
SENATE BILL 5161

State of Washington

57th Legislature

2001 Regular Session

By Senators Benton, Hochstatter and Stevens

Read first time 01/12/2001. Referred to Committee on Ways & Means.

1 AN ACT Relating to limiting property taxes; and adding new sections
2 to chapter 84.36 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW
5 to read as follows:

6 (1) Unless otherwise exempt from property taxes, any increase in
7 value of property for taxation purposes over its 1999 valuation level,
8 plus the lesser of two percent per year or inflation, is exempt from
9 property taxes.

10 (2) Unless otherwise exempt from property taxes, any increase in
11 value of property attributable to construction or manufacture after
12 1999 over the true and fair value of the new construction or
13 manufacture as of December 31st of the year of construction or
14 manufacture, plus the lesser of two percent per year or inflation, is
15 exempt from property taxes.

16 (3) For purposes of this section:

17 (a) "Property" means real and personal property;

18 (b) "1999 valuation level" means the correct valuation shown on the
19 property tax statement in effect on January 1, 1999;

1 (c) "Inflation" means the percentage change in the implicit price
2 deflator for personal consumption expenditures for the United States as
3 published for the most recent twelve-month period by the bureau of
4 economic analysis of the federal department of commerce in September of
5 the year before the taxes are payable;

6 (d) "Constructed or manufactured" does not include reconstruction
7 after fire or other natural disaster and does not include maintenance
8 or replacement of existing components, such as roofs, siding, windows,
9 doors, and parts of equipment.

10 (4) Under this section, all current and future property owners will
11 have the same benefit of knowing that the increase in their property's
12 valuation for tax purposes, except for a maximum of two percent per
13 year, will be exempt from property taxes. This guarantees that
14 property taxes will be predictable and uniform for every present and
15 future property owner in this state. This predictability also promotes
16 neighborhood preservation, continuity, and stability in a manner which
17 treats all property taxpayers uniformly.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.36 RCW
19 to read as follows:

20 (1) Increases in property valuation attributable to maintenance
21 improvements made after January 1, 1999, shall be exempt from property
22 taxes. This exemption promotes neighborhood preservation, continuity,
23 and stability.

24 (2) For purposes of this section, "maintenance improvements"
25 includes:

26 (a) Reconstruction after fire and natural disaster; and

27 (b) Replacement of existing components such as roofs, siding,
28 windows, doors, and painting.

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