

2 SHB 1202 - S AMD 271

3 By Senators Fraser, Brown and Rossi

4 ADOPTED 04/10/01

5 Strike everything after the enacting clause and insert the  
6 following:

7 "Sec. 1. RCW 84.14.110 and 1995 c 375 s 14 are each amended to  
8 read as follows:

9 (1) If improvements have been exempted under this chapter, the  
10 improvements continue to be exempted and not be converted to another  
11 use for at least ten years from date of issuance of the certificate of  
12 tax exemption. If the owner intends to convert the multifamily  
13 development to another use, the owner shall notify the assessor within  
14 sixty days of the change in use. If, after a certificate of tax  
15 exemption has been filed with the county assessor the city or assessor  
16 or agent discovers that a portion of the property is changed or will be  
17 changed to a use that is other than residential or that housing or  
18 amenities no longer meet the requirements as previously approved or  
19 agreed upon by contract between the governing authority and the owner  
20 and that the multifamily housing, or a portion of the housing, no  
21 longer qualifies for the exemption, the tax exemption must be canceled  
22 and the following must occur:

23 (a) Additional real property tax must be imposed upon the value of  
24 the nonqualifying improvements in the amount that would normally be  
25 imposed, plus a penalty must be imposed amounting to twenty percent.  
26 This additional tax is calculated based upon the difference between the  
27 property tax paid and the property tax that would have been paid if it  
28 had included the value of the nonqualifying improvements dated back to  
29 the date that the improvements were converted to a nonmultifamily use;

30 (b) The tax must include interest upon the amounts of the  
31 additional tax at the same statutory rate charged on delinquent  
32 property taxes from the dates on which the additional tax could have  
33 been paid without penalty if the improvements had been assessed at a  
34 value without regard to this chapter; and

35 (c) The additional tax owed together with interest and penalty must  
36 become a lien on the land and attach at the time the property or

1 portion of the property is removed from multifamily use or the  
2 amenities no longer meet applicable requirements, and has priority to  
3 and must be fully paid and satisfied before a recognizance, mortgage,  
4 judgment, debt, obligation, or responsibility to or with which the land  
5 may become charged or liable. The lien may be foreclosed upon  
6 expiration of the same period after delinquency and in the same manner  
7 provided by law for foreclosure of liens for delinquent real property  
8 taxes. An additional tax unpaid on its due date is delinquent. From  
9 the date of delinquency until paid, interest must be charged at the  
10 same rate applied by law to delinquent ad valorem property taxes.

11 (2) Upon a determination that a tax exemption is to be canceled for  
12 a reason stated in this section, the governing authority shall notify  
13 the record owner of the property as shown by the tax rolls by mail,  
14 return receipt requested, of the determination to cancel the exemption.  
15 The owner may appeal the determination to the governing authority  
16 within thirty days by filing a notice of appeal with the clerk of the  
17 governing authority, which notice must specify the factual and legal  
18 basis on which the determination of cancellation is alleged to be  
19 erroneous. The governing authority or a hearing examiner or other  
20 official authorized by the governing authority may hear the appeal. At  
21 the hearing, all affected parties may be heard and all competent  
22 evidence received. After the hearing, the deciding body or officer  
23 shall either affirm, modify, or repeal the decision of cancellation of  
24 exemption based on the evidence received. An aggrieved party may  
25 appeal the decision of the deciding body or officer to the superior  
26 court under RCW 34.05.510 through 34.05.598.

27 (3) Upon determination by the governing authority or authorized  
28 representative to terminate an exemption, the county officials having  
29 possession of the assessment and tax rolls shall correct the rolls in  
30 the manner provided for omitted property under RCW 84.40.080. The  
31 county assessor shall make such a valuation of the property and  
32 improvements as is necessary to permit the correction of the rolls.  
33 The owner may appeal the valuation to the county board of equalization  
34 under chapter 84.48 RCW and according to the provisions of RCW  
35 84.40.038. If there has been a failure to comply with this chapter,  
36 the property must be listed as an omitted assessment for assessment  
37 years beginning January 1 of the calendar year in which the  
38 noncompliance first occurred, but the listing as an omitted assessment

1 may not be for a period more than three calendar years preceding the  
2 year in which the failure to comply was discovered.

3 **Sec. 2.** RCW 84.26.130 and 1989 c 175 s 178 are each amended to  
4 read as follows:

5 Any decision by a local review board on an application for  
6 classification as historic property eligible for special valuation may  
7 be appealed to superior court under RCW 34.05.510 through 34.05.598 in  
8 addition to any other remedy at law. Any decision on the  
9 disqualification of historic property eligible for special valuation,  
10 or any other dispute, may be appealed to the county board of  
11 equalization in accordance with RCW 84.40.038.

12 **Sec. 3.** RCW 84.33.120 and 1999 sp.s. c 4 s 702 are each amended to  
13 read as follows:

14 (1) In preparing the assessment rolls as of January 1, 1982, for  
15 taxes payable in 1983 and each January 1st thereafter, the assessor  
16 shall list each parcel of forest land at a value with respect to the  
17 grade and class provided in this subsection and adjusted as provided in  
18 subsection (2) of this section and shall compute the assessed value of  
19 the land by using the same assessment ratio he or she applies generally  
20 in computing the assessed value of other property in his or her county.  
21 Values for the several grades of bare forest land shall be as follows.

22	LAND	OPERABILITY	VALUES
23	GRADE	CLASS	PER ACRE
24			
25		1	\$141
26	1	2	136
27		3	131
28		4	95
29			
30		1	118
31	2	2	114
32		3	110
33		4	80
34			

1		1	93
2	3	2	90
3		3	87
4		4	66
5	<hr/>		
6		1	70
7	4	2	68
8		3	66
9		4	52
10	<hr/>		
11		1	51
12	5	2	48
13		3	46
14		4	31
15	<hr/>		
16		1	26
17	6	2	25
18		3	25
19		4	23
20	<hr/>		
21		1	12
22	7	2	12
23		3	11
24		4	11
25	<hr/>		
26	8		1
27	<hr/>		

28 (2) On or before December 31, 1981, the department shall adjust, by  
29 rule under chapter 34.05 RCW, the forest land values contained in  
30 subsection (1) of this section in accordance with this subsection, and  
31 shall certify these adjusted values to the county assessor for his or  
32 her use in preparing the assessment rolls as of January 1, 1982. For  
33 the adjustment to be made on or before December 31, 1981, for use in  
34 the 1982 assessment year, the department shall:

35 (a) Divide the aggregate value of all timber harvested within the  
36 state between July 1, 1976, and June 30, 1981, by the aggregate harvest  
37 volume for the same period, as determined from the harvester excise tax  
38 returns filed with the department under RCW 82.04.291 and 84.33.071;  
39 and

1 (b) Divide the aggregate value of all timber harvested within the  
2 state between July 1, 1975, and June 30, 1980, by the aggregate harvest  
3 volume for the same period, as determined from the harvester excise tax  
4 returns filed with the department under RCW 82.04.291 and 84.33.071;  
5 and

6 (c) Adjust the forest land values contained in subsection (1) of  
7 this section by a percentage equal to one-half of the percentage change  
8 in the average values of harvested timber reflected by comparing the  
9 resultant values calculated under (a) and (b) of this subsection.

10 For the adjustments to be made on or before December 31, 1982, and  
11 each succeeding year thereafter, the same procedure shall be followed  
12 as described in this subsection utilizing harvester excise tax returns  
13 filed under RCW 82.04.291 and this chapter except that this adjustment  
14 shall be made to the prior year's adjusted value, and the five-year  
15 periods for calculating average harvested timber values shall be  
16 successively one year more recent.

17 (3) In preparing the assessment roll for 1972 and each year  
18 thereafter, the assessor shall enter as the true and fair value of each  
19 parcel of forest land the appropriate grade value certified to him or  
20 her by the department of revenue, and he or she shall compute the  
21 assessed value of such land by using the same assessment ratio he or  
22 she applies generally in computing the assessed value of other property  
23 in his or her county. In preparing the assessment roll for 1975 and  
24 each year thereafter, the assessor shall assess and value as classified  
25 forest land all forest land that is not then designated pursuant to RCW  
26 84.33.120(4) or 84.33.130 and shall make a notation of such  
27 classification upon the assessment and tax rolls. On or before January  
28 15 of the first year in which such notation is made, the assessor shall  
29 mail notice by certified mail to the owner that such land has been  
30 classified as forest land and is subject to the compensating tax  
31 imposed by this section. If the owner desires not to have such land  
32 assessed and valued as classified forest land, he or she shall give the  
33 assessor written notice thereof on or before March 31 of such year and  
34 the assessor shall remove from the assessment and tax rolls the  
35 classification notation entered pursuant to this subsection, and shall  
36 thereafter assess and value such land in the manner provided by law  
37 other than this chapter 84.33 RCW.

38 (4) In any year commencing with 1972, an owner of land which is  
39 assessed and valued by the assessor other than pursuant to the

1 procedures set forth in RCW 84.33.110 and this section, and which has,  
2 in the immediately preceding year, been assessed and valued by the  
3 assessor as forest land, may appeal to the county board of equalization  
4 by filing an application with the board in the manner prescribed in  
5 subsection (2) of RCW 84.33.130. The county board shall afford the  
6 applicant an opportunity to be heard if the application so requests and  
7 shall act upon the application in the manner prescribed in subsection  
8 (3) of RCW 84.33.130.

9 (5) Land that has been assessed and valued as classified forest  
10 land as of any year commencing with 1975 assessment year or earlier  
11 shall continue to be so assessed and valued until removal of  
12 classification by the assessor only upon the occurrence of one of the  
13 following events:

14 (a) Receipt of notice from the owner to remove such land from  
15 classification as forest land;

16 (b) Sale or transfer to an ownership making such land exempt from  
17 ad valorem taxation;

18 (c) Determination by the assessor, after giving the owner written  
19 notice and an opportunity to be heard, that, because of actions taken  
20 by the owner, such land is no longer primarily devoted to and used for  
21 growing and harvesting timber. However, land shall not be removed from  
22 classification if a governmental agency, organization, or other  
23 recipient identified in subsection (9) or (10) of this section as  
24 exempt from the payment of compensating tax has manifested its intent  
25 in writing or by other official action to acquire a property interest  
26 in classified forest land by means of a transaction that qualifies for  
27 an exemption under subsection (9) or (10) of this section. The  
28 governmental agency, organization, or recipient shall annually provide  
29 the assessor of the county in which the land is located reasonable  
30 evidence in writing of the intent to acquire the classified land as  
31 long as the intent continues or within sixty days of a request by the  
32 assessor. The assessor may not request this evidence more than once in  
33 a calendar year;

34 (d) Determination that a higher and better use exists for such land  
35 than growing and harvesting timber after giving the owner written  
36 notice and an opportunity to be heard;

37 (e) Sale or transfer of all or a portion of such land to a new  
38 owner, unless the new owner has signed a notice of forest land  
39 classification continuance, except transfer to an owner who is an heir

1 or devisee of a deceased owner, shall not, by itself, result in removal  
2 of classification. The signed notice of continuance shall be attached  
3 to the real estate excise tax affidavit provided for in RCW 82.45.150.  
4 The notice of continuance shall be on a form prepared by the department  
5 of revenue. If the notice of continuance is not signed by the new  
6 owner and attached to the real estate excise tax affidavit, all  
7 compensating taxes calculated pursuant to subsection (7) of this  
8 section shall become due and payable by the seller or transferor at  
9 time of sale. The county auditor shall not accept an instrument of  
10 conveyance of classified forest land for filing or recording unless the  
11 new owner has signed the notice of continuance or the compensating tax  
12 has been paid, as evidenced by the real estate excise tax stamp affixed  
13 thereto by the treasurer. The seller, transferor, or new owner may  
14 appeal the new assessed valuation calculated under subsection (7) of  
15 this section to the county board of equalization in accordance with the  
16 provisions of RCW 84.40.038. Jurisdiction is hereby conferred on the  
17 county board of equalization to hear these appeals.

18 The assessor shall remove classification pursuant to (c) or (d) of  
19 this subsection prior to September 30 of the year prior to the  
20 assessment year for which termination of classification is to be  
21 effective. Removal of classification as forest land upon occurrence of  
22 (a), (b), (d), or (e) of this subsection shall apply only to the land  
23 affected, and upon occurrence of (c) of this subsection shall apply  
24 only to the actual area of land no longer primarily devoted to and used  
25 for growing and harvesting timber: PROVIDED, That any remaining  
26 classified forest land meets necessary definitions of forest land  
27 pursuant to RCW 84.33.100.

28 (6) Within thirty days after such removal of classification as  
29 forest land, the assessor shall notify the owner in writing setting  
30 forth the reasons for such removal. The owner of such land shall  
31 thereupon have the right to apply for designation of such land as  
32 forest land pursuant to subsection (4) of this section or RCW  
33 84.33.130. The seller, transferor, or owner may appeal such removal to  
34 the county board of equalization in accordance with the provisions of  
35 RCW 84.40.038.

36 (7) Unless the owner successfully applies for designation of such  
37 land or unless the removal is reversed on appeal, notation of removal  
38 from classification shall immediately be made upon the assessment and  
39 tax rolls, and commencing on January 1 of the year following the year

1 in which the assessor made such notation, such land shall be assessed  
2 on the same basis as real property is assessed generally in that  
3 county. Except as provided in subsection (5)(e), (9), or (10) of this  
4 section and unless the assessor shall not have mailed notice of  
5 classification pursuant to subsection (3) of this section, a  
6 compensating tax shall be imposed which shall be due and payable to the  
7 county treasurer thirty days after the owner is notified of the amount  
8 of the compensating tax. As soon as possible, the assessor shall  
9 compute the amount of such compensating tax and mail notice to the  
10 owner of the amount thereof and the date on which payment is due. The  
11 amount of such compensating tax shall be equal to the difference, if  
12 any, between the amount of tax last levied on such land as forest land  
13 and an amount equal to the new assessed valuation of such land  
14 multiplied by the dollar rate of the last levy extended against such  
15 land, multiplied by a number, in no event greater than ten, equal to  
16 the number of years, commencing with assessment year 1975, for which  
17 such land was assessed and valued as forest land.

18 (8) Compensating tax, together with applicable interest thereon,  
19 shall become a lien on such land which shall attach at the time such  
20 land is removed from classification as forest land and shall have  
21 priority to and shall be fully paid and satisfied before any  
22 recognizance, mortgage, judgment, debt, obligation or responsibility to  
23 or with which such land may become charged or liable. Such lien may be  
24 foreclosed upon expiration of the same period after delinquency and in  
25 the same manner provided by law for foreclosure of liens for delinquent  
26 real property taxes as provided in RCW 84.64.050. Any compensating tax  
27 unpaid on its due date shall thereupon become delinquent. From the  
28 date of delinquency until paid, interest shall be charged at the same  
29 rate applied by law to delinquent ad valorem property taxes.

30 (9) The compensating tax specified in subsection (7) of this  
31 section shall not be imposed if the removal of classification as forest  
32 land pursuant to subsection (5) of this section resulted solely from:

33 (a) Transfer to a government entity in exchange for other forest  
34 land located within the state of Washington;

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

38 (c) A donation of fee title, development rights, or the right to  
39 harvest timber, to a government agency or organization qualified under



1 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those  
2 sections, or the sale or transfer of fee title to a governmental entity  
3 or a nonprofit nature conservancy corporation, as defined in RCW  
4 64.04.130, exclusively for the protection and conservation of lands  
5 recommended for state natural area preserve purposes by the natural  
6 heritage council and natural heritage plan as defined in chapter 79.70  
7 RCW: PROVIDED, That at such time as the land is not used for the  
8 purposes enumerated, the compensating tax specified in subsection (7)  
9 of this section shall be imposed upon the current owner;

10 (d) The sale or transfer of fee title to the parks and recreation  
11 commission for park and recreation purposes;

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

15 (f) The creation, sale, or transfer of forestry riparian easements  
16 under RCW 76.13.120; or

17 (g) The creation, sale, or transfer of a fee interest or a  
18 conservation easement for the riparian open space program under RCW  
19 76.09.040.

20 (10) In a county with a population of more than one million  
21 inhabitants, the compensating tax specified in subsection (7) of this  
22 section shall not be imposed if the removal of classification as forest  
23 land pursuant to subsection (5) of this section resulted solely from:

24 (a) An action described in subsection (9) of this section; or

25 (b) A transfer of a property interest to a government entity, or to  
26 a nonprofit historic preservation corporation or nonprofit nature  
27 conservancy corporation, as defined in RCW 64.04.130, to protect or  
28 enhance public resources, or to preserve, maintain, improve, restore,  
29 limit the future use of, or otherwise to conserve for public use or  
30 enjoyment, the property interest being transferred. At such time as  
31 the property interest is not used for the purposes enumerated, the  
32 compensating tax shall be imposed upon the current owner.

33 (11) With respect to any land that has been designated prior to May  
34 6, 1974, pursuant to RCW 84.33.120(4) or 84.33.130, the assessor may,  
35 prior to January 1, 1975, on his or her own motion or pursuant to  
36 petition by the owner, change, without imposition of the compensating  
37 tax provided under RCW 84.33.140, the status of such designated land to  
38 classified forest land.

1       **Sec. 4.** RCW 84.33.130 and 1994 c 301 s 32 are each amended to read  
2 as follows:

3       (1) An owner of land desiring that it be designated as forest land  
4 and valued pursuant to RCW 84.33.120 as of January 1 of any year shall  
5 make application to the county assessor before such January 1.

6       (2) The application shall be made upon forms prepared by the  
7 department of revenue and supplied by the county assessor, and shall  
8 include the following:

9       (a) A legal description of or assessor's tax lot numbers for all  
10 land the applicant desires to be designated as forest land;

11       (b) The date or dates of acquisition of such land;

12       (c) A brief description of the timber on such land, or if the  
13 timber has been harvested, the owner's plan for restocking;

14       (d) Whether there is a forest management plan for such land;

15       (e) If so, the nature and extent of implementation of such plan;

16       (f) Whether such land is used for grazing;

17       (g) Whether such land has been subdivided or a plat filed with  
18 respect thereto;

19       (h) Whether such land and the applicant are in compliance with the  
20 restocking, forest management, fire protection, insect and disease  
21 control and forest debris provisions of Title 76 RCW or any applicable  
22 regulations thereunder;

23       (i) Whether such land is subject to forest fire protection  
24 assessments pursuant to RCW 76.04.610;

25       (j) Whether such land is subject to a lease, option or other right  
26 which permits it to be used for any purpose other than growing and  
27 harvesting timber;

28       (k) A summary of the past experience and activity of the applicant  
29 in growing and harvesting timber;

30       (l) A summary of current and continuing activity of the applicant  
31 in growing and harvesting timber;

32       (m) A statement that the applicant is aware of the potential tax  
33 liability involved when such land ceases to be designated as forest  
34 land;

35       (n) An affirmation that the statements contained in the application  
36 are true and that the land described in the application is, by itself  
37 or with other forest land not included in the application, in  
38 contiguous ownership of twenty or more acres which is primarily devoted  
39 to and used for growing and harvesting timber.

1 The assessor shall afford the applicant an opportunity to be heard if  
2 the application so requests.

3 (3) The assessor shall act upon the application with due regard to  
4 all relevant evidence and without any one or more items of evidence  
5 necessarily being determinative, except that the application may be  
6 denied for one of the following reasons, without regard to other items:

7 (a) The land does not contain either a "merchantable stand of  
8 timber" or an "adequate stocking" as defined by rule adopted by the  
9 forest practices board, except this reason (a) shall not alone be  
10 sufficient for denial of the application (i) if such land has been  
11 recently harvested or supports a growth of brush or noncommercial type  
12 timber, and the application includes a plan for restocking within three  
13 years or such longer period necessitated by unavailability of seed or  
14 seedlings, or (ii) if only isolated areas within such land do not meet  
15 such minimum standards due to rock outcroppings, swamps, unproductive  
16 soil or other natural conditions;

17 (b) The applicant, with respect to such land, has failed to comply  
18 with a final administrative or judicial order with respect to a  
19 violation of the restocking, forest management, fire protection, insect  
20 and disease control and forest debris provisions of Title 76 RCW or any  
21 applicable regulations thereunder;

22 (c) The land abuts a body of salt water and lies between the line  
23 of ordinary high tide and a line paralleling such ordinary high tide  
24 line and two hundred feet horizontally landward therefrom, except that  
25 if the higher and better use determined by the assessor to exist for  
26 such land would not be permitted or economically feasible by virtue of  
27 any federal, state or local law or regulation such land shall be  
28 assessed and valued pursuant to the procedures set forth in RCW  
29 84.33.110 and 84.33.120 without being designated. The application  
30 shall be deemed to have been approved unless, prior to May 1, of the  
31 year after such application was mailed or delivered to the assessor,  
32 the assessor shall notify the applicant in writing of the extent to  
33 which the application is denied.

34 (4) An owner who receives notice pursuant to subsection (3) of this  
35 section that his or her application has been denied may appeal such  
36 denial to the county board of equalization in accordance with the  
37 provisions of RCW 84.40.038.

1       **Sec. 5.** RCW 84.33.140 and 1999 sp.s. c 4 s 703 are each amended to  
2 read as follows:

3       (1) When land has been designated as forest land pursuant to RCW  
4 84.33.120(4) or 84.33.130, a notation of such designation shall be made  
5 each year upon the assessment and tax rolls, a copy of the notice of  
6 approval together with the legal description or assessor's tax lot  
7 numbers for such land shall, at the expense of the applicant, be filed  
8 by the assessor in the same manner as deeds are recorded, and such land  
9 shall be graded and valued pursuant to RCW 84.33.110 and 84.33.120  
10 until removal of such designation by the assessor upon occurrence of  
11 any of the following:

12       (a) Receipt of notice from the owner to remove such designation;

13       (b) Sale or transfer to an ownership making such land exempt from  
14 ad valorem taxation;

15       (c) Sale or transfer of all or a portion of such land to a new  
16 owner, unless the new owner has signed a notice of forest land  
17 designation continuance, except transfer to an owner who is an heir or  
18 devisee of a deceased owner, shall not, by itself, result in removal of  
19 classification. The signed notice of continuance shall be attached to  
20 the real estate excise tax affidavit provided for in RCW 82.45.150.  
21 The notice of continuance shall be on a form prepared by the department  
22 of revenue. If the notice of continuance is not signed by the new  
23 owner and attached to the real estate excise tax affidavit, all  
24 compensating taxes calculated pursuant to subsection (3) of this  
25 section shall become due and payable by the seller or transferor at  
26 time of sale. The county auditor shall not accept an instrument of  
27 conveyance of designated forest land for filing or recording unless the  
28 new owner has signed the notice of continuance or the compensating tax  
29 has been paid, as evidenced by the real estate excise tax stamp affixed  
30 thereto by the treasurer. The seller, transferor, or new owner may  
31 appeal the new assessed valuation calculated under subsection (3) of  
32 this section to the county board of equalization in accordance with the  
33 provisions of RCW 84.40.038. Jurisdiction is hereby conferred on the  
34 county board of equalization to hear these appeals;

35       (d) Determination by the assessor, after giving the owner written  
36 notice and an opportunity to be heard, that:

37       (i) Such land is no longer primarily devoted to and used for  
38 growing and harvesting timber. However, land shall not be removed from  
39 designation if a governmental agency, organization, or other recipient

1 identified in subsection (5) or (6) of this section as exempt from the  
2 payment of compensating tax has manifested its intent in writing or by  
3 other official action to acquire a property interest in designated  
4 forest land by means of a transaction that qualifies for an exemption  
5 under subsection (5) or (6) of this section. The governmental agency,  
6 organization, or recipient shall annually provide the assessor of the  
7 county in which the land is located reasonable evidence in writing of  
8 the intent to acquire the designated land as long as the intent  
9 continues or within sixty days of a request by the assessor. The  
10 assessor may not request this evidence more than once in a calendar  
11 year;

12 (ii) The owner has failed to comply with a final administrative or  
13 judicial order with respect to a violation of the restocking, forest  
14 management, fire protection, insect and disease control and forest  
15 debris provisions of Title 76 RCW or any applicable regulations  
16 thereunder; or

17 (iii) Restocking has not occurred to the extent or within the time  
18 specified in the application for designation of such land.

19 Removal of designation upon occurrence of any of (a) through (c) of  
20 this subsection shall apply only to the land affected, and upon  
21 occurrence of (d) of this subsection shall apply only to the actual  
22 area of land no longer primarily devoted to and used for growing and  
23 harvesting timber, without regard to other land that may have been  
24 included in the same application and approval for designation:  
25 PROVIDED, That any remaining designated forest land meets necessary  
26 definitions of forest land pursuant to RCW 84.33.100.

27 (2) Within thirty days after such removal of designation of forest  
28 land, the assessor shall notify the owner in writing, setting forth the  
29 reasons for such removal. The seller, transferor, or owner may appeal  
30 such removal to the county board of equalization in accordance with the  
31 provisions of RCW 84.40.038.

32 (3) Unless the removal is reversed on appeal a copy of the notice  
33 of removal with notation of the action, if any, upon appeal, together  
34 with the legal description or assessor's tax lot numbers for the land  
35 removed from designation shall, at the expense of the applicant, be  
36 filed by the assessor in the same manner as deeds are recorded, and  
37 commencing on January 1 of the year following the year in which the  
38 assessor mailed such notice, such land shall be assessed on the same  
39 basis as real property is assessed generally in that county. Except as

1 provided in subsection (1)(c), (5), or (6) of this section, a  
2 compensating tax shall be imposed which shall be due and payable to the  
3 county treasurer thirty days after the owner is notified of the amount  
4 of the compensating tax. As soon as possible, the assessor shall  
5 compute the amount of such compensating tax and mail notice to the  
6 owner of the amount thereof and the date on which payment is due. The  
7 amount of such compensating tax shall be equal to the difference  
8 between the amount of tax last levied on such land as forest land and  
9 an amount equal to the new assessed valuation of such land multiplied  
10 by the dollar rate of the last levy extended against such land,  
11 multiplied by a number, in no event greater than ten, equal to the  
12 number of years for which such land was designated as forest land.

13 (4) Compensating tax, together with applicable interest thereon,  
14 shall become a lien on such land which shall attach at the time such  
15 land is removed from designation as forest land and shall have priority  
16 to and shall be fully paid and satisfied before any recognizance,  
17 mortgage, judgment, debt, obligation or responsibility to or with which  
18 such land may become charged or liable. Such lien may be foreclosed  
19 upon expiration of the same period after delinquency and in the same  
20 manner provided by law for foreclosure of liens for delinquent real  
21 property taxes as provided in RCW 84.64.050. Any compensating tax  
22 unpaid on its due date shall thereupon become delinquent. From the  
23 date of delinquency until paid, interest shall be charged at the same  
24 rate applied by law to delinquent ad valorem property taxes.

25 (5) The compensating tax specified in subsection (3) of this  
26 section shall not be imposed if the removal of designation pursuant to  
27 subsection (1) of this section resulted solely from:

28 (a) Transfer to a government entity in exchange for other forest  
29 land located within the state of Washington;

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

33 (c) A donation of fee title, development rights, or the right to  
34 harvest timber, to a government agency or organization qualified under  
35 RCW 84.34.210 and 64.04.130 for the purposes enumerated in those  
36 sections, or the sale or transfer of fee title to a governmental entity  
37 or a nonprofit nature conservancy corporation, as defined in RCW  
38 64.04.130, exclusively for the protection and conservation of lands  
39 recommended for state natural area preserve purposes by the natural

1 heritage council and natural heritage plan as defined in chapter 79.70  
2 RCW: PROVIDED, That at such time as the land is not used for the  
3 purposes enumerated, the compensating tax specified in subsection (3)  
4 of this section shall be imposed upon the current owner;

5 (d) The sale or transfer of fee title to the parks and recreation  
6 commission for park and recreation purposes;

7 (e) Official action by an agency of the state of Washington or by  
8 the county or city within which the land is located that disallows the  
9 present use of such land;

10 (f) The creation, sale, or transfer of forestry riparian easements  
11 under RCW 76.13.120; or

12 (g) The creation, sale, or transfer of a fee interest or a  
13 conservation easement for the riparian open space program under RCW  
14 76.09.040.

15 (6) In a county with a population of more than one million  
16 inhabitants, the compensating tax specified in subsection (3) of this  
17 section shall not be imposed if the removal of classification as forest  
18 land pursuant to subsection (1) of this section resulted solely from:

19 (a) An action described in subsection (5) of this section; or

20 (b) A transfer of a property interest to a government entity, or to  
21 a nonprofit historic preservation corporation or nonprofit nature  
22 conservancy corporation, as defined in RCW 64.04.130, to protect or  
23 enhance public resources, or to preserve, maintain, improve, restore,  
24 limit the future use of, or otherwise to conserve for public use or  
25 enjoyment, the property interest being transferred. At such time as  
26 the property interest is not used for the purposes enumerated, the  
27 compensating tax shall be imposed upon the current owner.

28 **Sec. 6.** RCW 84.34.035 and 1992 c 69 s 5 are each amended to read  
29 as follows:

30 The assessor shall act upon the application for current use  
31 classification of farm and agricultural lands under RCW 84.34.020(2),  
32 with due regard to all relevant evidence. The application shall be  
33 deemed to have been approved unless, prior to the first day of May of  
34 the year after such application was mailed or delivered to the  
35 assessor, the assessor shall notify the applicant in writing of the  
36 extent to which the application is denied. An owner who receives  
37 notice that his or her application has been denied may appeal such  
38 denial to the board of equalization in the county where the property is

1 located. The appeal shall be filed in accordance with RCW 84.40.038(  
2 ~~within thirty days after the mailing of the notice of denial~~). Within  
3 ten days following approval of the application, the assessor shall  
4 submit notification of such approval to the county auditor for  
5 recording in the place and manner provided for the public recording of  
6 state tax liens on real property. The assessor shall retain a copy of  
7 all applications.

8 The assessor shall, as to any such land, make a notation each year  
9 on the assessment list and the tax roll of the assessed value of such  
10 land for the use for which it is classified in addition to the assessed  
11 value of such land were it not so classified.

12 **Sec. 7.** RCW 84.34.108 and 1999 sp.s. c 4 s 706 and 1999 c 233 s 22  
13 are each reenacted and amended to read as follows:

14 (1) When land has once been classified under this chapter, a  
15 notation of such classification shall be made each year upon the  
16 assessment and tax rolls and such land shall be valued pursuant to RCW  
17 84.34.060 or 84.34.065 until removal of all or a portion of such  
18 classification by the assessor upon occurrence of any of the following:

19 (a) Receipt of notice from the owner to remove all or a portion of  
20 such classification;

21 (b) Sale or transfer to an ownership, except a transfer that  
22 resulted from a default in loan payments made to or secured by a  
23 governmental agency that intends to or is required by law or regulation  
24 to resell the property for the same use as before, making all or a  
25 portion of such land exempt from ad valorem taxation;

26 (c) Sale or transfer of all or a portion of such land to a new  
27 owner, unless the new owner has signed a notice of classification  
28 continuance, except transfer to an owner who is an heir or devisee of  
29 a deceased owner shall not, by itself, result in removal of  
30 classification. The notice of continuance shall be on a form prepared  
31 by the department of revenue. If the notice of continuance is not  
32 signed by the new owner and attached to the real estate excise tax  
33 affidavit, all additional taxes calculated pursuant to subsection (4)  
34 of this section shall become due and payable by the seller or  
35 transferor at time of sale. The county auditor shall not accept an  
36 instrument of conveyance of classified land for filing or recording  
37 unless the new owner has signed the notice of continuance or the  
38 additional tax has been paid, as evidenced by the real estate excise



1 tax stamp affixed thereto by the treasurer. The seller, transferor, or  
2 new owner may appeal the new assessed valuation calculated under  
3 subsection (4) of this section to the county board of equalization in  
4 accordance with the provisions of RCW 84.40.038. Jurisdiction is  
5 hereby conferred on the county board of equalization to hear these  
6 appeals;

7 (d) Determination by the assessor, after giving the owner written  
8 notice and an opportunity to be heard, that all or a portion of such  
9 land no longer meets the criteria for classification under this  
10 chapter. The criteria for classification pursuant to this chapter  
11 continue to apply after classification has been granted.

12 The granting authority, upon request of an assessor, shall provide  
13 reasonable assistance to the assessor in making a determination whether  
14 such land continues to meet the qualifications of RCW 84.34.020 (1) or  
15 (3). The assistance shall be provided within thirty days of receipt of  
16 the request.

17 (2) Land may not be removed from classification because of:

18 (a) The creation, sale, or transfer of forestry riparian easements  
19 under RCW 76.13.120; or

20 (b) The creation, sale, or transfer of a fee interest or a  
21 conservation easement for the riparian open space program under RCW  
22 76.09.040.

23 (3) Within thirty days after such removal of all or a portion of  
24 such land from current use classification, the assessor shall notify  
25 the owner in writing, setting forth the reasons for such removal. The  
26 seller, transferor, or owner may appeal such removal to the county  
27 board of equalization in accordance with the provisions of RCW  
28 84.40.038.

29 (4) Unless the removal is reversed on appeal, the assessor shall  
30 revalue the affected land with reference to full market value on the  
31 date of removal from classification. Both the assessed valuation  
32 before and after the removal of classification shall be listed and  
33 taxes shall be allocated according to that part of the year to which  
34 each assessed valuation applies. Except as provided in subsection (6)  
35 of this section, an additional tax, applicable interest, and penalty  
36 shall be imposed which shall be due and payable to the county treasurer  
37 thirty days after the owner is notified of the amount of the additional  
38 tax. As soon as possible, the assessor shall compute the amount of  
39 such an additional tax, applicable interest, and penalty and the

1 treasurer shall mail notice to the owner of the amount thereof and the  
2 date on which payment is due. The amount of such additional tax,  
3 applicable interest, and penalty shall be determined as follows:

4 (a) The amount of additional tax shall be equal to the difference  
5 between the property tax paid as "open space land", "farm and  
6 agricultural land", or "timber land" and the amount of property tax  
7 otherwise due and payable for the seven years last past had the land  
8 not been so classified;

9 (b) The amount of applicable interest shall be equal to the  
10 interest upon the amounts of such additional tax paid at the same  
11 statutory rate charged on delinquent property taxes from the dates on  
12 which such additional tax could have been paid without penalty if the  
13 land had been assessed at a value without regard to this chapter;

14 (c) The amount of the penalty shall be as provided in RCW  
15 84.34.080. The penalty shall not be imposed if the removal satisfies  
16 the conditions of RCW 84.34.070.

17 (5) Additional tax, applicable interest, and penalty, shall become  
18 a lien on such land which shall attach at the time such land is removed  
19 from classification under this chapter and shall have priority to and  
20 shall be fully paid and satisfied before any recognizance, mortgage,  
21 judgment, debt, obligation or responsibility to or with which such land  
22 may become charged or liable. Such lien may be foreclosed upon  
23 expiration of the same period after delinquency and in the same manner  
24 provided by law for foreclosure of liens for delinquent real property  
25 taxes as provided in RCW 84.64.050 now or as hereafter amended. Any  
26 additional tax unpaid on its due date shall thereupon become  
27 delinquent. From the date of delinquency until paid, interest shall be  
28 charged at the same rate applied by law to delinquent ad valorem  
29 property taxes.

30 (6) The additional tax, applicable interest, and penalty specified  
31 in subsection (4) of this section shall not be imposed if the removal  
32 of classification pursuant to subsection (1) of this section resulted  
33 solely from:

34 (a) Transfer to a government entity in exchange for other land  
35 located within the state of Washington;

36 (b)(i) A taking through the exercise of the power of eminent  
37 domain, or (ii) sale or transfer to an entity having the power of  
38 eminent domain in anticipation of the exercise of such power, said

1 entity having manifested its intent in writing or by other official  
2 action;

3 (c) A natural disaster such as a flood, windstorm, earthquake, or  
4 other such calamity rather than by virtue of the act of the landowner  
5 changing the use of such property;

6 (d) Official action by an agency of the state of Washington or by  
7 the county or city within which the land is located which disallows the  
8 present use of such land;

9 (e) Transfer of land to a church when such land would qualify for  
10 exemption pursuant to RCW 84.36.020;

11 (f) Acquisition of property interests by state agencies or agencies  
12 or organizations qualified under RCW 84.34.210 and 64.04.130 for the  
13 purposes enumerated in those sections: PROVIDED, That at such time as  
14 these property interests are not used for the purposes enumerated in  
15 RCW 84.34.210 and 64.04.130 the additional tax specified in subsection  
16 (4) of this section shall be imposed;

17 (g) Removal of land classified as farm and agricultural land under  
18 RCW 84.34.020(2)(d);

19 (h) Removal of land from classification after enactment of a  
20 statutory exemption that qualifies the land for exemption and receipt  
21 of notice from the owner to remove the land from classification;

22 (i) The creation, sale, or transfer of forestry riparian easements  
23 under RCW 76.13.120; or

24 (j) The creation, sale, or transfer of a fee interest or a  
25 conservation easement for the riparian open space program under RCW  
26 76.09.040.

27 **Sec. 8.** RCW 84.36.385 and 1992 c 206 s 13 are each amended to read  
28 as follows:

29 (1) A claim for exemption under RCW 84.36.381 as now or hereafter  
30 amended, shall be made and filed at any time during the year for  
31 exemption from taxes payable the following year and thereafter and  
32 solely upon forms as prescribed and furnished by the department of  
33 revenue. However, an exemption from tax under RCW 84.36.381 shall  
34 continue for no more than four years unless a renewal application is  
35 filed as provided in subsection (3) of this section. The county  
36 assessor may also require, by written notice, a renewal application  
37 following an amendment of the income requirements set forth in RCW

1 84.36.381. Renewal applications shall be on forms prescribed and  
2 furnished by the department of revenue.

3 (2) A person granted an exemption under RCW 84.36.381 shall inform  
4 the county assessor of any change in status affecting the person's  
5 entitlement to the exemption on forms prescribed and furnished by the  
6 department of revenue.

7 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and  
8 thereafter, shall file with the county assessor a renewal application  
9 not later than December 31 of the year the assessor notifies such  
10 person of the requirement to file the renewal application.

11 (4) Beginning in 1992 and in each of the three succeeding years,  
12 the county assessor shall notify approximately one-fourth of those  
13 persons exempt from taxes under RCW 84.36.381 in the current year who  
14 have not filed a renewal application within the previous four years, of  
15 the requirement to file a renewal application.

16 (5) If the assessor finds that the applicant does not meet the  
17 qualifications as set forth in RCW 84.36.381, as now or hereafter  
18 amended, the claim or exemption shall be denied but such denial shall  
19 be subject to appeal under the provisions of RCW 84.48.010(5) and in  
20 accordance with the provisions of RCW 84.40.038. If the applicant had  
21 received exemption in prior years based on erroneous information, the  
22 taxes shall be collected subject to penalties as provided in RCW  
23 84.40.130 for a period of not to exceed three years.

24 (6) The department and each local assessor is hereby directed to  
25 publicize the qualifications and manner of making claims under RCW  
26 84.36.381 through 84.36.389, through communications media, including  
27 such paid advertisements or notices as it deems appropriate. Notice of  
28 the qualifications, method of making applications, the penalties for  
29 not reporting a change in status, and availability of further  
30 information shall be included on or with property tax statements and  
31 revaluation notices for all residential property including mobile  
32 homes, except rental properties.

33 **Sec. 9.** RCW 84.36.812 and 1984 c 220 s 9 are each amended to read  
34 as follows:

35 All additional taxes imposed under RCW 84.36.262 or 84.36.810 shall  
36 become due and payable by the seller or transferor at the time of sale.  
37 The county auditor shall not accept an instrument of conveyance unless  
38 the additional tax has been paid or the department of revenue has

1 determined that the property is not subject to RCW 84.36.262 or  
2 84.36.810. The seller, the transferor, or the new owner may appeal the  
3 assessed values upon which the additional tax is based to the county  
4 board of equalization in accordance with the provisions of RCW  
5 84.40.038.

6 **Sec. 10.** RCW 84.38.040 and 1994 c 301 s 34 are each amended to  
7 read as follows:

8 (1) Each claimant electing to defer payment of special assessments  
9 and/or real property tax obligations under this chapter shall file with  
10 the county assessor, on forms prescribed by the department and supplied  
11 by the assessor, a written declaration thereof. The declaration to  
12 defer special assessments and/or real property taxes for any year shall  
13 be filed no later than thirty days before the tax or assessment is due  
14 or thirty days after receiving notice under RCW 84.64.050, whichever is  
15 later: PROVIDED, That for good cause shown, the department may waive  
16 this requirement.

17 (2) The declaration shall designate the property to which the  
18 deferral applies, and shall include a statement setting forth (a) a  
19 list of all members of the claimant's household, (b) the claimant's  
20 equity value in his residence, (c) facts establishing the eligibility  
21 for the deferral under the provisions of this chapter, and (d) any  
22 other relevant information required by the rules of the department.  
23 Each copy shall be signed by the claimant subject to the penalties as  
24 provided in chapter 9A.72 RCW for false swearing. The first  
25 declaration to defer filed in a county shall include proof of the  
26 claimant's age acceptable to the assessor.

27 (3) The county assessor shall determine if each claimant shall be  
28 granted a deferral for each year but the claimant shall have the right  
29 to appeal this determination to the county board of equalization, in  
30 accordance with the provisions of RCW 84.40.038, whose decision shall  
31 be final as to the deferral of that year.

32 **Sec. 11.** RCW 84.40.038 and 1997 c 294 s 1 are each amended to read  
33 as follows:

34 (1) The owner or person responsible for payment of taxes on any  
35 property may petition the county board of equalization for a change in  
36 the assessed valuation placed upon such property by the county assessor  
37 or for any other reason specifically authorized by statute. Such

1 petition must be made on forms prescribed or approved by the department  
2 of revenue and any petition not conforming to those requirements or not  
3 properly completed shall not be considered by the board. The petition  
4 must be filed with the board on or before July 1st of the year of the  
5 assessment or determination, within thirty days after the date an  
6 assessment ~~((or))~~, value change notice, or other notice has been  
7 mailed, or within a time limit of up to sixty days adopted by the  
8 county legislative authority, whichever is later. If a county  
9 legislative authority sets a time limit, the authority may not change  
10 the limit for three years from the adoption of the limit.

11 (2) The board of equalization may waive the filing deadline if the  
12 petition is filed within a reasonable time after the filing deadline  
13 and the petitioner shows good cause for the late filing. The decision  
14 of the board of equalization regarding a waiver of the filing deadline  
15 is final and not appealable under RCW 84.08.130. Good cause may be  
16 shown by one or more of the following events or circumstances:

17 (a) Death or serious illness of the taxpayer or his or her  
18 immediate family;

19 (b) The taxpayer was absent from the address where the taxpayer  
20 normally receives the assessment or value change notice, was absent for  
21 more than fifteen days of the days allowed in subsection (1) of this  
22 section before the filing deadline, and the filing deadline is after  
23 July 1;

24 (c) Incorrect written advice regarding filing requirements received  
25 from board of equalization staff, county assessor's staff, or staff of  
26 the property tax advisor designated under RCW 84.48.140;

27 (d) Natural disaster such as flood or earthquake;

28 (e) Delay or loss related to the delivery of the petition by the  
29 postal service, and documented by the postal service; or

30 (f) Other circumstances as the department may provide by rule.

31 (3) The owner or person responsible for payment of taxes on any  
32 property may request that the appeal be heard by the state board of tax  
33 appeals without a hearing by the county board of equalization when the  
34 assessor, the owner or person responsible for payment of taxes on the  
35 property, and a majority of the county board of equalization agree that  
36 a direct appeal to the state board of tax appeals is appropriate. The  
37 state board of tax appeals may reject the appeal, in which case the  
38 county board of equalization shall consider the appeal under RCW  
39 84.48.010. Notice of such a rejection, together with the reason

1 therefor, shall be provided to the affected parties and the county  
2 board of equalization within thirty days of receipt of the direct  
3 appeal by the state board.

4 **Sec. 12.** RCW 84.48.080 and 1997 c 3 s 112 are each amended to read  
5 as follows:

6 (1) Annually during the months of September and October, the  
7 department of revenue shall examine and compare the returns of the  
8 assessment of the property in the several counties of the state, and  
9 the assessment of the property of railroad and other companies assessed  
10 by the department, and proceed to equalize the same, so that each  
11 county in the state shall pay its due and just proportion of the taxes  
12 for state purposes for such assessment year, according to the ratio the  
13 ~~((assessed))~~ valuation of the property in each county bears to the  
14 ~~((correct))~~ total ~~((assessed))~~ valuation of all property in the state.

15 ~~((First.))~~ (a) The department shall classify all property, real and  
16 personal, and shall raise and lower the ~~((assessed))~~ valuation of any  
17 class of property in any county to a value that shall be equal, so far  
18 as possible, to the ~~((correct-assessed))~~ true and fair value of such  
19 class as of January 1st of the current year ~~((, after determining the  
20 correct appraised value, and any adjustment applicable under RCW  
21 84.40.0305 for the property,))~~ for the purpose of ascertaining the just  
22 amount of tax due from each county for state purposes. ~~((In equalizing  
23 personal property as of January 1st of the current year, the department  
24 shall use the assessment level of the preceding year.))~~ In equalizing  
25 personal property as of January 1st of the current year, the department  
26 shall use valuation data with respect to personal property from the  
27 three years immediately preceding the current assessment year in a  
28 manner it deems appropriate. Such classification may be on the basis  
29 of types of property, geographical areas, or both. For purposes of  
30 this section, for each county that has not provided the department with  
31 an assessment return by December 1st, the department shall proceed,  
32 using facts and information and in a manner it deems appropriate, to  
33 estimate the value of each class of property in the county.

34 ~~((Second.))~~ (b) The department shall keep a full record of its  
35 proceedings and the same shall be published annually by the department.

36 (2) The department shall levy the state taxes authorized by law.  
37 The amount levied in any one year for general state purposes shall not  
38 exceed the lawful dollar rate on the dollar of the assessed value of

1 the property of the entire state (~~as equalized under this section~~),  
2 which assessed value shall be one hundred percent of the true and fair  
3 value of the property in money. The department shall apportion the  
4 amount of tax for state purposes levied by the department, among the  
5 several counties, in proportion to the (~~assessed~~) valuation of the  
6 taxable property of the county for the year as equalized by the  
7 department: PROVIDED, That for purposes of this apportionment, the  
8 department shall recompute the previous year's levy and the  
9 apportionment thereof to correct for changes and errors in taxable  
10 values reported to the department after October 1 of the preceding year  
11 and shall adjust the apportioned amount of the current year's state  
12 levy for each county by the difference between the apportioned amounts  
13 established by the original and revised levy computations for the  
14 previous year. For purposes of this section, changes in taxable values  
15 mean a final adjustment made by a county board of equalization, the  
16 state board of tax appeals, or a court of competent jurisdiction and  
17 shall include additions of omitted property, other additions or  
18 deletions from the assessment or tax rolls, any assessment return  
19 provided by a county to the department subsequent to December 1st, or  
20 a change in the indicated ratio of a county. Errors in taxable values  
21 mean errors corrected by a final reviewing body.

22 In addition to computing a levy under this subsection that is  
23 reduced under RCW 84.55.012, the department shall compute a  
24 hypothetical levy without regard to the reduction under RCW 84.55.012.  
25 This hypothetical levy shall also be apportioned among the several  
26 counties in proportion to the valuation of the taxable property of the  
27 county for the year, as equalized by the department, in the same manner  
28 as the actual levy and shall be used by the county assessors for the  
29 purpose of recomputing and establishing a consolidated levy under RCW  
30 84.52.010.

31 (3) The department shall have authority to adopt rules and  
32 regulations to enforce obedience to its orders in all matters in  
33 relation to the returns of county assessments, the equalization of  
34 values, and the apportionment of the state levy by the department.

35 (4) After the completion of the duties prescribed in this section,  
36 the director of the department shall certify the record of the  
37 proceedings of the department under this section, the tax levies made  
38 for state purposes and the apportionment thereof among the counties,  
39 and the certification shall be available for public inspection.



1       **Sec. 13.** RCW 84.40.190 and 1993 c 33 s 4 are each amended to read  
2 as follows:

3       Every person required by this title to list property shall make out  
4 and deliver to the assessor, or to the department as required by RCW  
5 84.40.065, either in person (~~(or)~~), by mail, or by electronic  
6 transmittal, a statement, verified under penalty of perjury, of all the  
7 personal property in his or her possession or under his or her control,  
8 and which, by the provisions of this title, he or she is required to  
9 list for taxation, either as owner or holder thereof. Each list,  
10 schedule or statement required by this chapter shall be signed by the  
11 individual if the person required to make the same is an individual; by  
12 the president, vice-president, treasurer, assistant treasurer, chief  
13 accounting officer or any other officer duly authorized to so act if  
14 the person required to make the same is a corporation; by a responsible  
15 and duly authorized member or officer having knowledge of its affairs,  
16 if the person required to make the same is a partnership or other  
17 unincorporated organization; or by the fiduciary, if the person  
18 required to make the same is a trust or estate. The list, schedule, or  
19 statement may be made and signed for the person required to make the  
20 same by an agent who is duly authorized to do so by a power of attorney  
21 filed with and approved by the assessor. When any list, schedule, or  
22 statement is made and signed by such agent, the principal required to  
23 make out and deliver the same shall be responsible for the contents and  
24 the filing thereof and shall be liable for the penalties imposed  
25 pursuant to RCW 84.40.130. No person shall be required to list for  
26 taxation in his statement to the assessor any share or portion of the  
27 capital stock, or of any of the property of any company, association or  
28 corporation, which such person may hold in whole or in part, where such  
29 company, being required so to do, has listed for assessment and  
30 taxation its capital stock and property with the department of revenue,  
31 or as otherwise required by law.

32       NEW SECTION. **Sec. 14.** A new section is added to chapter 84.52 RCW  
33 to read as follows:

34       (1) If an error has occurred in the levy of property taxes that has  
35 caused all taxpayers within a taxing district, other than the state, to  
36 pay an incorrect amount of property tax, the assessor shall correct the  
37 error by making an appropriate adjustment to the levy for that taxing  
38 district in the succeeding year. The adjustment shall be made without

1 including any interest. If the governing authority of the taxing  
2 district determines that the amount of the adjustment in the succeeding  
3 year is so large as to cause a hardship for the taxing district or the  
4 taxpayers within the district, the adjustment may be made on a  
5 proportional basis over a period of not more than three consecutive  
6 years.

7 (a) A correction of an error in the levying of property taxes shall  
8 not be made for any period more than three years preceding the year in  
9 which the error is discovered.

10 (b) When calculating the levy limitation under chapter 84.55 RCW  
11 for levies made following the discovery of an error, the assessor shall  
12 determine and use the correct levy amount for the year or years being  
13 corrected as though the error had not occurred. The amount of the  
14 adjustment determined under this subsection (1) shall not be considered  
15 when calculating the levy limitation.

16 (c) If the taxing district in which a levy error has occurred does  
17 not levy property taxes in the year the error is discovered, or for a  
18 period of more than three years subsequent to the year the error was  
19 discovered, an adjustment shall not be made.

20 (2) If an error has occurred in the distribution of property taxes  
21 so that property tax collected has been incorrectly distributed to a  
22 taxing district or taxing districts wholly or partially within a  
23 county, the treasurer of the county in which the error occurred shall  
24 correct the error by making an appropriate adjustment to the amount  
25 distributed to that taxing district or districts in the succeeding  
26 year. The adjustment shall be made without including any interest. If  
27 the treasurer, in consultation with the governing authority of the  
28 taxing district or districts affected, determines that the amount of  
29 the adjustment in the succeeding year is so large as to cause a  
30 hardship for the taxing district or districts, the adjustment may be  
31 made on a proportional basis over a period of not more than three  
32 consecutive years. A correction of an error in the distribution of  
33 property taxes shall not be made for any period more than three years  
34 preceding the year in which the error is discovered.

35 **Sec. 15.** RCW 84.48.080 and 1997 c 3 s 112 are each amended to read  
36 as follows:

37 (1) Annually during the months of September and October, the  
38 department of revenue shall examine and compare the returns of the

1 assessment of the property in the several counties of the state, and  
2 the assessment of the property of railroad and other companies assessed  
3 by the department, and proceed to equalize the same, so that each  
4 county in the state shall pay its due and just proportion of the taxes  
5 for state purposes for such assessment year, according to the ratio the  
6 assessed valuation of the property in each county bears to the correct  
7 total assessed valuation of all property in the state.

8 ~~((First.))~~ (a) The department shall classify all property, real and  
9 personal, and shall raise and lower the assessed valuation of any class  
10 of property in any county to a value that shall be equal, so far as  
11 possible, to the correct assessed value of such class as of January 1st  
12 of the current year, after determining the correct appraised value, and  
13 any adjustment applicable under RCW 84.40.0305 for the property, for  
14 the purpose of ascertaining the just amount of tax due from each county  
15 for state purposes. In equalizing personal property as of January 1st  
16 of the current year, the department shall use ~~((the assessment level of~~  
17 ~~the preceding year))~~ valuation data with respect to personal property  
18 from the three years immediately preceding the current assessment year  
19 in a manner it deems appropriate. Such classification may be on the  
20 basis of types of property, geographical areas, or both. For purposes  
21 of this section, for each county that has not provided the department  
22 with an assessment return by December 1st, the department shall  
23 proceed, using facts and information and in a manner it deems  
24 appropriate, to estimate the value of each class of property in the  
25 county.

26 ~~((Second.))~~ (b) The department shall keep a full record of its  
27 proceedings and the same shall be published annually by the department.

28 (2) The department shall levy the state taxes authorized by law.  
29 The amount levied in any one year for general state purposes shall not  
30 exceed the lawful dollar rate on the dollar of the assessed value of  
31 the property of the entire state as equalized under this section. The  
32 department shall apportion the amount of tax for state purposes levied  
33 by the department, among the several counties, in proportion to the  
34 assessed valuation of the taxable property of the county for the year  
35 as equalized by the department: PROVIDED, That for purposes of this  
36 apportionment, the department shall recompute the previous year's levy  
37 and the apportionment thereof to correct for changes and errors in  
38 taxable values reported to the department after October 1 of the  
39 preceding year and shall adjust the apportioned amount of the current

1 year's state levy for each county by the difference between the  
2 apportioned amounts established by the original and revised levy  
3 computations for the previous year. For purposes of this section,  
4 changes in taxable values mean a final adjustment made by a county  
5 board of equalization, the state board of tax appeals, or a court of  
6 competent jurisdiction and shall include additions of omitted property,  
7 other additions or deletions from the assessment or tax rolls, any  
8 assessment return provided by a county to the department subsequent to  
9 December 1st, or a change in the indicated ratio of a county. Errors  
10 in taxable values mean errors corrected by a final reviewing body.

11 In addition to computing a levy under this subsection that is  
12 reduced under RCW 84.55.012, the department shall compute a  
13 hypothetical levy without regard to the reduction under RCW 84.55.012.  
14 This hypothetical levy shall also be apportioned among the several  
15 counties in proportion to the valuation of the taxable property of the  
16 county for the year, as equalized by the department, in the same manner  
17 as the actual levy and shall be used by the county assessors for the  
18 purpose of recomputing and establishing a consolidated levy under RCW  
19 84.52.010.

20 (3) The department shall have authority to adopt rules and  
21 regulations to enforce obedience to its orders in all matters in  
22 relation to the returns of county assessments, the equalization of  
23 values, and the apportionment of the state levy by the department.

24 (4) After the completion of the duties prescribed in this section,  
25 the director of the department shall certify the record of the  
26 proceedings of the department under this section, the tax levies made  
27 for state purposes and the apportionment thereof among the counties,  
28 and the certification shall be available for public inspection.

29 NEW SECTION. **Sec. 16.** Section 15 of this act takes effect for  
30 taxes levied in 2001 for collection in 2002 and thereafter if the  
31 proposed amendment to Article VII, section 1 of the state Constitution  
32 providing for valuation increases to be phased-in over a period of four  
33 years is validly submitted to and is approved and ratified by voters at  
34 the next general election. If the proposed amendment is not approved  
35 and ratified, section 15 of this act is null and void. If such  
36 proposed amendment is approved and ratified, section 12 of this act is  
37 null and void.

1        NEW SECTION. Sec. 17. Section 14 of this act takes effect January  
2 1, 2002, and applies to errors that occur on and after January 1, 2002.

3        NEW SECTION. Sec. 18. Sections 1 through 12 of this act apply for  
4 taxes levied in 2001 for collection in 2002 and thereafter."

5        SHB 1202 - S AMD 271  
6        By Senators Fraser, Brown and Rossi

7  
ADOPTED 04/10/01

8        On page 1, line 6 of the title, after "errors;" strike the  
9 remainder of the title and insert "amending RCW 84.14.110, 84.26.130,  
10 84.33.120, 84.33.130, 84.33.140, 84.34.035, 84.36.385, 84.36.812,  
11 84.38.040, 84.40.038, 84.48.080, 84.40.190, and 84.48.080; reenacting  
12 and amending RCW 84.34.108; adding a new section to chapter 84.52 RCW;  
13 creating a new section; providing an effective date; and providing a  
14 contingent effective date."

--- END ---