
HOUSE BILL 2277

State of Washington

54th Legislature

1996 Regular Session

By Representatives Hargrove, McMahan, Goldsmith, Pelesky, Mulliken and Johnson

Read first time 01/09/96. Referred to Committee on Finance.

1 AN ACT Relating to property taxes; amending RCW 84.41.050 and
2 84.55.010; adding new sections to chapter 84.40 RCW; adding new
3 sections to chapter 84.41 RCW; adding a new section to chapter 84.44
4 RCW; adding a new section to chapter 84.48 RCW; adding a new section to
5 chapter 84.52 RCW; adding a new section to chapter 84.55 RCW; creating
6 a new section; and repealing RCW 84.41.030, 84.41.041, 84.41.070, and
7 84.41.130.

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

9 NEW SECTION. **Sec. 1.** This act may be referred to as the Property
10 Tax Relief Act.

11 NEW SECTION. **Sec. 2.** The legislature of the state of Washington
12 finds and declares:

13 (1) Real property taxes should be stabilized, uniform, and
14 predictable.

15 (2) The 1995 assessed value of real property shall constitute the
16 standard for determining true and fair value for taxation purposes.

17 (3) This act's limitation of assessed valuation to the 1995 base
18 year and limiting increases to a two percent inflation rate is a fair

1 method, as determined by the CPI, of determining assessed valuation.
2 This method applies to every parcel of real property in this state and
3 operates in an orderly, simple, systematic, nondiscriminatory, and
4 uniform manner.

5 (4) This act's limitation on assessed valuation is consistent with
6 the existing one percent limitation on true and fair value in the
7 Constitution. This act guarantees that the constitutional limit on
8 property taxes will not be breached.

9 NEW SECTION. **Sec. 3.** For the purposes of chapters 84.40, 84.41,
10 84.44, 84.48, 84.52, and 84.55 RCW, "true and fair value" and "value"
11 mean:

12 (1) The fair market value of all property in 1995, as assessed;

13 (2) The 1995 value of any new construction or new improvements to
14 real property; and

15 (3) An inflationary rate not to exceed two percent for any given
16 year or a reduction to reflect decline in value.

17 NEW SECTION. **Sec. 4.** Assessors shall revalue all real property to
18 1995 values before taxes for collection in 1999 are levied.

19 NEW SECTION. **Sec. 5.** For the purposes of section 3 of this act,
20 new construction or new improvements shall not include any
21 construction, installation, or modification required by any unit of
22 government for any purpose, including but not limited to health and
23 safety.

24 NEW SECTION. **Sec. 6.** The method of determining true and fair
25 value for real property in RCW 84.40.030 and for timberland in RCW
26 84.40.033 shall be used for determination of the 1995 true and fair
27 value. Thereafter, true and fair value shall be determined under
28 section 3 of this act.

29 NEW SECTION. **Sec. 7.** A new section is added to chapter 84.41 RCW
30 to read as follows:

31 The requirements in this chapter for an active program of
32 revaluation shall terminate once all property is revalued at 1995
33 values. Thereafter, county assessors shall maintain an active and
34 systematic program of revaluing only new construction or new

1 improvements to real property to determine 1995 values of such new
2 construction and new improvements.

3 NEW SECTION. **Sec. 8.** A new section is added to chapter 84.41 RCW
4 to read as follows:

5 The definitions in section 3 of this act apply to this chapter.

6 NEW SECTION. **Sec. 9.** A new section is added to chapter 84.44 RCW
7 to read as follows:

8 The definitions in section 3 of this act apply to this chapter.

9 NEW SECTION. **Sec. 10.** A new section is added to chapter 84.48 RCW
10 to read as follows:

11 The definitions in section 3 of this act apply to this chapter.

12 NEW SECTION. **Sec. 11.** A new section is added to chapter 84.52 RCW
13 to read as follows:

14 The definitions in section 3 of this act apply to this chapter.

15 NEW SECTION. **Sec. 12.** A new section is added to chapter 84.55 RCW
16 to read as follows:

17 The definitions in section 3 of this act apply to this chapter.

18 **Sec. 13.** RCW 84.41.050 and 1961 c 15 s 84.41.050 are each amended
19 to read as follows:

20 (~~Each county assessor in budgets hereafter submitted, shall make~~
21 ~~adequate provision to effect county wide revaluations as herein~~
22 ~~directed.)) The several boards of county commissioners in passing upon
23 budgets submitted by the several assessors, shall authorize and levy
24 amounts which in the judgment of the boards will suffice to carry out
25 the directions of this chapter.~~

26 **Sec. 14.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended
27 to read as follows:

28 Except as provided in this chapter, the levy for a taxing district
29 in any year shall (~~be set so that the regular property taxes payable~~
30 ~~in the following year shall)) not exceed one hundred six percent of the
31 amount of regular property taxes lawfully levied for such district in
32 the highest of the three most recent years in which such taxes were~~

1 levied for such district plus an additional dollar amount calculated by
2 multiplying the increase in assessed value in that district resulting
3 from new construction, improvements to property, and any increase in
4 the assessed value of state-assessed property by the regular property
5 tax levy rate of that district for the preceding year. The limit under
6 this section on regular property taxes payable is reduced in 1997 to
7 one hundred five percent, reduced in 1998 to one hundred four percent,
8 and reduced in 1999 to one hundred two percent, and that one hundred
9 two percent limit shall remain the limit thereafter.

10 NEW SECTION. **Sec. 15.** The following acts or parts of acts are
11 each repealed:

12 (1) RCW 84.41.030 and 1982 1st ex.s. c 46 s 1, 1971 ex.s. c 288 s
13 6, & 1961 c 15 s 84.41.030;

14 (2) RCW 84.41.041 and 1987 c 319 s 4, 1982 1st ex.s. c 46 s 2, 1979
15 ex.s. c 214 s 9, & 1974 ex.s. c 131 s 2;

16 (3) RCW 84.41.070 and 1994 c 301 s 40, 1975 1st ex.s. c 278 s 198,
17 & 1961 c 15 s 84.41.070; and

18 (4) RCW 84.41.130 and 1974 1st ex.s. c 278 s 203 & 1961 c 15 s
19 84.41.130.

20 NEW SECTION. **Sec. 16.** Sections 1 through 6 of this act are each
21 added to chapter 84.40 RCW.

22 NEW SECTION. **Sec. 17.** In order to assure that the long-term
23 stability of the valuation system established in this act is not
24 subject to repeated statutory changes, the legislature shall propose
25 any changes as may be necessary by amendment to the state Constitution
26 pursuant to its authority in Article XXIII of the state Constitution.

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