
SUBSTITUTE SENATE BILL 5574

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senator Horn)

Read first time 03/05/97.

1 AN ACT Relating to property tax reform; amending RCW 84.40.045,
2 84.56.050, 84.52.054, 84.56.020, 84.41.030, 84.41.041, and 84.40.0301;
3 adding a new section to chapter 84.41 RCW; creating new sections;
4 repealing RCW 84.56.022; and prescribing penalties.

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

6 **PART I**

7 **FULL PROPERTY TAX DISCLOSURE**

8 **Sec. 101.** RCW 84.40.045 and 1994 c 301 s 36 are each amended to
9 read as follows:

10 (1) The assessor shall give notice of any change in the true and
11 fair value of real property for the tract or lot of land and any
12 improvements thereon no later than thirty days after appraisal(~~(=~~
13 ~~PROVIDED, That)~~). However, no such notice shall be mailed during the
14 period from January 15 to February 15 of each year(~~(=~~—~~PROVIDED~~
15 ~~FURTHER, That)~~). In addition, no notice need be sent with respect to
16 changes in valuation of forest land made pursuant to chapter 84.33 RCW.

17 (2) The notice shall contain the following information and this
18 information shall be separately stated on the notice:

1 (a) A statement of both the prior and the new true and fair value
2 ((and)), stating separately land and improvement values;

3 (b) The ratio of the assessed value to the true and fair value on
4 which the assessment of the property is based((, stating separately
5 land and improvement values, and));

6 (c) A brief statement of the procedure for appeal to the board of
7 equalization and the time, date, and place of the meetings of the
8 board;

9 (d) A statement informing the taxpayer that the taxpayer may call
10 the county to request a copy of the property tax statement that is
11 issued under RCW 84.56.050. The copy of the property tax notice shall
12 clearly state in bold-face type that it is not a bill and is for
13 informational purposes only; and

14 (e) A statement that information concerning the zoning and other
15 land use restrictions on the property may be obtained by calling the
16 city or county planning department.

17 (3) The notice shall be mailed by the assessor to the taxpayer.
18 For the purposes of this section, "taxpayer" means any person charged,
19 or whose property is charged, with property tax.

20 (4) If any taxpayer, as shown by the tax rolls, holds solely a
21 security interest in the real property which is the subject of the
22 notice, pursuant to a mortgage, contract of sale, or deed of trust,
23 such taxpayer shall((, upon written request of the assessor,))
24 supply((, within thirty days of receipt of such request,)) to the
25 assessor for the county in which the parcel is located the name and
26 address of the person making payments for property tax purposes
27 pursuant to the mortgage, contract of sale, or deed of trust, and
28 thereafter such person shall also receive a copy of the notice provided
29 for in this section. Willful failure to comply with ((such request
30 within the time limitation provided for herein shall)) this subsection
31 makes such taxpayer subject to a maximum civil penalty of five dollars
32 for each parcel of real property in which it holds the security
33 interest, the aggregate of such penalties in any one year not to exceed
34 five thousand dollars. The penalties provided for ((herein)) in this
35 subsection shall be recoverable in an action by the county prosecutor,
36 and when recovered shall be deposited in the county current expense
37 fund. ((The assessor shall make the request provided for by this
38 section during the month of January.))

1 **Sec. 102.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to
2 read as follows:

3 (1) On receiving the tax rolls the county treasurer shall post all
4 real and personal property taxes from the rolls to the treasurer's tax
5 roll, and shall carry forward to the current tax rolls a memorandum of
6 all delinquent taxes on each and every description of property, and
7 enter the same on the property upon which the taxes are delinquent
8 showing the amounts for each year.

9 (2) The treasurer shall notify each taxpayer in the county, at the
10 expense of the county, of the amount of the real and personal
11 property(~~(, and the current and delinquent amount of tax due on the~~
12 ~~same; and the treasurer shall have printed on the notice the name of~~
13 ~~each tax and the levy made on the same)) taxes due and payable. The
14 notice mailed to the taxpayer shall at a minimum contain the following
15 information and this information must be separately stated on the
16 notice:~~

17 (a) The name and address of the taxpayer;

18 (b) The name, address, and telephone number of the county issuing
19 the notice;

20 (c) The parcel number as noted in the county records;

21 (d) The property address if one exists, or the abbreviated legal
22 description;

23 (e) The year for which the taxes are due;

24 (f) The assessed valuation of the parcel's land value and
25 improvement value, and the assessment year, determined by the county
26 assessor's office;

27 (g) Current billing information containing each type of taxing
28 jurisdiction levying a tax on the identified parcel, and the total
29 amount due for each type of taxing jurisdiction:

30 (i) As a result of regular property taxes, expressed as a dollar
31 amount; and

32 (ii) As a result of the aggregate of all voter-approved levies,
33 including special levies and assessments, expressed as a dollar amount;

34 (h) The total taxes due and payable from the taxpayer, including
35 any delinquent taxes when included and any interest or penalties due as
36 of a specific future date. The treasurer shall include a phone number
37 for current interest and penalty calculations; and

38 (i) A notice of the payment due dates and possible delinquency
39 penalties and interest.

1 (3) In any county where the county treasurer includes multiple
2 parcels of land on a combined tax statement to a single owner, the
3 county treasurer is not required to comply with subsection (2)(d) and
4 (g) of this section. A taxpayer may request a separate tax statement
5 on any or all parcels. The county treasurer shall be the sole
6 collector of all delinquent taxes and all other taxes due and
7 collectible on the tax rolls of the county(~~;~~ ~~PROVIDED, That~~)).

8 (4) For the purposes of this section, the term "taxpayer" (~~as used~~
9 in this section shall)) means any person charged, or whose property is
10 charged, with property tax(~~;~~ ~~and~~)).

11 (5) The person to be notified under subsection (2) of this section
12 is (~~that~~) the person whose name appears on the tax rolls (~~herein~~
13 mentioned: ~~PROVIDED, FURTHER, That~~) of the county issuing the notice.
14 If no name so appears the person to be notified is that person shown by
15 the treasurer's tax rolls or duplicate tax receipts of any preceding
16 year as the payer of the tax last paid on the property in question.

17 (6) The name of the state property tax levy for the support of the
18 common schools shall be entitled "state property tax levy" and shall
19 not indicate its use for the support of the common schools.

20 **Sec. 103.** RCW 84.52.054 and 1986 c 133 s 2 are each amended to
21 read as follows:

22 (1) Any ballot proposition submitted to the voters requesting the
23 additional tax provided for in (~~subparagraph (a) of the seventeenth~~
24 amendment to)) Article VII, section 2 (a) and (b) of the state
25 Constitution (~~as amended by Amendment 59 and as thereafter amended,~~)
26 and specifically authorized by RCW 84.52.052, (~~as now or hereafter~~
27 amended, and RCW)) 84.52.053 (~~and~~), 84.52.0531, and 84.52.056, or any
28 other proposition submitted to the voters for regular or excess
29 property tax levies shall (~~be set forth in terms of dollars on the~~
30 ballot of the proposition to be submitted to the voters, together with
31 an estimate of the dollar rate of tax levy that will be required to
32 produce the dollar amount; and)) contain the following information in
33 the official ballot title submitted to the voters:

34 (a) The total dollar amount proposed to be collected during the
35 entire period of the levy;

36 (b) An estimate of the dollar rate of the tax levy that will be
37 required for each one thousand dollars of assessed value to produce the
38 total dollar amount proposed in (a) of this subsection;

1 (c) An estimate of the total tax liability for one hundred thousand
2 dollars of taxable value based on the estimated dollar amount of tax
3 levy in (b) of this subsection; and

4 (d) A statement of the proposed use or uses of the tax levies
5 requested.

6 (2) Any ballot proposition submitted to the voters requesting the
7 additional tax provided for in Article VII, section 2 (a) and (b) of
8 the state Constitution and specifically authorized by RCW 84.52.052,
9 84.52.053, 84.52.0531, and 84.52.056, or any other proposition
10 submitted to the voters for regular or excess property tax levies
11 lasting longer than one year shall contain the following information in
12 the official ballot title submitted to the voters:

13 (a) The total dollar amount proposed to be collected during the
14 entire period of the levy;

15 (b) The total dollar amount proposed to be collected during each
16 year of the period for which the tax levy is proposed. The total
17 dollar amount for each annual levy in the period may be equal or in
18 different amounts;

19 (c) An estimate of the dollar rate of the tax levy that will be
20 required for each one thousand dollars of assessed value to produce the
21 total dollar amounts proposed in (b) of this subsection;

22 (d) An estimate of the total tax liability for one hundred thousand
23 dollars of taxable value based on the estimated dollar amount of tax
24 levy in (b) of this subsection; and

25 (e) A statement of the proposed use or uses of the tax levies
26 requested.

27 (3) The county assessor, in spreading ((this)) any voter-approved
28 tax upon the rolls, shall determine the eventual dollar rate required
29 to produce the amount of dollars so voted upon, regardless of the
30 estimate of dollar rate of tax levy carried in ((said)) the
31 proposition. ((In the case of a school district proposition for a
32 particular period, the dollar amount and the corresponding estimate of
33 the dollar rate of tax levy shall be set forth for each of the years in
34 that period. The dollar amount for each annual levy in the particular
35 period may be equal or in different amounts.))

36 NEW SECTION. Sec. 104. RCW 84.56.022 and 1995 c 180 s 1 & 1994 c
37 301 s 48 are each repealed.

PART II

REVISED BILLING PROCEDURES

1
2
3 **Sec. 201.** RCW 84.56.020 and 1996 c 153 s 1 are each amended to
4 read as follows:

5 (1) The county treasurer shall be the receiver and collector of all
6 taxes extended upon the tax rolls of the county, whether levied for
7 state, county, school, bridge, road, municipal or other purposes, and
8 also of all fines, forfeitures or penalties received by any person or
9 officer for the use of his or her county.

10 All taxes upon real and personal property made payable by the
11 provisions of this title shall be due and payable to the county
12 treasurer on or before the thirtieth day of April and, except as
13 provided in this section, shall be delinquent after that date.

14 (2) Each tax statement shall include a notice that checks for
15 payment of taxes due under this title may be made payable to "Treasurer
16 of County" or other appropriate office, but tax statements
17 shall not include any suggestion that checks may be made payable to the
18 name of the individual holding the office of treasurer nor any other
19 individual.

20 (3) When the total amount of tax or special assessments on personal
21 property or on any lot, block or tract of real property payable by one
22 person is fifty dollars or more, and if one-half of such tax be paid on
23 or before the thirtieth day of April, the remainder of such tax shall
24 be due and payable on or before the thirty-first day of October
25 following and shall be delinquent after that date.

26 (4) When the total amount of tax or special assessments on any lot,
27 block or tract of real property or on any mobile home payable by one
28 person is fifty dollars or more, and if one-half of such tax be paid
29 after the thirtieth day of April but before the thirty-first day of
30 October, together with the applicable interest and penalty on one-half
31 of the full amount of tax payable for that year, the remainder of such
32 tax shall be due and payable on or before the thirty-first day of
33 October following and shall be delinquent after that date.

34 (5) Delinquent taxes under this section are subject to interest at
35 the rate of twelve percent per annum computed on a monthly basis on the
36 full year amount of tax unpaid from the date of delinquency until paid.
37 Interest shall be calculated at the rate in effect at the time of
38 payment of the tax, regardless of when the taxes were first delinquent.

1 In addition, delinquent taxes under this section are subject to
2 penalties as follows:

3 (a) A penalty of three percent of the full year amount of tax
4 unpaid shall be assessed on the tax delinquent on June 1st of the year
5 in which the tax is due.

6 (b) An additional penalty of eight percent shall be assessed on the
7 amount of tax delinquent on December 1st of the year in which the tax
8 is due.

9 ~~(6) ((Subsection (5) of this section notwithstanding, no interest
10 or penalties may be assessed for the period April 30, 1996, through
11 December 31, 1996, on delinquent taxes imposed in 1995 for collection
12 in 1996 which are imposed on the personal residences owned by military
13 personnel who participated in the situation known as "Joint Endeavor."~~

14 ~~(7))~~ For purposes of this chapter, "interest" means both interest
15 and penalties.

16 ~~((8))~~ (7) All collections of interest on delinquent taxes shall
17 be credited to the county current expense fund; but the cost of
18 foreclosure and sale of real property, and the fees and costs of
19 distraint and sale of personal property, for delinquent taxes, shall,
20 when collected, be credited to the operation and maintenance fund of
21 the county treasurer prosecuting the foreclosure or distraint or sale;
22 and shall be used by the county treasurer as a revolving fund to defray
23 the cost of further foreclosure, distraint and sale for delinquent
24 taxes without regard to budget limitations.

25 PART III

26 UNIFORM ANNUAL REVALUATION CYCLES

27 **Sec. 301.** RCW 84.41.030 and 1996 c 254 s 7 are each amended to
28 read as follows:

29 Each county assessor shall maintain an active and systematic
30 program of revaluation on a continuous basis, and shall establish a
31 revaluation schedule which will result in revaluation of all taxable
32 real property within the county ~~((at least once each four years and
33 physical inspection of all taxable real property within the county at
34 least once each six years. Each county assessor may disregard any
35 program of revaluation, if requested by a property owner, and change,
36 as appropriate, the valuation of real property upon the receipt of a
37 notice of decision received under RCW 36.70B.130, 90.60.160, or chapter~~

1 ~~35.22, 35.63, 35A.63, or 36.70 RCW pertaining to the value of the real~~
2 ~~property)) as required under this chapter.~~

3 **Sec. 302.** RCW 84.41.041 and 1987 c 319 s 4 are each amended to
4 read as follows:

5 Each county assessor shall cause all taxable real property to be
6 revalued at least once every year and physically inspected ((and
7 valued)) at least once every six years in accordance with ((RCW
8 84.41.030, and in accordance with)) a plan filed with and approved by
9 the department of revenue. Such revaluation plan shall provide that a
10 reasonable portion of all taxable real property within a county shall
11 be ~~((revalued and these newly determined))~~ physically inspected and
12 newly determined values based on these physical inspections shall be
13 placed on the assessment rolls each year. ~~((The department may approve~~
14 ~~a plan that provides that all property in the county be revalued every~~
15 ~~two years. If the revaluation plan provides for physical inspection at~~
16 ~~least once each four years, during the intervals between each physical~~
17 ~~inspection of real property, the valuation of such property may be~~
18 ~~adjusted to its current true and fair value, such adjustments to be~~
19 ~~based upon appropriate statistical data.))~~ If the revaluation plan
20 provides for physical inspection less frequently than once each
21 ~~((four))~~ year~~((s))~~, during the intervals between each physical
22 inspection of real property, the valuation of such property shall be
23 adjusted to its current true and fair value, such adjustments to be
24 made once each year and to be based upon appropriate statistical data.

25 The assessor may require property owners to submit pertinent data
26 respecting taxable property in their control including data respecting
27 any sale or purchase of said property within the past five years, the
28 cost and characteristics of any improvement on the property and other
29 facts necessary for appraisal of the property.

30 NEW SECTION. **Sec. 303.** A new section is added to chapter 84.41
31 RCW to read as follows:

32 (1) Each county assessor shall file an implementation plan for RCW
33 84.41.041 with the department by January 1, 1998.

34 (2) The department may approve a revaluation plan that provides for
35 phased-in compliance with the annual statistical update requirement
36 provided in RCW 84.41.041. A phased-in compliance plan must provide
37 statistical updates for a reasonable portion of all taxable real

1 property within a county each year, with full compliance with the
2 annual statistical update requirement not later than for taxes levied
3 for collection in 2003.

4 (3) Department approval of requests for phased-in compliance with
5 the annual statistical update requirement shall be determined by the
6 extent to which the requirement creates an undue burden or hardship
7 upon the county requesting the approval. For the purposes of this
8 section, "undue burden or hardship" means the requesting county does
9 not at the time of application have the adequate tools or methods of
10 valuation to ensure a smooth transition to annual statistical updates
11 by 1998.

12 **PART IV**
13 **TAX APPEAL REFORM**

14 **Sec. 401.** RCW 84.40.0301 and 1994 c 301 s 35 are each amended to
15 read as follows:

16 Upon review by any court, or appellate body, of a determination of
17 the valuation of property for purposes of taxation, it shall be
18 presumed that the determination of the public official charged with the
19 duty of establishing such value is correct but this presumption shall
20 not be a defense against any correction indicated by (~~clear, cogent~~
21 ~~and convincing~~) a preponderance of the evidence.

22 **PART V**
23 **EFFECTIVE DATE**

24 NEW SECTION. **Sec. 501.** This act is effective for taxes levied for
25 collection in 1998 and thereafter.

26 **PART VI**
27 **MISCELLANEOUS**

28 NEW SECTION. **Sec. 601.** Part headings used in this act are not any
29 part of the law.

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