

SENATE BILL REPORT

SB 5024

As Passed Senate, March 12, 1999

Title: An act relating to clarifying statutes to be consistent with the state supreme court decision on property tax value averaging.

Brief Description: Responding to a supreme court ruling regarding property tax value averaging.

Sponsors: Senators Loveland and Winsley.

Brief History:

Committee Activity: Ways & Means: 2/3/99, 2/15/99 [DP].
Passed Senate, 3/12/99, 47-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Fraser, Kohl-Welles, Long, Rasmussen, B. Sheldon, Snyder, Spanel, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7433)

Background: Referendum 47, approved by the voters in November 1997, placed a limitation on adding to the tax rolls large valuation increases in real property, beginning with taxes payable in 1999. Each year, the current appraised (market) value was to be compared to the assessed (taxable) value of the property for the previous year. The new assessed value was limited to the greater of (1) the previous assessed value plus an increase of 15 percent or (2) the previous assessed value plus 25 percent of the difference between the previous assessed value and the appraised value. This limitation was known as value averaging.

On July 30, 1998, the state Supreme Court in *Belas v. Kiga*, 135 Wn.2d 913 (1998), held that the value-averaging provisions of Referendum 47 violated the constitutional requirement that taxes on real property be uniform.

Summary of Bill: The value-averaging provisions of Referendum 47 that were invalidated by the court are removed from the statutes to reflect the holding of the court.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This just restores the language of the statutes to the way they were before Referendum 47. It is easier to administer the law when the statutes read correctly.

Testimony Against: None.

Testified: PRO: Peri Maxey, Department of Revenue; Scott Noble, WA State Assn. of County Assessors, King County Assessor.