

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2398**

Chapter 103, Laws of 2000

56th Legislature  
2000 Regular Session

TAXES--TECHNICAL CORRECTIONS

EFFECTIVE DATE: 6/8/00

Passed by the House January 31, 2000  
Yeas 97 Nays 0

CLYDE BALLARD  
**Speaker of the House of  
Representatives**

FRANK CHOPP  
**Speaker of the House of  
Representatives**

Passed by the Senate March 2, 2000  
Yeas 45 Nays 0

BRAD OWEN  
**President of the Senate**

Approved March 24, 2000

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2398** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN  
**Chief Clerk**

CYNTHIA ZEHNDER  
**Chief Clerk**

FILED

March 24, 2000 - 2:54 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2398**

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Passed Legislature - 2000 Regular Session

**State of Washington**

**56th Legislature**

**2000 Regular Session**

**By** House Committee on Judiciary (originally sponsored by Representatives Constantine, Esser and Lantz; by request of Office of the Code Reviser)

Read first time 01/25/2000. Referred to Committee on .

1 AN ACT Relating to technical corrections to tax statutes; amending  
2 RCW 82.03.140, 82.03.150, 82.03.160, 82.03.180, 82.04.297, 82.04.340,  
3 82.04.4452, 82.08.0291, 82.12.820, 82.14.360, 82.18.040, 82.34.050,  
4 82.36.020, 82.45.060, 82.46.021, 82.46.030, 82.49.030, 82.62.090,  
5 82.80.020, 82.80.050, 84.26.080, 84.34.065, 84.36.080, 84.36.379,  
6 84.38.100, 84.38.120, 84.40.405, 84.52.0502, and 84.68.010; reenacting  
7 RCW 82.36.130; and repealing RCW 82.34.070, 84.56.190, 84.33.042,  
8 84.33.043, 84.33.044, and 84.33.045.

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

10 **Sec. 1.** RCW 82.03.140 and 1988 c 222 s 4 are each amended to read  
11 as follows:

12 In all appeals over which the board has jurisdiction under RCW  
13 82.03.130, a party taking an appeal may elect either a formal or an  
14 informal hearing, such election to be made according to rules of  
15 practice and procedure to be promulgated by the board: PROVIDED, That  
16 nothing shall prevent the assessor or taxpayer, as a party to an appeal  
17 pursuant to RCW 84.08.130, within twenty days from the date of the  
18 receipt of the notice of appeal, from filing with the clerk of the  
19 board notice of intention that the hearing be a formal one: PROVIDED,

1 HOWEVER, That nothing herein shall be construed to modify the  
2 provisions of RCW 82.03.190: AND PROVIDED FURTHER, That upon an appeal  
3 under RCW 82.03.130(~~(+5)~~) (1)(e), the director of revenue may, within  
4 ten days from the date of its receipt of the notice of appeal, file  
5 with the clerk of the board notice of its intention that the hearing be  
6 held pursuant to chapter 34.05 RCW. In the event that appeals are  
7 taken from the same decision, order, or determination, as the case may  
8 be, by different parties and only one of such parties elects a formal  
9 hearing, a formal hearing shall be granted.

10 EXPLANATORY NOTE

11 RCW 82.03.130 was amended by 1998 c 54 s 1, changing subsection  
12 (5) to subsection (1)(e).

13 **Sec. 2.** RCW 82.03.150 and 1988 c 222 s 5 are each amended to read  
14 as follows:

15 In all appeals involving an informal hearing, the board or its tax  
16 referees shall have all powers relating to administration of oaths,  
17 issuance of subpoenas, and taking of depositions as are granted to  
18 agencies by chapter 34.05 RCW. The board, or its tax referees, shall  
19 also have all powers granted the department of revenue pursuant to RCW  
20 82.32.110. In the case of appeals within the scope of RCW  
21 82.03.130(~~(+2)~~) (1)(b) the board or any member thereof may obtain such  
22 assistance, including the making of field investigations, from the  
23 staff of the director of revenue as the board or any member thereof may  
24 deem necessary or appropriate.

25 EXPLANATORY NOTE

26 RCW 82.03.130 was amended by 1998 c 54 s 1, changing subsection  
27 (2) to subsection (1)(b).

28 **Sec. 3.** RCW 82.03.160 and 1989 c 175 s 175 are each amended to  
29 read as follows:

30 In all appeals involving a formal hearing the board or its tax  
31 referees shall have all powers relating to administration of oaths,  
32 issuance of subpoenas, and taking of depositions as are granted to  
33 agencies in chapter 34.05 RCW; and the board, and each member thereof,  
34 or its tax referees, shall be subject to all duties imposed upon, and  
35 shall have all powers granted to, an agency by those provisions of  
36 chapter 34.05 RCW relating to adjudicative proceedings. The board, or  
37 its tax referees, shall also have all powers granted the department of  
38 revenue pursuant to RCW 82.32.110. In the case of appeals within the

1 scope of RCW 82.03.130(~~(+2)~~) (1)(b), the board, or any member thereof,  
2 may obtain such assistance, including the making of field  
3 investigations, from the staff of the director of revenue as the board,  
4 or any member thereof, may deem necessary or appropriate: PROVIDED,  
5 HOWEVER, That any communication, oral or written, from the staff of the  
6 director to the board or its tax referees shall be presented only in  
7 open hearing.

8 EXPLANATORY NOTE

9 RCW 82.03.130 was amended by 1998 c 54 s 1, changing subsection  
10 (2) to subsection (1)(b).

11 **Sec. 4.** RCW 82.03.180 and 1989 c 175 s 176 are each amended to  
12 read as follows:

13 Judicial review of a decision of the board of tax appeals shall be  
14 de novo in accordance with the provisions of RCW 82.32.180 or 84.68.020  
15 as applicable except when the decision has been rendered pursuant to a  
16 formal hearing elected under RCW 82.03.140 or 82.03.190, in which event  
17 judicial review may be obtained only pursuant to RCW 34.05.510 through  
18 34.05.598: PROVIDED, HOWEVER, That nothing herein shall be construed  
19 to modify the rights of a taxpayer conferred by RCW 82.32.180 and  
20 84.68.020 to sue for tax refunds: AND PROVIDED FURTHER, That no review  
21 from a decision made pursuant to RCW 82.03.130(1)(a) may be obtained by  
22 a taxpayer unless within the petition period provided by RCW 34.05.542  
23 the taxpayer shall have first paid in full the contested tax, together  
24 with all penalties and interest thereon, if any. The director of  
25 revenue shall have the same right of review from a decision made  
26 pursuant to RCW 82.03.130(1)(a) as does a taxpayer; and the director of  
27 revenue and all parties to an appeal under RCW 82.03.130(~~(+5)~~) (1)(e)  
28 shall have the right of review from a decision made pursuant to RCW  
29 82.03.130(~~(+5)~~) (1)(e).

30 EXPLANATORY NOTE

31 RCW 82.03.130 was amended by 1998 c 54 s 1, changing subsection  
32 (1) to subsection (1)(a) and subsection (5) to subsection  
33 (1)(e).

34 **Sec. 5.** RCW 82.04.297 and 1997 c 304 s 4 are each amended to read  
35 as follows:

36 (1) The provision of internet services is (~~(a selected business~~  
37 ~~service activity and)~~) subject to tax under RCW 82.04.290(~~(+1)~~), but if  
38 ~~RCW 82.04.055 is repealed then the provision of internet services is~~

1 taxable under the general service business and occupation tax  
2 classification of RCW 82.04.290)) (2).

3 (2) "Internet" means the international computer network of both  
4 federal and nonfederal interoperable packet switched data networks,  
5 including the graphical subnetwork called the world wide web.

6 (3) "Internet service" means a service that includes computer  
7 processing applications, provides the user with additional or  
8 restructured information, or permits the user to interact with stored  
9 information through the internet or a proprietary subscriber network.  
10 "Internet service" includes provision of internet electronic mail,  
11 access to the internet for information retrieval, and hosting of  
12 information for retrieval over the internet or the graphical subnetwork  
13 called the world wide web.

14 EXPLANATORY NOTE

15 RCW 82.04.290 was amended by 1997 c 7 s 2, deleting subsection  
16 (1) and RCW 82.04.055 was repealed by 1997 c 7 s 5. The  
17 "general service business and occupation tax classification"  
18 became RCW 82.04.290(2).

19 **Sec. 6.** RCW 82.04.340 and 1988 c 19 s 4 are each amended to read  
20 as follows:

21 This chapter shall not apply to any person in respect to the  
22 business of conducting boxing contests and sparring or wrestling  
23 matches and exhibitions for the conduct of which a license must be  
24 secured from the (~~state boxing commission~~) department of licensing.

25 EXPLANATORY NOTE

26 The "state boxing commission" was redesignated the "state  
27 professional athletic commission" by 1989 c 127, and was  
28 subsequently abolished and powers and duties transferred to the  
29 department of licensing pursuant to 1993 c 278.

30 **Sec. 7.** RCW 82.04.4452 and 1997 c 7 s 4 are each amended to read  
31 as follows:

32 (1) In computing the tax imposed under this chapter, a credit is  
33 allowed for each person whose research and development spending during  
34 the year in which the credit is claimed exceeds 0.92 percent of the  
35 person's taxable amount during the same calendar year.

36 (2) The credit is equal to the greater of the amount of qualified  
37 research and development expenditures of a person or eighty percent of  
38 amounts received by a person other than a public educational or  
39 research institution in compensation for the conduct of qualified

1 research and development, multiplied by the rate provided in RCW  
2 82.04.260(~~((6))~~) (3) in the case of a nonprofit corporation or  
3 nonprofit association engaging within this state in research and  
4 development, and the rate provided in RCW 82.04.290(2) for every other  
5 person.

6 (3) Any person entitled to the credit provided in subsection (2) of  
7 this section as a result of qualified research and development  
8 conducted under contract may assign all or any portion of the credit to  
9 the person contracting for the performance of the qualified research  
10 and development.

11 (4) The credit, including any credit assigned to a person under  
12 subsection (3) of this section, shall be taken against taxes due for  
13 the same calendar year in which the qualified research and development  
14 expenditures are incurred. The credit, including any credit assigned  
15 to a person under subsection (3) of this section, for each calendar  
16 year shall not exceed the lesser of two million dollars or the amount  
17 of tax otherwise due under this chapter for the calendar year.

18 (5) Any person taking the credit, including any credit assigned to  
19 a person under subsection (3) of this section, whose research and  
20 development spending during the calendar year in which the credit is  
21 claimed fails to exceed 0.92 percent of the person's taxable amount  
22 during the same calendar year shall be liable for payment of the  
23 additional taxes represented by the amount of credit taken together  
24 with interest, but not penalties. Interest shall be due at the rate  
25 provided for delinquent excise taxes retroactively to the date the  
26 credit was taken until the taxes are paid. Any credit assigned to a  
27 person under subsection (3) of this section that is disallowed as a  
28 result of this section may be taken by the person who performed the  
29 qualified research and development subject to the limitations set forth  
30 in subsection (4) of this section.

31 (6) Any person claiming the credit, and any person assigning a  
32 credit as provided in subsection (3) of this section, shall file an  
33 affidavit form prescribed by the department which shall include the  
34 amount of the credit claimed, an estimate of the anticipated qualified  
35 research and development expenditures during the calendar year for  
36 which the credit is claimed, an estimate of the taxable amount during  
37 the calendar year for which the credit is claimed, and such additional  
38 information as the department may prescribe.

1 (7) A person claiming the credit shall agree to supply the  
2 department with information necessary to measure the results of the tax  
3 credit program for qualified research and development expenditures.

4 (8) The department shall use the information required under  
5 subsection (7) of this section to perform three assessments on the tax  
6 credit program authorized under this section. The assessments will  
7 take place in 1997, 2000, and 2003. The department shall prepare  
8 reports on each assessment and deliver their reports by September 1,  
9 1997, September 1, 2000, and September 1, 2003. The assessments shall  
10 measure the effect of the program on job creation, the number of jobs  
11 created for Washington residents, company growth, the introduction of  
12 new products, the diversification of the state's economy, growth in  
13 research and development investment, the movement of firms or the  
14 consolidation of firms' operations into the state, and such other  
15 factors as the department selects.

16 (9) For the purpose of this section:

17 (a) "Qualified research and development expenditures" means  
18 operating expenses, including wages, compensation of a proprietor or a  
19 partner in a partnership as determined under rules adopted by the  
20 department, benefits, supplies, and computer expenses, directly  
21 incurred in qualified research and development by a person claiming the  
22 credit provided in this section. The term does not include amounts  
23 paid to a person other than a public educational or research  
24 institution to conduct qualified research and development. Nor does  
25 the term include capital costs and overhead, such as expenses for land,  
26 structures, or depreciable property.

27 (b) "Qualified research and development" shall have the same  
28 meaning as in RCW 82.63.010.

29 (c) "Research and development spending" means qualified research  
30 and development expenditures plus eighty percent of amounts paid to a  
31 person other than a public educational or research institution to  
32 conduct qualified research and development.

33 (d) "Taxable amount" means the taxable amount subject to the tax  
34 imposed in this chapter required to be reported on the person's  
35 combined excise tax returns during the year in which the credit is  
36 claimed, less any taxable amount for which a credit is allowed under  
37 RCW 82.04.440.

38 (10) This section (~~shall~~) expires December 31, 2004.

39 EXPLANATORY NOTE

1 RCW 82.04.260 was amended by 1998 c 312 s 5, changing  
2 subsection (6) to subsection (3).

3 **Sec. 8.** RCW 82.08.0291 and 1994 c 85 s 1 are each amended to read  
4 as follows:

5 The tax imposed by RCW 82.08.020 shall not apply to the sale of  
6 amusement and recreation services, or personal services specified in  
7 RCW 82.04.050(3)(~~h~~) (g), by a nonprofit youth organization, as  
8 defined in RCW 82.04.4271, to members of the organization; nor shall  
9 the tax apply to physical fitness classes provided by a local  
10 government.

11 EXPLANATORY NOTE

12 RCW 82.04.050 was amended by 1996 c 148 s 1, changing  
13 subsection (3)(h) to subsection (3)(g).

14 **Sec. 9.** RCW 82.12.820 and 1997 c 450 s 3 are each amended to read  
15 as follows:

16 (1) Wholesalers or third-party warehouse owners who own or operate  
17 warehouses or grain elevators, and retailers who own or operate  
18 distribution centers, and who have paid the tax levied under RCW  
19 82.12.020 on:

20 (a) Material-handling equipment and racking equipment; or

21 (b) Materials incorporated in the construction of a warehouse or  
22 grain elevator, are eligible for an exemption on tax paid in the form  
23 of a remittance or credit against tax owed. The amount of the  
24 remittance or credit is computed under subsection (2) of this section  
25 and is based on the state share of use tax.

26 (2)(a) A person claiming an exemption from state tax in the form of  
27 a remittance under this section must pay the tax imposed by RCW  
28 82.12.020 to the department. The person may then apply to the  
29 department for remittance of all or part of the tax paid under RCW  
30 82.12.020. For grain elevators with bushel capacity of one million but  
31 less than two million, the remittance is equal to fifty percent of the  
32 amount of tax paid. For warehouses with square footage of two hundred  
33 thousand and for grain elevators with bushel capacity of two million or  
34 more, the remittance is equal to one hundred percent of the amount of  
35 tax paid for qualifying construction materials, and fifty percent of  
36 the amount of tax paid for qualifying material-handling equipment and  
37 racking equipment.



1 (b) The department shall determine eligibility under this section  
2 based on information provided by the buyer and through audit and other  
3 administrative records. The buyer shall on a quarterly basis submit an  
4 information sheet, in a form and manner as required by the department  
5 by rule, specifying the amount of exempted tax claimed and the  
6 qualifying purchases or acquisitions for which the exemption is  
7 claimed. The buyer shall retain, in adequate detail to enable the  
8 department to determine whether the equipment or construction meets the  
9 criteria under this section: Invoices; proof of tax paid; documents  
10 describing the material-handling equipment and racking equipment;  
11 location and size of warehouses, if applicable; and construction  
12 invoices and documents.

13 (c) The department shall on a quarterly basis remit or credit  
14 exempted amounts to qualifying persons who submitted applications  
15 during the previous quarter.

16 (3) Warehouse, grain elevators, and material-handling equipment and  
17 racking equipment for which an exemption, credit, or deferral has been  
18 or is being received under chapter 82.60, 82.61, 82.62, or 82.63 RCW or  
19 RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance  
20 under this section. Materials incorporated in warehouses and grain  
21 elevators upon which construction was initiated prior to May 20, 1997,  
22 are not eligible for a remittance under this section.

23 (4) The lessor or owner of the warehouse or grain elevator is not  
24 eligible for a remittance or credit under this section unless the  
25 underlying ownership of the warehouse or grain elevator and  
26 material-handling equipment and racking equipment vests exclusively in  
27 the same person, or unless the lessor by written contract agrees to  
28 pass the economic benefit of the exemption to the lessee in the form of  
29 reduced rent payments.

30 (5) The definitions in RCW 82.08.820 apply to this section.

31 EXPLANATORY NOTE  
32 The language being added appears to have been inadvertently  
33 removed in the drafting process. Compare with RCW  
34 82.08.820(1).

35 **Sec. 10.** RCW 82.14.360 and 1995 3rd sp.s. c 1 s 201 are each  
36 amended to read as follows:

37 (1) The legislative authority of a county with a population of one  
38 million or more may impose a special stadium sales and use tax upon the  
39 retail sale or use within the county by restaurants, taverns, and bars

1 of food and beverages that are taxable by the state under chapters  
2 82.08 and 82.12 RCW. The rate of the tax shall not exceed five-tenths  
3 of one percent of the selling price in the case of a sales tax, or  
4 value of the article used in the case of a use tax. The tax imposed  
5 under this subsection is in addition to any other taxes authorized by  
6 law and shall not be credited against any other tax imposed upon the  
7 same taxable event. As used in this section, "restaurant" does not  
8 include grocery stores, mini-markets, or convenience stores.

9 (2) The legislative authority of a county with a population of one  
10 million or more may impose a special stadium sales and use tax upon  
11 retail car rentals within the county that are taxable by the state  
12 under chapters 82.08 and 82.12 RCW. The rate of the tax shall not  
13 exceed two percent of the selling price in the case of a sales tax, or  
14 rental value of the vehicle in the case of a use tax. The tax imposed  
15 under this subsection is in addition to any other taxes authorized by  
16 law and shall not be credited against any other tax imposed upon the  
17 same taxable event.

18 (3) The revenue from the taxes imposed under this section shall be  
19 used for the purpose of principal and interest payments on bonds,  
20 issued by the county, to acquire, construct, own, remodel, maintain,  
21 equip, reequip, repair, and operate a baseball stadium. Revenues from  
22 the taxes authorized in this section may be used for design and other  
23 preconstruction costs of the baseball stadium until bonds are issued  
24 for the baseball stadium. The county shall issue bonds, in an amount  
25 determined to be necessary by the public facilities district, for the  
26 district to acquire, construct, own, and equip the baseball stadium.  
27 The county shall have no obligation to issue bonds in an amount greater  
28 than that which would be supported by the tax revenues under this  
29 section, RCW 82.14.0485, and 36.38.010(~~((+3+))~~) (4) (a) and (b). If the  
30 revenue from the taxes imposed under this section exceeds the amount  
31 needed for such principal and interest payments in any year, the excess  
32 shall be used solely:

33 (a) For early retirement of the bonds issued for the baseball  
34 stadium; and

35 (b) If the revenue from the taxes imposed under this section  
36 exceeds the amount needed for the purposes in (a) of this subsection in  
37 any year, the excess shall be placed in a contingency fund which may  
38 only be used to pay unanticipated capital costs on the baseball  
39 stadium, excluding any cost overruns on initial construction.

1 (4) The taxes authorized under this section shall not be collected  
2 after June 30, 1997, unless the county executive has certified to the  
3 department of revenue that a professional major league baseball team  
4 has made a binding and legally enforceable contractual commitment to:

5 (a) Play at least ninety percent of its home games in the stadium  
6 for a period of time not shorter than the term of the bonds issued to  
7 finance the initial construction of the stadium;

8 (b) Contribute forty-five million dollars toward the reasonably  
9 necessary preconstruction costs including, but not limited to  
10 architectural, engineering, environmental, and legal services, and the  
11 cost of construction of the stadium, or to any associated public  
12 purpose separate from bond-financed property, including without  
13 limitation land acquisition, parking facilities, equipment,  
14 infrastructure, or other similar costs associated with the project,  
15 which contribution shall be made during a term not to exceed the term  
16 of the bonds issued to finance the initial construction of the stadium.  
17 If all or part of the contribution is made after the date of issuance  
18 of the bonds, the team shall contribute an additional amount equal to  
19 the accruing interest on the deferred portion of the contribution,  
20 calculated at the interest rate on the bonds maturing in the year in  
21 which the deferred contribution is made. No part of the contribution  
22 may be made without the consent of the county until a public facilities  
23 district is created under chapter 36.100 RCW to acquire, construct,  
24 own, remodel, maintain, equip, reequip, repair, and operate a baseball  
25 stadium. To the extent possible, contributions shall be structured in  
26 a manner that would allow for the issuance of bonds to construct the  
27 stadium that are exempt from federal income taxes; and

28 (c) Share a portion of the profits generated by the baseball team  
29 from the operation of the professional franchise for a period of time  
30 equal to the term of the bonds issued to finance the initial  
31 construction of the stadium, after offsetting any losses incurred by  
32 the baseball team after the effective date of chapter 14, Laws of 1995  
33 1st sp. sess. Such profits and the portion to be shared shall be  
34 defined by agreement between the public facilities district and the  
35 baseball team. The shared profits shall be used to retire the bonds  
36 issued to finance the initial construction of the stadium. If the  
37 bonds are retired before the expiration of their term, the shared  
38 profits shall be paid to the public facilities district.

1 (5) No tax may be collected under this section before January 1,  
2 1996. Before collecting the taxes under this section or issuing bonds  
3 for a baseball stadium, the county shall create a public facilities  
4 district under chapter 36.100 RCW to acquire, construct, own, remodel,  
5 maintain, equip, reequip, repair, and operate a baseball stadium.

6 (6) The county shall assemble such real property as the district  
7 determines to be necessary as a site for the baseball stadium.  
8 Property which is necessary for this purpose that is owned by the  
9 county on October 17, 1995, shall be contributed to the district, and  
10 property which is necessary for this purpose that is acquired by the  
11 county on or after October 17, 1995, shall be conveyed to the district.

12 (7) The proceeds of any bonds issued for the baseball stadium shall  
13 be provided to the district.

14 (8) As used in this section, "baseball stadium" means "baseball  
15 stadium" as defined in RCW 82.14.0485.

16 (9) The taxes imposed under this section shall expire when the  
17 bonds issued for the construction of the baseball stadium are retired,  
18 but not later than twenty years after the taxes are first collected.

19 EXPLANATORY NOTE

20 RCW 36.38.010 was amended by 1997 c 220 s 301, changing  
21 subsection (3)(a) and (b) to subsection (4)(a) and (b).

22 **Sec. 11.** RCW 82.18.040 and 1989 c 431 s 85 are each amended to  
23 read as follows:

24 Taxes collected under this chapter shall be held in trust until  
25 paid to the state. (~~Except for taxes received under RCW 82.18.100,~~)  
26 Taxes (~~so~~) received by the state shall be deposited in the public  
27 works assistance account created in RCW 43.155.050. Any person  
28 collecting the tax who appropriates or converts the tax collected shall  
29 be guilty of a gross misdemeanor if the money required to be collected  
30 is not available for payment on the date payment is due. If a taxpayer  
31 fails to pay the tax imposed by this chapter to the person charged with  
32 collection of the tax and the person charged with collection fails to  
33 pay the tax to the department, the department may, in its discretion,  
34 proceed directly against the taxpayer for collection of the tax.

35 The tax shall be due from the taxpayer within twenty-five days from  
36 the date the taxpayer is billed by the person collecting the tax.

37 The tax shall be due from the person collecting the tax at the end  
38 of the tax period in which the tax is received from the taxpayer. If

1 the taxpayer remits only a portion of the total amount billed for  
2 taxes, consideration, and related charges, the amount remitted shall be  
3 applied first to payment of the solid waste collection tax and this tax  
4 shall have priority over all other claims to the amount remitted.

5 EXPLANATORY NOTE

6 RCW 82.18.100 expired July 1, 1995.

7 **Sec. 12.** RCW 82.34.050 and 1975 1st ex.s. c 158 s 1 are each  
8 amended to read as follows:

9 (1) The original acquisition of a facility by the holder of a  
10 certificate shall be exempt from sales tax imposed by chapter 82.08 RCW  
11 and use tax imposed by chapter 82.12 RCW when the due date for payment  
12 of such taxes is subsequent to the effective date of the certificate:  
13 PROVIDED, That the exemption of this section shall not apply to  
14 servicing, maintenance, repairs, and replacement of parts after a  
15 facility is complete and placed in operation. Sales and use taxes paid  
16 by a holder of a certificate with respect to expenditures incurred for  
17 acquisition of a facility prior to the issuance of a certificate  
18 covering such facility may be claimed as a tax credit as provided in  
19 subsection (2) of this section.

20 (2) Subsequent to July 30, 1967 the holder of the certificate may,  
21 in lieu of accepting the tax exemption provided for in this section,  
22 elect to take a tax credit in the total amount of the exemption for the  
23 facility covered by such certificate against any future taxes to be  
24 paid pursuant to chapters 82.04, 82.12 and 82.16 RCW(~~(:—PROVIDED, That~~  
25 ~~on and after July 30, 1967 if such person elects to take a tax credit~~  
26 ~~for a facility under this subsection he may not take further credit~~  
27 ~~under RCW 82.04.435)).~~

28 EXPLANATORY NOTE

29 RCW 82.04.435 was decodified pursuant to 1997 c 156 s 10.

30 **Sec. 13.** RCW 82.36.020 and 1998 c 176 s 7 are each amended to read  
31 as follows:

32 (1) There is hereby levied and imposed upon motor vehicle fuel  
33 users a tax at the rate computed in the manner provided in RCW  
34 82.36.025 on each gallon of motor vehicle fuel.

35 (2) The tax imposed by subsection (1) of this section is imposed  
36 when any of the following occurs:

1 (a) Motor vehicle fuel is removed in this state from a terminal if  
2 the motor vehicle fuel is removed at the rack unless the removal is to  
3 a licensed exporter for direct delivery to a destination outside of the  
4 state;

5 (b) Motor vehicle fuel is removed in this state from a refinery if  
6 either of the following applies:

7 (i) The removal is by bulk transfer and the refiner or the owner of  
8 the motor vehicle fuel immediately before the removal is not a  
9 licensee; or

10 (ii) The removal is at the refinery rack unless the removal is to  
11 a licensed exporter for direct delivery to a destination outside of the  
12 state;

13 (c) Motor vehicle fuel enters into this state for sale,  
14 consumption, use, or storage if either of the following applies:

15 (i) The entry is by bulk transfer and the importer is not a  
16 licensee; or

17 (ii) The entry is not by bulk transfer;

18 (d) Motor vehicle fuel is removed in this state to an unlicensed  
19 entity unless there was a prior taxable removal, entry, or sale of the  
20 motor vehicle fuel;

21 (e) Blended motor vehicle fuel is removed or sold in this state by  
22 the blender of the fuel. The number of gallons of blended motor  
23 vehicle fuel subject to the tax is the difference between the total  
24 number of gallons of blended motor vehicle fuel removed or sold and the  
25 number of gallons of previously taxed motor vehicle fuel used to  
26 produce the blended motor vehicle fuel.

27 (3) The proceeds of the motor vehicle fuel excise tax (~~collected~~  
28 ~~after the deductions for payments and expenditures as provided in RCW~~  
29 ~~46.68.090~~) shall be distributed as provided in RCW (~~46.68.100~~)  
30 46.68.090.

31 EXPLANATORY NOTE  
32 RCW 46.68.100 was repealed by 1999 sp.s. c 1 s 618.

33 **Sec. 14.** RCW 82.36.130 and 1998 c 311 s 11 and 1998 c 176 s 24 are  
34 each reenacted to read as follows:

35 If any licensee is in default for more than ten days in the payment  
36 of any excise taxes or penalties thereon, the director shall issue a  
37 warrant directed to the sheriff of any county of the state commanding  
38 the sheriff to levy upon and sell the goods and chattels of the

1 licensee, without exemption, found within the sheriff's jurisdiction,  
2 for the payment of the amount of such delinquency, with the added  
3 penalties and interest and the cost of executing the warrant, and to  
4 return such warrant to the director and to pay the director the money  
5 collected by virtue thereof within the time to be therein specified,  
6 which shall not be less than twenty nor more than sixty days from the  
7 date of the warrant. The sheriff to whom the warrant is directed shall  
8 proceed upon it in all respects and with like effect and in the same  
9 manner as prescribed by law in respect to executions issued against  
10 goods and chattels upon judgment by a court of record and shall be  
11 entitled to the same fees for the sheriff's services to be collected in  
12 the same manner.

13 EXPLANATORY NOTE

14 RCW 82.36.130 was amended twice during the 1998 legislative  
15 session, each without reference to the other. These amendments  
16 have been merged in a manner that reflects the intent of both.  
17 The effect of 1998 c 176 s 24 was to provide gender neutral  
18 references and update statutory language which can be easily  
19 merged, either in substance or in effect, with the 1998 c 311  
20 s 11 changes to the same section.

21 **Sec. 15.** RCW 82.45.060 and 1987 c 472 s 14 are each amended to  
22 read as follows:

23 ~~((1))~~ There is imposed an excise tax upon each sale of real  
24 property at the rate of one and twenty-eight one-hundredths percent of  
25 the selling price. An amount equal to seven and seven-tenths percent  
26 of the proceeds of this tax to the state treasurer shall be deposited  
27 in the public works assistance account created in RCW 43.155.050.

28 ~~((2) There is imposed an additional excise tax through June 30,~~  
29 ~~1989, upon each sale of real property at the rate of six one-hundredths~~  
30 ~~of one percent of the selling price. The tax imposed under this~~  
31 ~~subsection shall be deposited in the conservation area account under~~  
32 ~~RCW 79.71.110.))~~

33 EXPLANATORY NOTE

34 Subsection (2), by its own words, is obsolete.

35 **Sec. 16.** RCW 82.46.021 and 1983 c 99 s 3 are each amended to read  
36 as follows:

37 Any referendum petition to repeal a county or city ordinance  
38 imposing a tax or altering the rate of the tax authorized under RCW  
39 82.46.010 ~~((2))~~ (3) shall be filed with a filing officer, as

1 identified in the ordinance, within seven days of passage of the  
2 ordinance. Within ten days, the filing officer shall confer with the  
3 petitioner concerning form and style of the petition, issue an  
4 identification number for the petition, and write a ballot title for  
5 the measure. The ballot title shall be posed as a question so that an  
6 affirmative answer to the question and an affirmative vote on the  
7 measure results in the tax or tax rate increase being imposed and a  
8 negative answer to the question and a negative vote on the measure  
9 results in the tax or tax rate increase not being imposed. The  
10 petitioner shall be notified of the identification number and ballot  
11 title within this ten-day period.

12 After this notification, the petitioner shall have thirty days in  
13 which to secure on petition forms the signatures of not less than  
14 fifteen percent of the registered voters of the county for county  
15 measures, or not less than fifteen percent of the registered voters of  
16 the city for city measures, and to file the signed petitions with the  
17 filing officer. Each petition form shall contain the ballot title and  
18 the full text of the measure to be referred. The filing officer shall  
19 verify the sufficiency of the signatures on the petitions. If  
20 sufficient valid signatures are properly submitted, the filing officer  
21 shall submit the referendum measure to the county or city voters at a  
22 general or special election held on one of the dates provided in RCW  
23 29.13.010 as determined by the county legislative authority or city  
24 council, which election shall not take place later than one hundred  
25 twenty days after the signed petition has been filed with the filing  
26 officer.

27 After April 22, 1983, the referendum procedure provided for in this  
28 section shall be the exclusive method for subjecting any county or city  
29 ordinance imposing a tax or increasing the rate under RCW  
30 82.46.010(~~((+2))~~) (3) to a referendum vote.

31 Any county or city tax authorized under RCW 82.46.010(~~((+2))~~) (3)  
32 that has been imposed prior to April 22, 1983, is not subject to the  
33 referendum procedure provided for in this section.

34 EXPLANATORY NOTE

35 RCW 82.46.010 was amended by 1992 c 221 s 1, changing  
36 subsection (2) to subsection (3).

37 **Sec. 17.** RCW 82.46.030 and 1992 c 221 s 2 are each amended to read  
38 as follows:



1 (1) The county treasurer shall place one percent of the proceeds of  
2 the taxes imposed under this chapter in the county current expense fund  
3 to defray costs of collection.

4 (2) The remaining proceeds from the county tax under RCW  
5 82.46.010(~~((1))~~) (2) shall be placed in a county capital improvements  
6 fund. The remaining proceeds from city or town taxes under RCW  
7 82.46.010(~~((1))~~) (2) shall be distributed to the respective cities and  
8 towns monthly and placed by the city treasurer in a municipal capital  
9 improvements fund.

10 (3) This section does not limit the existing authority of any city,  
11 town, or county to impose special assessments on property specially  
12 benefited thereby in the manner prescribed by law.

13 EXPLANATORY NOTE

14 RCW 82.46.010(1) was renumbered RCW 82.46.010(2) by 1992 c 221  
15 s 1.

16 **Sec. 18.** RCW 82.49.030 and 1991 sp.s. c 16 s 925 are each amended  
17 to read as follows:

18 (1) The excise tax imposed under this chapter is due and payable to  
19 the department of licensing or its agents at the time of registration  
20 of a vessel. The department of licensing shall not issue or renew a  
21 registration for a vessel until the tax is paid in full.

22 (2) The excise tax collected under this chapter shall be deposited  
23 in the general fund.

24 ~~((3) For the 1993-95 fiscal biennium, the watercraft excise tax  
25 revenues exceeding five million dollars in each fiscal year, but not  
26 exceeding six million dollars, may, subject to appropriation by the  
27 legislature, be used for the purposes specified in RCW 88.12.450.))~~

28 EXPLANATORY NOTE

29 Subsection (3), by its own words, is obsolete.

30 **Sec. 19.** RCW 82.62.090 and 1999 c 311 s 304 are each amended to  
31 read as follows:

32 (1) A person is not eligible to receive a credit under this chapter  
33 if the person is receiving credit for the same position under ~~((section  
34 303 of this act))~~ RCW 82.04.4456 or ~~((RCW))~~ 82.04.44525.

35 (2) This section expires December 31, 2003.

36 EXPLANATORY NOTE

1 The reference to "section 303 of this act" appears to be  
2 erroneous. Section 302 of this act was apparently intended  
3 which was codified as RCW 82.04.4456.

4 **Sec. 20.** RCW 82.80.020 and 1998 c 281 s 1 are each amended to read  
5 as follows:

6 (1) The legislative authority of a county, or subject to subsection  
7 (7) of this section, a qualifying city or town located in a county that  
8 has not imposed a fifteen-dollar fee under this section, may fix and  
9 impose an additional fee, not to exceed fifteen dollars per vehicle,  
10 for each vehicle that is subject to license fees under RCW 46.16.060  
11 and for each vehicle that is subject to RCW 46.16.070 with an unladen  
12 weight of six thousand pounds or less, and that is determined by the  
13 department of licensing to be registered within the boundaries of the  
14 county.

15 (2) The department of licensing shall administer and collect the  
16 fee. The department shall deduct a percentage amount, as provided by  
17 contract, not to exceed two percent of the taxes collected, for  
18 administration and collection expenses incurred by it. The remaining  
19 proceeds shall be remitted to the custody of the state treasurer for  
20 monthly distribution under RCW 82.80.080.

21 (3) The proceeds of this fee shall be used strictly for  
22 transportation purposes in accordance with RCW 82.80.070.

23 (4) A county or qualifying city or town imposing this fee or  
24 initiating an exemption process shall delay the effective date at least  
25 six months from the date the ordinance is enacted to allow the  
26 department of licensing to implement administration and collection of  
27 or exemption from the fee.

28 (5) The legislative authority of a county or qualifying city or  
29 town may develop and initiate an exemption process of the fifteen  
30 dollar fee for the registered owners of vehicles residing within the  
31 boundaries of the county or qualifying city or town: (a) Who are  
32 sixty-one years old or older at the time payment of the fee is due and  
33 whose household income for the previous calendar year is less than an  
34 amount prescribed by the county or qualifying city or town legislative  
35 authority; or (b) who have a physical disability.

36 (6) The legislative authority of a county or qualifying city or  
37 town shall develop and initiate an exemption process of the fifteen-  
38 dollar fee for vehicles registered within the boundaries of the county  
39 that are licensed under RCW 46.16.374.

1 (7) For purposes of this section, a "qualifying city or town" means  
2 a city or town residing within a county having a population of greater  
3 than seventy-five thousand in which is located all or part of a  
4 national monument. A qualifying city or town may impose the fee  
5 authorized in subsection (1) of this section subject to the following  
6 conditions and limitations:

7 (a) The city or town may impose the fee only if authorized to do so  
8 by a majority of voters voting at a general or special election on a  
9 proposition for that purpose. At a minimum, the ballot measure shall  
10 contain: (i) A description of the transportation project proposed for  
11 funding, properly identified by mileposts or other designations that  
12 specify the project parameters; (ii) the proposed number of months or  
13 years necessary to fund the city or town's share of the project cost;  
14 and (iii) the amount of fee to be imposed for the project.

15 (b) The city or town may not impose a fee that, if combined with  
16 the county fee, exceeds fifteen dollars. If a county imposes or  
17 increases a fee under this section that, if combined with the fee  
18 imposed by a city or town, exceeds fifteen dollars, the city or town  
19 fee shall be reduced or eliminated as needed so that in no city or town  
20 does the combined fee exceed fifteen dollars. All revenues from  
21 county-imposed fees shall be distributed as called for in RCW  
22 (~~82.80.020~~) 82.80.080.

23 (c) Any fee imposed by a city or town under this section shall  
24 expire at the end of the term of months or years provided in the ballot  
25 measure, or when the city or town's bonded indebtedness on the project  
26 is retired, whichever is sooner.

27 (8) The fee imposed under subsection (7) of this section shall  
28 apply only to renewals and shall not apply to ownership transfer  
29 transactions.

30 EXPLANATORY NOTE

31 RCW 82.80.080 refers to the distribution of taxes and was  
32 apparently intended.

33 **Sec. 21.** RCW 82.80.050 and 1991 c 141 s 2 are each amended to read  
34 as follows:

35 A city or town electing to own, construct, maintain, operate, and  
36 preserve its streets as a separate street utility may levy periodic  
37 charges for the use or availability of the streets in a total annual  
38 amount of up to fifty percent of the actual costs for maintenance,

1 operation, and preservation of facilities under the jurisdiction of the  
2 street utility. The rates charged for the use must be uniform for the  
3 same class of service and all business and residential properties must  
4 be subject to the utility charge. Charges imposed on businesses shall  
5 be measured solely by the number of employees and shall not exceed the  
6 equivalent of two dollars per full-time equivalent employee per month.  
7 Charges imposed against owners or occupants of residential property  
8 shall not exceed two dollars per month per housing unit as defined in  
9 RCW 35.95.040. Charges authorized in this section shall not be imposed  
10 against owners of property: (1) Exempt under RCW 84.36.010; (2) exempt  
11 from the leasehold tax under chapter 82.29A RCW; or (3) used for  
12 nonprofit or sectarian purposes, which if said property were owned by  
13 such organization would qualify for exemption under chapter 84.36 RCW.  
14 The charges shall not be computed on the basis of an ad valorem charge  
15 on the underlying real property and improvements. This section shall  
16 not be used as a basis to directly or indirectly charge transportation  
17 impact fees or mitigation fees of any kind against new development. A  
18 city or town may contract with any other utility or local government to  
19 provide for billing and collection of the street utility charges.

20 In classifying service furnished within the general categories of  
21 business and residential, the city or town legislative authority may in  
22 its discretion consider any or all of the following factors: The  
23 difference in cost of service to the various users or traffic  
24 generators; location of the various users or traffic generators within  
25 the city or town; the difference in cost of maintenance, operation,  
26 construction, repair, and replacement of the various parts of the  
27 enterprise and facility; the different character of the service  
28 furnished to various users or traffic generators within the city or  
29 town; the size and quality of the street service furnished; the time of  
30 use or traffic generation; capital contributions made to the facility  
31 including but not limited to special assessments; and any other matters  
32 that present a reasonable difference as a ground for distinction, or  
33 the entire category of business or residential may be established as a  
34 single class. The city or town may reduce or exempt charges on  
35 residential properties to the extent of their occupancy by low-income  
36 senior citizens and (~~low-income disabled citizens~~) other low-income  
37 citizens as provided in RCW 74.38.070(1), or to the extent of their  
38 occupancy by the needy or infirm.

1 The charges shall be charges against the property and the use  
2 thereof and shall become liens and be enforced in the same manner as  
3 rates and charges for the use of systems of sewerage under chapter  
4 35.67 RCW.

5 Any city or town ordinance or resolution creating a street utility  
6 must contain a provision granting to any business a credit against any  
7 street utility charge the full amount of any commuter or employer tax  
8 paid for transportation purposes by that business.

9 EXPLANATORY NOTE

10 The term "low-income disabled citizens" was changed to "other  
11 low-income citizens" by 1998 c 300 s 8.

12 **Sec. 22.** RCW 84.26.080 and 1999 c 233 s 19 are each amended to  
13 read as follows:

14 (1) When property has once been classified and valued as eligible  
15 historic property, it shall remain so classified and be granted the  
16 special valuation provided by RCW 84.26.070 for ten years or until the  
17 property is disqualified by:

18 (a) Notice by the owner to the assessor to remove the special  
19 valuation;

20 (b) Sale or transfer to an ownership making it exempt from property  
21 taxation; or

22 (c) Removal of the special valuation by the assessor upon  
23 determination by the local review board that the property no longer  
24 qualifies as historic property or that the owner has failed to comply  
25 with the conditions established under RCW 84.26.050.

26 (2) The sale or transfer to a new owner or transfer by reason of  
27 death of a former owner to a new owner does not disqualify the property  
28 from the special valuation provided by RCW 84.26.070 if:

29 (a) The property continues to qualify as historic property; and

30 (b) The new owner files a notice of compliance with the assessor of  
31 the county in which the property is located. Notice of compliance  
32 forms shall be prescribed by the state department of revenue and  
33 supplied by the county assessor. The notice shall contain a statement  
34 that the new owner is aware of the special valuation and of the  
35 potential tax liability involved when the property ceases to be valued  
36 as historic property under this chapter. The signed notice of  
37 compliance shall be attached to the real estate excise tax affidavit  
38 provided for in RCW (~~(82.45.120)~~) 82.45.150. If the notice of

1 compliance is not signed by the new owner and attached to the real  
2 estate excise tax affidavit, all additional taxes calculated pursuant  
3 to RCW 84.26.090 shall become due and payable by the seller or  
4 transferor at time of sale. The county auditor shall not accept an  
5 instrument of conveyance of specially valued historic property for  
6 filing or recording unless the new owner has signed the notice of  
7 compliance or the additional tax has been paid, as evidenced by the  
8 real estate excise tax stamp affixed thereto by the treasurer.

9 (3) When the property ceases to qualify for the special valuation  
10 the owner shall immediately notify the state or local review board.

11 (4) Before the additional tax or penalty imposed by RCW 84.26.090  
12 is levied, in the case of disqualification, the assessor shall notify  
13 the taxpayer by mail, return receipt requested, of the  
14 disqualification.

15 EXPLANATORY NOTE

16 RCW 82.45.120 was repealed by 1993 sp.s. c 25 s 512. RCW  
17 82.45.150 refers to real estate excise tax affidavits.

18 **Sec. 23.** RCW 84.34.065 and 1998 c 320 s 8 are each amended to read  
19 as follows:

20 The true and fair value of farm and agricultural land(~~(, including~~  
21 ~~land classified under section 2, chapter 320, Laws of 1998,)~~) shall be  
22 determined by consideration of the earning or productive capacity of  
23 comparable lands from crops grown most typically in the area averaged  
24 over not less than five years, capitalized at indicative rates. The  
25 earning or productive capacity of farm and agricultural lands shall be  
26 the "net cash rental", capitalized at a "rate of interest" charged on  
27 long term loans secured by a mortgage on farm or agricultural land plus  
28 a component for property taxes. The current use value of land under  
29 RCW 84.34.020(2)(d) shall be established as: The prior year's average  
30 value of open space farm and agricultural land used in the county plus  
31 the value of land improvements such as septic, water, and power used to  
32 serve the residence. This shall not be interpreted to require the  
33 assessor to list improvements to the land with the value of the land.

34 For the purposes of the above computation:

35 (1) The term "net cash rental" shall mean the average rental paid  
36 on an annual basis, in cash, for the land being appraised and other  
37 farm and agricultural land of similar quality and similarly situated  
38 that is available for lease for a period of at least three years to any

1 reliable person without unreasonable restrictions on its use for  
2 production of agricultural crops. There shall be allowed as a  
3 deduction from the rental received or computed any costs of crop  
4 production charged against the landlord if the costs are such as are  
5 customarily paid by a landlord. If "net cash rental" data is not  
6 available, the earning or productive capacity of farm and agricultural  
7 lands shall be determined by the cash value of typical or usual crops  
8 grown on land of similar quality and similarly situated averaged over  
9 not less than five years. Standard costs of production shall be  
10 allowed as a deduction from the cash value of the crops.

11 The current "net cash rental" or "earning capacity" shall be  
12 determined by the assessor with the advice of the advisory committee as  
13 provided in RCW 84.34.145, and through a continuing internal study,  
14 assisted by studies of the department of revenue. This net cash rental  
15 figure as it applies to any farm and agricultural land may be  
16 challenged before the same boards or authorities as would be the case  
17 with regard to assessed values on general property.

18 (2) The term "rate of interest" shall mean the rate of interest  
19 charged by the farm credit administration and other large financial  
20 institutions regularly making loans secured by farm and agricultural  
21 lands through mortgages or similar legal instruments, averaged over the  
22 immediate past five years.

23 The "rate of interest" shall be determined annually by a rule  
24 adopted by the department of revenue and such rule shall be published  
25 in the state register not later than January 1 of each year for use in  
26 that assessment year. The department of revenue determination may be  
27 appealed to the state board of tax appeals within thirty days after the  
28 date of publication by any owner of farm or agricultural land or the  
29 assessor of any county containing farm and agricultural land.

30 (3) The "component for property taxes" shall be a figure obtained  
31 by dividing the assessed value of all property in the county into the  
32 property taxes levied within the county in the year preceding the  
33 assessment and multiplying the quotient obtained by one hundred.

34 EXPLANATORY NOTE

35 Section 2, chapter 320, Laws of 1998 was vetoed by the  
36 governor.

37 **Sec. 24.** RCW 84.36.080 and 1998 c 335 s 5 are each amended to read  
38 as follows:

1 (1) All ships and vessels which are exempt from excise tax under  
2 (~~subsection (2) of~~) RCW 82.49.020(2) and excepted from the  
3 registration requirements of (~~subsection (10) of~~) RCW 88.02.030(9)  
4 shall be and are hereby made exempt from all ad valorem taxes, except  
5 taxes levied for any state purpose.

6 (2) All ships and vessels listed in the state or federal register  
7 of historical places are exempt from all ad valorem taxes.

8 EXPLANATORY NOTE

9 Makes a style change and RCW 88.02.030 was amended by 1997 c 83  
10 s 1, changing subsection (10) to subsection (9).

11 **Sec. 25.** RCW 84.36.379 and 1980 c 185 s 3 are each amended to read  
12 as follows:

13 The legislature finds that the property tax exemption authorized by  
14 Article VII, section 10 of the state Constitution should be made  
15 available on the basis of a retired person's ability to pay property  
16 taxes. The legislature further finds that the best measure of a  
17 retired person's ability to pay taxes is that person's disposable  
18 income as defined in RCW 84.36.383(~~(+6)~~).

19 EXPLANATORY NOTE

20 RCW 84.36.383 was amended by 1994 sp.s. c 8 s 2, changing  
21 subsection (6) to subsection (5). The new subsection reference  
22 will not be included since it is unnecessary. This will  
23 prevent incorrect references from occurring every time the  
24 subsection numbering in RCW 84.36.383 changes.

25 **Sec. 26.** RCW 84.38.100 and 1988 c 222 s 12 are each amended to  
26 read as follows:

27 Whenever a person's special assessment and/or real property tax  
28 obligation is deferred under the provisions of this chapter, the amount  
29 deferred and required to be paid pursuant to RCW 84.38.120 shall become  
30 a lien in favor of the state upon his or her property and shall have  
31 priority as provided in chapters 35.50 and 84.60 RCW: PROVIDED, That  
32 the interest of a mortgage or purchase contract holder who is required  
33 to cosign a declaration of deferral under RCW 84.38.090, shall have  
34 priority to said deferred lien. This lien may accumulate up to eighty  
35 percent of the amount of the claimant's equity value in said property  
36 and shall bear interest at the rate of eight percent per year from the  
37 time it could have been paid before delinquency until said obligation  
38 is paid: PROVIDED, That when taxes are deferred as provided in RCW  
39 (~~(84.64.030 or)~~) 84.64.050, the amount shall bear interest at the rate



1 of eight percent per year from the date the declaration is filed until  
2 the obligation is paid. In the case of a mobile home, the department  
3 of licensing shall show the state's lien on the certificate of  
4 ownership for the mobile home. In the case of all other property, the  
5 department of revenue shall file a notice of the deferral with the  
6 county recorder or auditor.

7 EXPLANATORY NOTE

8 RCW 84.64.030 was repealed by 1991 c 245 s 42.

9 **Sec. 27.** RCW 84.38.120 and 1988 c 222 s 13 are each amended to  
10 read as follows:

11 After receipt of the notification from the county assessor of the  
12 amount of deferred special assessments and/or real property taxes the  
13 department shall pay, from amounts appropriated for that purpose, to  
14 the treasurers of such municipal corporations said amounts, equivalent  
15 to the amount of special assessments and/or real property taxes  
16 deferred, to be distributed to the local improvement or taxing  
17 districts which levied the taxes so deferred: PROVIDED, That when  
18 taxes are deferred as provided in RCW ((~~84.64.030~~ or)) 84.64.050, the  
19 department shall pay to the treasurer of the county the amount  
20 equivalent to all taxes, foreclosure costs, interest, and penalties  
21 accrued to the date the declaration to defer is filed.

22 EXPLANATORY NOTE

23 RCW 84.64.030 was repealed by 1991 c 245 s 42.

24 **Sec. 28.** RCW 84.40.405 and 1985 c 7 s 156 are each amended to read  
25 as follows:

26 The department of revenue shall promulgate such rules and  
27 regulations, and prescribe such procedures as it deems necessary to  
28 carry out RCW ((~~82.04.444, 82.04.445,~~)) 84.36.470, 84.36.473,  
29 ((~~84.36.475,~~)) 84.36.477, ((~~84.09.080, and 84.52.015,~~)) and this  
30 section.

31 EXPLANATORY NOTE

32 RCW 82.04.444 and 82.04.445 were repealed by 1997 c 156 s 11  
33 and RCW 84.09.080, 84.36.475, and 84.52.015 were repealed by  
34 1989 c 378 s 40.

35 **Sec. 29.** RCW 84.52.0502 and 1988 c 274 s 9 are each amended to  
36 read as follows:

1 The department of revenue shall adopt such rules consistent with  
2 chapter 274, Laws of 1988 as shall be necessary or desirable to permit  
3 its effective administration. ((The rules shall provide how RCW  
4 84.52.0501 shall apply to a taxing district that has received  
5 authorization to increase its levy according to RCW 84.52.100 and use  
6 the method that will be the least costly to all taxing districts  
7 involved.))

8 EXPLANATORY NOTE

9 RCW 84.52.0501 expired December 31, 1989, and RCW 84.52.100 was  
10 repealed by 1990 c 234 s 5.

11 **Sec. 30.** RCW 84.68.010 and 1972 ex.s. c 84 s 3 are each amended to  
12 read as follows:

13 Injunctions and restraining orders shall not be issued or granted  
14 to restrain the collection of any tax or any part thereof, or the sale  
15 of any property for the nonpayment of any tax or part thereof, except  
16 in the following cases:

- 17 (1) Where the law under which the tax is imposed is void;  
18 (2) Where the property upon which the tax is imposed is exempt from  
19 taxation; or  
20 (3) Where the sale is a result of an error made by an officer or  
21 employee of the county, and the board of county commissioners or other  
22 legislative authority of the county ((has issued)) issues an order  
23 ((pursuant to the provisions of RCW 84.64.145)).

24 EXPLANATORY NOTE

25 RCW 84.64.145 was repealed by 1991 c 245 s 42.

26 NEW SECTION. **Sec. 31.** The following acts or parts of acts are  
27 each repealed:

- 28 (1) RCW 82.34.070 (Credits accumulated prior to July 30, 1967,  
29 pursuant to RCW 82.04.435) and 1967 ex.s. c 139 s 7;  
30 (2) RCW 84.56.190 (Penalty for failure to notify assessor or pay  
31 tax) and 1961 c 15 s 84.56.190;  
32 (3) RCW 84.33.042 (Excise tax rate July 1, 1984, through June 30,  
33 1985) and 1984 c 204 s 3;  
34 (4) RCW 84.33.043 (Excise tax rate July 1, 1985, through June 30,  
35 1986) and 1984 c 204 s 4;  
36 (5) RCW 84.33.044 (Excise tax rate July 1, 1986, through June 30,  
37 1987) and 1984 c 204 s 5; and

1 (6) RCW 84.33.045 (Excise tax rate July 1, 1987, through June 30,  
2 1988) and 1984 c 204 s 6.

3 EXPLANATORY NOTE

4 RCW 82.34.070 referred to tax credits provided in RCW 82.04.435  
5 which was decodified pursuant to 1997 c 156 s 10. RCW  
6 82.04.435 primarily addressed business activities occurring  
7 between 1964 and 1971.

8 RCW 84.56.190 provided penalties for certain failures addressed  
9 in RCW 84.56.180 which was repealed by 1994 c 301 s 57.  
10 Therefore, RCW 84.56.190 is obsolete.

11 The repealers in subsections (3) through (6) are obsolete by  
12 their own words.

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