 are each amended to  
20 read as follows:

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

31 When the state board of tax appeals or court of competent  
32 jurisdiction makes its final determination, the proper amount of tax  
33 shall be extended and collected for each taxing district if this has  
34 not already been done. The amount of tax collected and extended shall  
35 include interest at the rate of nine percent per year on the amount of  
36 the board's final determination minus the amount not in controversy.  
37 The interest shall accrue from the date the taxes on the amount not in  
38 controversy (~~was~~) were first due and payable. Any amount extended in

1 excess of that permitted by chapter 84.55 RCW shall be held in abeyance  
2 and used to reduce the levy rates of the next succeeding levy.

3 **Sec. 38.** RCW 84.52.030 and 1961 c 15 s 84.52.030 are each amended  
4 to read as follows:

5 For the purpose of raising revenue for state, county and other  
6 taxing district purposes, the ((~~board of county commissioners~~)) county  
7 legislative authority of each county at its October session, and all  
8 other officials or boards authorized by law to levy taxes for taxing  
9 district purposes, shall levy taxes on all the taxable property in the  
10 county or district, as the case may be, sufficient for such purposes,  
11 and within the limitations permitted by law.

12 **Sec. 39.** RCW 84.60.050 and 1971 ex.s. c 260 s 2 are each amended  
13 to read as follows:

14 (1) When real property is acquired by purchase or condemnation by  
15 the state of Washington, any county or municipal corporation or is  
16 placed under a recorded agreement for immediate possession and use or  
17 an order of immediate possession and use pursuant to RCW 8.04.090, such  
18 property shall continue to be subject to the tax lien for the years  
19 prior to the year in which the property is so acquired or placed under  
20 such agreement or order, of any tax levied by the state, county,  
21 municipal corporation or other tax levying public body, except as is  
22 otherwise provided in RCW 84.60.070.

23 (2) The lien for taxes applicable to the real property being  
24 acquired or placed under immediate possession and use for the year in  
25 which such real property is so acquired or placed under immediate  
26 possession and use shall be for only the pro rata portion of taxes  
27 allocable to that portion of the year prior to the date of execution of  
28 the instrument vesting title, date of recording such agreement of  
29 immediate possession and use, date of such order of immediate  
30 possession and use, or date of judgment. No taxes levied or tax lien  
31 on such property allocable to a period subsequent to the dates  
32 identified in this subsection shall be valid and any such taxes levied  
33 shall be canceled as provided in RCW ((~~84.56.400~~)) 84.48.065. In the  
34 event the owner has paid taxes allocable to that portion of the year  
35 subsequent to the dates identified in this subsection he or she shall  
36 be entitled to a pro rata refund of the amount paid on the property so  
37 acquired or placed under a recorded agreement or an order of immediate

1 possession and use. If the dates identified in this subsection precede  
2 February 15th of the year in which such taxes become payable, no lien  
3 for such taxes shall be valid and any such taxes levied but not payable  
4 shall be canceled as provided in RCW ((84.56.400)) 84.48.065.

5 **Sec. 40.** RCW 84.68.020 and 1961 c 15 s 84.68.020 are each amended  
6 to read as follows:

7 In all cases of the levy of taxes for public revenue which are  
8 deemed unlawful or excessive by the person, firm or corporation whose  
9 property is taxed, or from whom such tax is demanded or enforced, such  
10 person, firm or corporation may pay such tax or any part thereof deemed  
11 unlawful, under written protest setting forth all of the grounds upon  
12 which such tax is claimed to be unlawful or excessive; and thereupon  
13 the person, firm or corporation so paying, or ((his or its)) their  
14 legal representatives or assigns, may bring an action in the superior  
15 court or in any federal court of competent jurisdiction against the  
16 state, county or municipality by whose officers the same was collected,  
17 to recover such tax, or any portion thereof, so paid under protest:  
18 PROVIDED, That RCW 84.68.010 through 84.68.070 shall not be deemed to  
19 enlarge the grounds upon which taxes may now be recovered: AND  
20 PROVIDED FURTHER, That no claim need be presented to the state or  
21 county or municipality, or any of their respective officers, for the  
22 return of such protested tax as a condition precedent to the  
23 institution of such action.

24 **Sec. 41.** RCW 84.68.090 and 1961 c 15 s 84.68.090 are each amended  
25 to read as follows:

26 In all actions for the recovery of lands or other property sold for  
27 taxes, the complainant must state and set forth specially in ((his))  
28 the complaint the tax that is justly due, with penalties, interest and  
29 costs, that the taxes for that and previous years have been paid; and  
30 when the action is against the person or corporation in possession  
31 thereof that all taxes, penalties, interest and costs paid by the  
32 purchaser at tax-sale, ((his)) the purchaser's assignees or grantees  
33 have been fully paid or tendered, and payment refused.

34 NEW SECTION. **Sec. 42.** The following acts or parts of acts are  
35 each repealed:

1 (1) RCW 84.24.010 and 1975 1st ex.s. c 278 s 184 & 1961 c 15 s  
2 84.24.010;

3 (2) RCW 84.24.020 and 1961 c 15 s 84.24.020;

4 (3) RCW 84.24.030 and 1985 c 469 s 64, 1975 1st ex.s. c 278 s 185,  
5 & 1961 c 15 s 84.24.030;

6 (4) RCW 84.24.040 and 1975 1st ex.s. c 278 s 186 & 1961 c 15 s  
7 84.24.040;

8 (5) RCW 84.24.050 and 1975 1st ex.s. c 278 s 187 & 1961 c 15 s  
9 84.24.050;

10 (6) RCW 84.24.060 and 1961 c 15 s 84.24.060; and

11 (7) RCW 84.24.070 and 1989 c 378 s 27 & 1961 c 15 s 84.24.070.

Passed the House February 9, 1994.

Passed the Senate March 4, 1994.

Approved by the Governor March 28, 1994.

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