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HOUSE BILL 1573

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State of Washington

57th Legislature

2001 Regular Session

By Representatives Simpson, Marine, Ruderman, Kessler, Keiser, Kenney, Talcott, Conway, H. Sommers, Kagi, Schual-Berke, Rockefeller, McIntire, Dunshee, O'Brien, Poulsen and Linville; by request of Governor Locke

Read first time 01/30/2001. Referred to Committee on Finance.

1 AN ACT Relating to property tax relief by spreading property  
2 tax valuation increases over four years; amending RCW 84.40.0305;  
3 and creating a new section.

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

5 **Sec. 1.** RCW 84.40.0305 and 1997 c 3 s 105 are each amended to read  
6 as follows:

7 (1) As used in this section:

8 (a) "Previous assessed value" means the assessed value for the  
9 year immediately preceding the year for which a calculation is  
10 being made under this section.

11 (b) "Current appraised value" means the appraised value for the  
12 year for which a calculation is being made under this section.

13 (c) "Total value increase" means the current appraised value  
14 minus the previous assessed value. Total value increase can never  
15 be less than zero.

16 (d) "Improvement increase" means the portion of the total value  
17 increase attributable to any physical improvements made to the  
18 property since the previous assessment, other than improvements

1 exempt under RCW 84.36.400 for the year for which a calculation is  
2 being made under this section. Improvement increase can never be  
3 less than zero.

4 (e) "Market increase" means the total value increase minus the  
5 improvement increase. Market increase can never be less than  
6 zero.

7 (2) The assessed value of property is equal to the lesser of  
8 the current appraised value or a limited value determined under  
9 this section. The limited value is equal to the greater of the  
10 values determined as follows:

11 (a) In any year in which the market increase is equal to or  
12 less than sixty percent of the previous assessed value, the  
13 limited value is the improvement increase plus one hundred fifteen  
14 percent of the previous assessed value; or

15 (b) In any year in which the market increase is more than sixty  
16 percent of the previous assessed value, the limited value for the  
17 year of the increase and for each of the three succeeding years is  
18 not less than the sum of:

19 (i) The previous assessed value;

20 (ii) The improvement increase; and

21 (iii) Twenty-five percent of the market increase.

22 (3) Upon loss of preferential tax treatment for property that  
23 qualifies for preferential tax treatment under chapter 84.14,  
24 84.26, 84.33, 84.34, or 84.36 RCW, the previous assessed value  
25 shall be the assessed value the property would have had without  
26 the preferential tax treatment.

27 (4) The assessed value of real property that has been  
28 subdivided or merged is the current appraised value of the parcel  
29 or lot formed after the subdivision or merger.

30 (5) The assessed value of new construction and mobile homes  
31 under RCW 36.21.080 and 36.21.090 is determined without regard to  
32 this section.

33 NEW SECTION. Sec. 2. This act takes effect for taxes levied in  
34 2001 for collection in 2002 and thereafter if the proposed  
35 amendment to Article VII, section 1 of the state Constitution  
36 providing for valuation increases to be phased-in over a period of  
37 four years is validly submitted to and is approved and ratified by

1 the voters at the next general election. If the proposed  
2 amendment is not approved and ratified, this act is void in its  
3 entirety.

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