

SSB 6614 - S AMD TO S AMD (S-6140.5/18) 942
By Senator Braun

NOT ADOPTED 03/07/2018

1 Beginning on page 1, line 3 of the amendment, strike all material
2 through "schools." on page 2, line 22 and insert the following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 84.56
4 RCW to read as follows:

5 (1)(a) There is provided a total reduction in state property tax
6 collections of four hundred thirty-one million dollars for taxes
7 payable after September 15, 2018, through December 31, 2019. This
8 reduction is provided solely through a voucher program as provided
9 under this section. By September 15, 2018, the department must make a
10 voucher available for each currently taxable real and personal
11 property parcel in the state in a form and manner as determined by
12 the department in its sole discretion.

13 (b) An additional reduction in state property tax collections
14 must be provided equal to the amount by which the June 2018 economic
15 and revenue forecast exceeds the February 2018 economic and revenue
16 forecast for revenues deposited into the state general fund,
17 education legacy trust account, and Washington opportunity pathways
18 account for the 2017-2019 and 2019-2021 biennia. The additional
19 reduction under this subsection (1)(b) is limited to an amount that
20 does not cause the total reduction under this subsection (1) to
21 exceed one billion dollars.

22 (2) The department must determine the voucher amount for each
23 taxable real and personal property parcel in a manner that equitably
24 distributes the four hundred thirty-one million dollar reduction. To
25 that end, each voucher must be issued for an amount equal to the
26 parcel's equalized value divided by the total equalized value
27 statewide, multiplied by four hundred thirty-one million dollars.

28 (3) No later than April 15, 2018, each county assessor must
29 provide the following information about each taxable parcel in the
30 assessor's county to the department electronically in a form and
31 manner as prescribed by the department:

32 (a) Parcel number;

1 (b) Owner's name and mailing address;

2 (c) Name and mailing address of the person of record who pays the
3 property taxes on the parcel, if that person is not the owner of the
4 property;

5 (d) Type of property, either real or personal;

6 (e) Taxable value, as of April 1, 2018, for either or both of the
7 state levies under RCW 84.52.065 as specified by the department; and

8 (f) Any additional information requested by the department by
9 March 15, 2018, for use in administering this section.

10 (4)(a) Vouchers may only be redeemed beginning September 15,
11 2018, through June 30, 2019, for taxes levied on taxable property for
12 collection in 2018 or 2019. Vouchers cannot be redeemed against taxes
13 paid before the effective date of this section.

14 (b) Vouchers expire July 1, 2019, and may not be used to prepay
15 property taxes due after June 30, 2019. There are no refunds for
16 unused vouchers.

17 (c)(i) Except as otherwise provided in this subsection (4)(c),
18 vouchers may only be redeemed against the taxes levied on the parcel
19 for which the voucher was issued.

20 (ii) The department may, at its sole discretion, authorize
21 vouchers to be redeemed against taxes levied on a different parcel of
22 real property as the parcel for which the voucher was issued in cases
23 where the parcel for which the voucher was issued no longer exists
24 after April 1, 2018, due to the segregation or aggregation of real
25 property parcels. The department must advise county assessors and
26 treasurers and issue public guidance on its web site concerning the
27 department's decision whether to authorize vouchers to be redeemed
28 against taxes levied on a different parcel of real property as the
29 parcel for which the voucher was issued as authorized under this
30 subsection (4)(c).

31 (d) Vouchers are transferable to a new owner of the parcel for
32 which the voucher was issued. The department may prescribe the manner
33 that vouchers may be transferred. The county treasurer may refuse to
34 accept a voucher that has been transferred in a manner not consistent
35 with the manner prescribed by the department.

36 (5) Vouchers may be redeemed only by submitting them to the
37 appropriate county treasurer for payment of taxes as indicated by the
38 person redeeming the voucher.

39 (6) If a voucher is lost or destroyed, a qualified person may
40 redeem the unused amount of the lost or destroyed voucher in

1 accordance with this section by making a request to the county
2 treasurer. A qualified person attempting to redeem a lost or
3 destroyed voucher for a taxable parcel must provide proof
4 satisfactory to the county treasurer that the person is a qualified
5 person. The department must provide assistance to the county
6 treasurer by verifying the amount that the lost or destroyed voucher
7 was issued for.

8 (7) The county treasurer must apply redeemed vouchers as payment
9 against the state taxes levied under RCW 84.52.065(2). However, the
10 county treasurer may apply redeemed vouchers as payment against local
11 property taxes if the county treasurer cannot feasibly apply vouchers
12 as payment only to the state taxes levied under RCW 84.52.065(2). In
13 such cases, the county treasurer must use collections of state
14 property taxes levied under RCW 84.52.065(2) and not yet distributed
15 to the state to reimburse local taxing districts for the amount of
16 their taxes paid with vouchers redeemed in accordance with this
17 section.

18 (8) By March 1, 2019, and March 1, 2020, or such other dates as
19 may be required by the department, each county treasurer must report
20 to the department information requested by the department concerning
21 redeemed vouchers.

22 (9) The definitions in this subsection apply throughout this
23 section unless the context clearly requires otherwise.

24 (a) "Equalized value" means the assessed value as of January 1,
25 2017, as provided by county assessors on April 1, 2018, divided by
26 the real and personal property ratio for that county for property
27 taxes levied for collection in 2018.

28 (b) "Qualified person" means the owner of record of the property
29 for which a lost or destroyed voucher was issued or the person who
30 pays the taxes on that property as indicated in the records of the
31 county treasurer, if not the owner of record.

32 **Sec. 2.** RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each
33 amended to read as follows:

34 On the order of the county treasurer, ad valorem taxes paid
35 before or after delinquency must be refunded if they were:

- 36 (1) Paid more than once;
- 37 (2) Paid as a result of manifest error in description;
- 38 (3) Paid as a result of a clerical error in extending the tax
39 rolls;

- 1 (4) Paid as a result of other clerical errors in listing
2 property;
- 3 (5) Paid with respect to improvements which did not exist on
4 assessment date;
- 5 (6) Paid under levies or statutes adjudicated to be illegal or
6 unconstitutional;
- 7 (7) Paid as a result of mistake, inadvertence, or lack of
8 knowledge by any person exempted from paying real property taxes or a
9 portion thereof pursuant to RCW 84.36.381 through 84.36.389, as now
10 or hereafter amended;
- 11 (8) Paid as a result of mistake, inadvertence, or lack of
12 knowledge by either a public official or employee or by any person
13 with respect to real property in which the person paying the same has
14 no legal interest;
- 15 (9) Paid on the basis of an assessed valuation which was appealed
16 to the county board of equalization and ordered reduced by the board;
- 17 (10) Paid on the basis of an assessed valuation which was
18 appealed to the state board of tax appeals and ordered reduced by the
19 board: PROVIDED, That the amount refunded under subsections (9) and
20 (10) of this section (~~shall~~) may only be for the difference between
21 the tax paid on the basis of the appealed valuation and the tax
22 payable on the valuation adjusted in accordance with the board's
23 order;
- 24 (11) Paid as a state property tax levied upon property, the
25 assessed value of which has been established by the state board of
26 tax appeals for the year of such levy: PROVIDED, HOWEVER, That the
27 amount refunded (~~shall~~) may only be for the difference between the
28 state property tax paid and the amount of state property tax which
29 would, when added to all other property taxes within the one percent
30 limitation of Article VII, section 2 of the state Constitution equal
31 one percent of the assessed value established by the board;
- 32 (12) Paid on the basis of an assessed valuation which was
33 adjudicated to be unlawful or excessive: PROVIDED, That the amount
34 refunded shall be for the difference between the amount of tax which
35 was paid on the basis of the valuation adjudged unlawful or excessive
36 and the amount of tax payable on the basis of the assessed valuation
37 determined as a result of the proceeding;
- 38 (13) Paid on property acquired under RCW 84.60.050, and canceled
39 under RCW 84.60.050(2);

1 (14) Paid on the basis of an assessed valuation that was reduced
2 under RCW 84.48.065;

3 (15) Paid on the basis of an assessed valuation that was reduced
4 under RCW 84.40.039; ((~~or~~))

5 (16) Abated under RCW 84.70.010; or

6 (17) Paid in excess of the amount of taxes properly due at the
7 time of the excess payment, including amounts paid in excess of taxes
8 properly due at the time of the excess payment as a result of the
9 proper use of a voucher as authorized under section 1 of this act.

10 No refunds under the provisions of this section shall be made
11 because of any error in determining the valuation of property, except
12 as authorized in subsections (9), (10), (11), and (12) of this
13 section nor may any refunds be made if a bona fide purchaser has
14 acquired rights that would preclude the assessment and collection of
15 the refunded tax from the property that should properly have been
16 charged with the tax. Any refunds made on delinquent taxes must
17 include the proportionate amount of interest and penalties paid.
18 However, no refunds as a result of an incorrect payment authorized
19 under subsection (8) of this section made by a third party payee
20 shall be granted. The county treasurer may deduct from moneys
21 collected for the benefit of the state's levies, refunds of the
22 state's levies including interest on the levies as provided by this
23 section and chapter 84.68 RCW.

24 The county treasurer of each county must make all refunds
25 determined to be authorized by this section, and by the first Monday
26 in February of each year, report to the county legislative authority
27 a list of all refunds made under this section during the previous
28 year. The list is to include the name of the person receiving the
29 refund, the amount of the refund, and the reason for the refund.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 34.05
31 RCW to read as follows:

32 The rule-making provisions of this chapter do not apply to the
33 department of revenue's administration of section 1 of this act.

34 NEW SECTION. **Sec. 4.** A new section is added to chapter 63.29
35 RCW to read as follows:

36 This chapter does not apply to unredeemed vouchers issued under
37 section 1 of this act.

1 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect immediately."

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5 On page 2, line 2 of the title amendment, after "insert" strike
6 the remainder of the title and insert "state property tax relief for
7 taxes due in 2018 and 2019; amending RCW 84.69.020; adding a new
8 section to chapter 84.56 RCW; adding a new section to chapter 34.05
9 RCW; adding a new section to chapter 63.29 RCW; and declaring an
10 emergency."

EFFECT: Replaces provisions of the bill lowering the calendar year 2019 state property tax with the creation of a state property tax relief voucher program for taxes payable after September 15, 2018. Provides \$431 million of property tax relief from the general fund and dedicates any June 2018 revenue forecast increase to additional property tax relief, capped at \$1 billion. Requires county assessors to provide DOR with the necessary data by April 15, 2018. Requires vouchers to be redeemed by July 1, 2019.

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