
HOUSE BILL 2067

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Locke, May and O'Brien.

Read first time February 20, 1991. Referred to Committee on Revenue

1 AN ACT Relating to averaging large property tax valuation
2 increases; amending RCW 84.04.030, 84.40.020, 84.40.030, 84.40.040,
3 84.40.045, 84.41.041, 84.48.010, 84.48.065, 84.48.075, 84.48.080,
4 84.12.270, 84.12.280, 84.12.310, 84.12.330, 84.12.350, 84.12.360,
5 84.16.040, 84.16.050, 84.16.090, 84.16.110, 84.16.120, 84.24.040,
6 84.36.041, 84.52.063, and 84.70.010; adding a new section to chapter
7 84.04 RCW; adding a new section to chapter 84.40 RCW; and providing a
8 contingent effective date.

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

10 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.04 RCW
11 to read as follows:

12 "Appraised value of property" means the aggregate true and fair
13 value of the property as last determined by the county assessor
14 according to the revaluation program approved under chapter 84.41 RCW,

1 including revaluations based on statistical data between physical
2 inspections.

3 **Sec. 2.** RCW 84.04.030 and 1961 c 15 s 84.04.030 are each amended
4 to read as follows:

5 "Assessed value of property" shall be held and construed to mean
6 the aggregate valuation of the property subject to taxation by any
7 taxing district as determined under section 5 of this act, reduced by
8 the value of any applicable exemptions under RCW 84.36.381 or other
9 law, and placed on the last completed and balanced tax rolls of the
10 county preceding the date of any tax levy.

11 **Sec. 3.** RCW 84.40.020 and 1973 c 69 s 1 are each amended to read
12 as follows:

13 All real property in this state subject to taxation shall be listed
14 and assessed every year, with reference to its appraised and assessed
15 values on the first day of January of the year in which it is assessed.
16 Such listing and all supporting documents and records shall be open to
17 public inspection during the regular office hours of the assessor's
18 office: PROVIDED, That confidential income data is exempted from
19 public inspection pursuant to RCW 42.17.310. All personal property in
20 this state subject to taxation shall be listed and assessed every year,
21 with reference to its value and ownership on the first day of January
22 of the year in which it is assessed: PROVIDED, That if the stock of
23 goods, wares, merchandise or material, whether in a raw or finished
24 state or in process of manufacture, owned or held by any taxpayer on
25 January 1 of any year does not fairly represent the average stock
26 carried by such taxpayer, such stock shall be listed and assessed upon
27 the basis of the monthly average of stock owned or held by such

1 taxpayer during the preceding calendar year or during such portion
2 thereof as the taxpayer was engaged in business.

3 **Sec. 4.** RCW 84.40.030 and 1988 c 222 s 14 are each amended to read
4 as follows:

5 All personal property shall be valued at one hundred percent of its
6 true and fair value in money and assessed on the same basis unless
7 specifically provided otherwise by law.

8 All real property shall be appraised at one hundred percent of its
9 true and fair value in money and assessed as provided in section 5 of
10 this act unless specifically provided otherwise by law.

11 Taxable leasehold estates shall be valued at such price as they
12 would bring at a fair, voluntary sale for cash without any deductions
13 for any indebtedness owed including rentals to be paid.
14 Notwithstanding any other provisions of this section or of any other
15 statute, when the value of any taxable leasehold estate created prior
16 to January 1, 1971 is being determined for assessment years prior to
17 the assessment year 1973, there shall be deducted from what would
18 otherwise be the value thereof the present worth of the rentals and
19 other consideration which may be required of the lessee by the lessor
20 for the unexpired term thereof: PROVIDED, That the foregoing
21 provisions of this sentence shall not apply to any extension or
22 renewal, made after December 31, 1970 of the term of any such estate,
23 or to any such estate after the date, if any, provided for in the
24 agreement for rental renegotiation.

25 The true and fair value of real property for taxation purposes
26 (including property upon which there is a coal or other mine, or stone
27 or other quarry) shall be based upon the following criteria:

28 (1) Any sales of the property being appraised or similar properties
29 with respect to sales made within the past five years. The appraisal

1 shall take into consideration political restrictions such as zoning as
2 well as physical and environmental influences. The appraisal shall
3 also take into account, (a) in the use of sales by real estate contract
4 as similar sales, the extent, if any, to which the stated selling price
5 has been increased by reason of the down payment, interest rate, or
6 other financing terms; and (b) the extent to which the sale of a
7 similar property actually represents the general effective market
8 demand for property of such type, in the geographical area in which
9 such property is located. Sales involving deed releases or similar
10 seller-developer financing arrangements shall not be used as sales of
11 similar property.

12 (2) In addition to sales as defined in subsection (1) of this
13 section, consideration may be given to cost, cost less depreciation,
14 reconstruction cost less depreciation, or capitalization of income that
15 would be derived from prudent use of the property. In the case of
16 property of a complex nature, or being used under terms of a franchise
17 from a public agency, or operating as a public utility, or property not
18 having a record of sale within five years and not having a significant
19 number of sales of similar property in the general area, the provisions
20 of this subsection (2) shall be the dominant factors in valuation.
21 When provisions of this subsection (2) are relied upon for establishing
22 values the property owner shall be advised upon request of the factors
23 used in arriving at such value.

24 (3) In valuing any tract or parcel of real property, the true and
25 fair value of the land, exclusive of structures thereon shall be
26 determined; also the true and fair value of structures thereon, but the
27 appraised valuation shall not exceed the true and fair value of the
28 total property as it exists. In valuing agricultural land, growing
29 crops shall be excluded.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.40 RCW
2 to read as follows:

3 (1) The assessed value of real property for any year is equal to
4 the average of the appraised values for that year and the immediately
5 preceding three years.

6 For the purposes of calculating an average under this subsection,
7 the county assessor shall adjust appraised values so that changes in
8 value caused by new construction, remodeling, subdivision of parcels,
9 and similar changes are not averaged. Adjustments under this
10 subsection shall be made in accordance with rules of the department.

11 (2) The assessed value of personal property is equal to the current
12 appraised value, unless specifically provided otherwise by law.

13 **Sec. 6.** RCW 84.40.040 and 1988 c 222 s 15 are each amended to read
14 as follows:

15 The assessor shall begin the preliminary work for each assessment
16 not later than the first day of December of each year in all counties
17 in the state. The assessor shall also complete the duties of listing
18 and placing valuations on all property by May 31st of each year(~~(~~
19 ~~except that the listing and valuation of construction under RCW~~
20 ~~36.21.040 through 36.21.080 shall be completed by August 31st of each~~
21 ~~year))~~), and in the following manner, to wit:

22 The assessor shall actually determine as nearly as practicable the
23 true and fair value of each tract or lot of land listed for taxation
24 and of each improvement located thereon and shall enter as the
25 appraised value one hundred percent of the true and fair value of such
26 land and of the total true and fair value of such improvements,
27 together with the total of such one hundred percent valuations,
28 opposite each description of property on the assessment list and tax
29 roll.

1 The assessor shall determine the assessed value, under section 5 of
2 this act, for each tract or lot of land listed for taxation, including
3 improvements located thereon, and shall also enter this value opposite
4 each description of property on the assessment list and tax roll.

5 The assessor shall make an alphabetical list of the names of all
6 persons in the county liable to assessment of personal property, and
7 require each person to make a correct list and statement of such
8 property according to the standard form prescribed by the department of
9 revenue, which statement and list shall include, if required by the
10 form, the year of acquisition and total original cost of personal
11 property in each category of the prescribed form, and shall be signed
12 and verified under penalty of perjury by the person listing the
13 property: PROVIDED, That the assessor may list and value improvements
14 on publicly owned land in the same manner as real property is listed
15 and valued, including conformance with the revaluation program required
16 under chapter 84.41 RCW. Such list and statement shall be filed on or
17 before the last day of April. The assessor shall on or before the 1st
18 day of January of each year mail a notice to all such persons at their
19 last known address that such statement and list is required, such
20 notice to be accompanied by the form on which the statement or list is
21 to be made: PROVIDED, That the notice mailed by the assessor to each
22 taxpayer each year shall, if practicable, include the statement and
23 list of personal property of the taxpayer for the preceding year. Upon
24 receipt of such statement and list the assessor shall thereupon
25 determine the true and fair value of the property included in such
26 statement and enter one hundred percent of the same on the assessment
27 roll opposite the name of the party assessed; and in making such entry
28 in the assessment list, the assessor shall give the name and post
29 office address of the party listing the property, and if the party
30 resides in a city the assessor shall give the street and number or

1 other brief description of the party's residence or place of business.
2 The assessor may, after giving written notice of the action to the
3 person to be assessed, add to the assessment list any taxable property
4 which should be included in such list.

5 **Sec. 7.** RCW 84.40.045 and 1977 ex.s. c 181 s 1 are each amended to
6 read as follows:

7 The assessor shall give notice of any change in the (~~true and~~
8 ~~fair~~) assessed value of real property for the tract or lot of land and
9 any improvements thereon no later than thirty days after appraisal:
10 PROVIDED, That no such notice shall be mailed during the period from
11 January 15 to February 15 of each year: PROVIDED FURTHER, That no
12 notice need be sent with respect to changes in valuation of forest land
13 made pursuant to chapter 84.33 RCW.

14 The notice shall contain a statement of both the prior and the new
15 (~~true and fair~~) appraised and assessed values (~~and the ratio of the~~
16 ~~assessed value to the true and fair value on which the assessment of~~
17 ~~the property is based~~)), stating separately land and improvement
18 appraised values, and a brief statement of the procedure for appeal to
19 the board of equalization and the time, date, and place of the meetings
20 of the board.

21 The notice shall be mailed by the assessor to the taxpayer.

22 If any taxpayer, as shown by the tax rolls, holds solely a security
23 interest in the real property which is the subject of the notice,
24 pursuant to a mortgage, contract of sale, or deed of trust, such
25 taxpayer shall, upon written request of the assessor, supply, within
26 thirty days of receipt of such request, to the assessor the name and
27 address of the person making payments pursuant to the mortgage,
28 contract of sale, or deed of trust, and thereafter such person shall
29 also receive a copy of the notice provided for in this section.

1 Willful failure to comply with such request within the time limitation
2 provided for herein shall make such taxpayer subject to a civil penalty
3 of five dollars for each parcel of real property within the scope of
4 the request in which it holds the security interest, the aggregate of
5 such penalties in any one year not to exceed five thousand dollars.
6 The penalties provided for herein shall be recoverable in an action by
7 the county prosecutor, and when recovered shall be deposited in the
8 county current expense fund. The assessor shall make the request
9 provided for by this section during the month of January.

10 **Sec. 8.** RCW 84.41.041 and 1987 c 319 s 4 are each amended to read
11 as follows:

12 Each county assessor shall cause taxable real property to be
13 physically inspected and valued at least once every six years in
14 accordance with RCW 84.41.030, and in accordance with a plan filed with
15 and approved by the department of revenue. Such revaluation plan shall
16 provide that a reasonable portion of all taxable real property within
17 a county shall be revalued and these newly-determined values placed on
18 the assessment rolls each year. The department may approve a plan that
19 provides that all property in the county be revalued every two years.
20 If the revaluation plan provides for physical inspection at least once
21 each four years, during the intervals between each physical inspection
22 of real property, the appraised valuation of such property may be
23 adjusted to its current true and fair value, such adjustments to be
24 based upon appropriate statistical data. If the revaluation plan
25 provides for physical inspection less frequently than once each four
26 years, during the intervals between each physical inspection of real
27 property, the appraised valuation of such property shall be adjusted to
28 its current true and fair value, such adjustments to be made once each
29 year and to be based upon appropriate statistical data. If the

1 appraised valuation is changed, the assessed value shall be
2 recalculated under section 5 of this act.

3 The assessor may require property owners to submit pertinent data
4 respecting taxable property in their control including data respecting
5 any sale or purchase of said property within the past five years, the
6 cost and characteristics of any improvement on the property and other
7 facts necessary for appraisal of the property.

8 **Sec. 9.** RCW 84.48.010 and 1988 c 222 s 20 are each amended to read
9 as follows:

10 Prior to July 15th, the county legislative authority shall form a
11 board for the equalization of the assessment of the property of the
12 county. The members of said board shall receive a per diem amount as
13 set by the county legislative authority for each day of actual
14 attendance of the meeting of the board of equalization to be paid out
15 of the current expense fund of the county: PROVIDED, That when the
16 county legislative authority constitute the board they shall only
17 receive their compensation as members of the county legislative
18 authority. The board of equalization shall meet in open session for
19 this purpose annually on the 15th day of July and, having each taken an
20 oath fairly and impartially to perform their duties as members of such
21 board, they shall examine and compare the returns of the assessment of
22 the property of the county and proceed to equalize the same, so that
23 the appraised value of each tract or lot of real property and each
24 article or class of personal property shall be entered on the
25 assessment list at its true and fair value, (~~according to the measure~~
26 ~~of value used by the county assessor in such assessment year, which is~~
27 ~~presumed to be correct pursuant to RCW 84.40.0301~~) and so that the
28 assessed value of each tract or lot of real property is entered on the

1 assessment list at its correct amount, and subject to the following
2 rules:

3 First. They shall raise the appraised valuation of each tract or
4 lot or item of real property which is returned below its true and fair
5 value to such price or sum as to be the true and fair value thereof,
6 and raise the assessed valuation of each tract or lot or item of real
7 property which is returned below its correct amount to the correct
8 amount after at least five days' notice shall have been given in
9 writing to the owner or agent.

10 Second. They shall reduce the appraised valuation of each tract or
11 lot or item which is returned above its true and fair value to such
12 price or sum as to be the true and fair value thereof and reduce the
13 assessed valuation of each tract or lot or item of real property which
14 is returned above its correct amount to the correct amount.

15 Third. They shall raise the valuation of each class of personal
16 property which is returned below its true and fair value to such price
17 or sum as to be the true and fair value thereof, and they shall raise
18 the aggregate value of the personal property of each individual
19 whenever the aggregate value is less than the true valuation of the
20 taxable personal property possessed by such individual, to such sum or
21 amount as to be the true value thereof, after at least five days'
22 notice shall have been given in writing to the owner or agent thereof.

23 Fourth. They shall reduce the valuation of each class of personal
24 property enumerated on the detail and assessment list of the current
25 year, which is returned above its true and fair value, to such price or
26 sum as to be the true and fair value thereof; and they shall reduce the
27 aggregate valuation of the personal property of such individual who has
28 been assessed at too large a sum to such sum or amount as was the true
29 and fair value of the personal property.

1 Fifth. The board may review all claims for either real or personal
2 property tax exemption as determined by the county assessor, and shall
3 consider any taxpayer appeals from the decision of the assessor thereon
4 to determine (1) if the taxpayer is entitled to an exemption, and (2)
5 if so, the amount thereof.

6 The clerk of the board shall keep an accurate journal or record of
7 the proceedings and orders of said board showing the facts and evidence
8 upon which their action is based, and the said record shall be
9 published the same as other proceedings of county legislative
10 authority, and shall make a true record of the changes of the
11 descriptions and ((assessed)) appraised values ordered by the county
12 board of equalization. The assessor shall recalculate assessed values
13 and correct the real and personal assessment rolls in accordance with
14 the changes made by the said county board of equalization, and the
15 assessor shall make duplicate abstracts of such corrected values, one
16 copy of which shall be retained in the office, and one copy forwarded
17 to the department of revenue on or before the eighteenth day of August
18 next following the meeting of the county board of equalization.

19 The county board of equalization shall meet on the 15th day of July
20 and may continue in session and adjourn from time to time during a
21 period not to exceed four weeks, but shall remain in session not less
22 than three days: PROVIDED, That the county board of equalization with
23 the approval of the county legislative authority may convene at any
24 time when petitions filed exceed twenty-five, or ten percent of the
25 number of appeals filed in the preceding year, whichever is greater.

26 No taxes, except special taxes, shall be extended upon the tax
27 rolls until the property valuations are equalized by the department of
28 revenue for the purpose of raising the state revenue.

29 County legislative authorities as such shall at no time have any
30 authority to change the valuation of the property of any person or to

1 release or commute in whole or in part the taxes due on the property of
2 any person.

3 **Sec. 10.** RCW 84.48.065 and 1989 c 378 s 14 are each amended to
4 read as follows:

5 The county assessor or treasurer may cancel or correct assessments
6 on the assessment or tax rolls which are erroneous due to manifest
7 errors in description, double assessments, clerical errors in extending
8 the rolls, clerical errors in calculating the assessed value under
9 section 5 of this act, and such manifest errors in the listing of the
10 property which do not involve a revaluation of property, such as the
11 assessment of property exempted by law from taxation or the failure to
12 deduct the exemption allowed by law to the head of a family. When the
13 county assessor cancels or corrects an assessment, the assessor shall
14 send a notice to the taxpayer advising the taxpayer that the action of
15 the county assessor is not final and shall be considered by the county
16 board of equalization, and that such notice shall constitute legal
17 notice of such fact. When the county assessor or treasurer cancels or
18 corrects an assessment, a record of such action shall be prepared and
19 filed with the county board of equalization, setting forth therein the
20 facts relating to the error. The record shall also set forth by legal
21 description all property belonging exclusively to the state, any
22 county, or any municipal corporation whose property is exempt from
23 taxation, upon which there remains, according to the tax roll, any
24 unpaid taxes.

25 The county board of equalization shall consider only such matters
26 as appear in the record filed with it by the county assessor or
27 treasurer and shall correct only such matters as are set forth in the
28 record, but it shall have no power to change or alter the assessment of
29 any person, or change the aggregate value of the taxable property of

1 the county, except insofar as it is necessary to correct the errors
2 mentioned in this section. If the county board of equalization finds
3 that the action of the assessor was not correct, it shall issue a
4 supplementary roll including such corrections as are necessary, and the
5 assessment and levy shall have the same force and effect as if made in
6 the first instance, and the county treasurer shall proceed to collect
7 the taxes due on the supplementary roll. The board shall make findings
8 of the facts upon which it bases its decision on all matters submitted
9 to it, and when so made the assessment and levy shall have the same
10 force as if made in the first instance, and the county treasurer shall
11 proceed to collect the taxes due on the rolls as modified.

12 The county board of equalization shall convene on a day fixed by
13 the board for the purpose of considering such matters as appear in the
14 record filed by the county assessor or treasurer.

15 **Sec. 11.** RCW 84.48.075 and 1988 c 222 s 23 are each amended to
16 read as follows:

17 (1) The department of revenue shall annually, prior to the first
18 Monday in September, determine and submit to each assessor a
19 preliminary indicated ratio for each county: PROVIDED, That the
20 department shall establish rules and regulations pertinent to the
21 determination of the indicated ratio, the indicated real property ratio
22 and the indicated personal property ratio: PROVIDED FURTHER, That
23 these rules and regulations may provide that data, as is necessary for
24 said determination, which is available from the county assessor of any
25 county and which has been audited as to its validity by the department,
26 shall be utilized by the department in determining the indicated ratio.

27 (2) To such extent as is reasonable, the department may define use
28 classes of property for the purposes of determination of the indicated

1 ratio. Such use classes may be defined with respect to property use
2 and may include agricultural, open space, timber and forest lands.

3 (3) The department shall review each county's preliminary ratio
4 with the assessor, a landowner, or an owner of an intercounty public
5 utility or private car company of that county, if requested by the
6 assessor, a landowner, or an owner of an intercounty public utility or
7 private car company of that county, respectively, between the first and
8 third Mondays of September. Prior to equalization of assessments
9 pursuant to RCW 84.48.080 and after the third Monday of September, the
10 department shall certify to each county assessor the real and personal
11 property ratio for that county.

12 (4) The department of revenue shall also examine procedures used by
13 the assessor to assess real and personal property in the county,
14 including calculations, use of prescribed value schedules, and efforts
15 to locate all taxable property in the county. If any examination by
16 the department discloses other than market value is being listed as
17 appraised value on the county assessment rolls of the county by the
18 assessor and, after due notification by the department, is not
19 corrected, the department of revenue shall, in accordance with rules
20 adopted by the department, adjust the ratio of that type of property,
21 which adjustment shall be used for determining the county's indicated
22 ratio.

23 **Sec. 12.** RCW 84.48.080 and 1990 c 283 s 1 are each amended to read
24 as follows:

25 Annually during the months of September and October, the department
26 of revenue shall examine and compare the returns of the assessment of
27 the property in the several counties of the state, and the assessment
28 of the property of railroad and other companies assessed by the
29 department, and proceed to equalize the same, so that each county in

1 the state shall pay its due and just proportion of the taxes for state
2 purposes for such assessment year, according to the ratio the assessed
3 valuation of the property in each county bears to the total assessed
4 valuation of all property in the state.

5 First. The department shall classify all property, real and
6 personal, and shall raise and lower the assessed valuation of any class
7 of property in any county to a value that shall be equal, so far as
8 possible, to the (~~(true and fair)~~) correct assessed value of such class
9 as of January 1st of the current year, after determining the correct
10 appraised value, and any adjustment applicable under section 5 of this
11 act for the property, for the purpose of ascertaining the just amount
12 of tax due from each county for state purposes. In equalizing personal
13 property as of January 1st of the current year, the department shall
14 use the assessment level of the preceding year. Such classification
15 may be on the basis of types of property, geographical areas, or both.

16 Second. The department shall keep a full record of its proceedings
17 and the same shall be published annually by the department.

18 The department shall levy the state taxes authorized by law:
19 PROVIDED, That the amount levied in any one year for general state
20 purposes shall not exceed the lawful dollar rate on the dollar of the
21 assessed value of the property of the entire state(~~(, which assessed~~
22 ~~value shall be one hundred percent of the true and fair value of such~~
23 ~~property in money)) as equalized under this section. The department
24 shall apportion the amount of tax for state purposes levied by the
25 department, among the several counties, in proportion to the assessed
26 valuation of the taxable property of the county for the year as
27 equalized by the department: PROVIDED, That for purposes of this
28 apportionment, the department shall recompute the previous year's levy
29 and the apportionment thereof to correct for changes and errors in
30 taxable values reported to the department after October 1 of the~~

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

11 The department shall have authority to adopt rules and regulations
12 to enforce obedience to its orders in all matters in relation to the
13 returns of county assessments, the equalization of values, and the
14 apportionment of the state levy by the department.

15 After the completion of the duties hereinabove prescribed, the
16 director of the department shall certify the record of the proceedings
17 of the department under this section, the tax levies made for state
18 purposes and the apportionment thereof among the counties, and the
19 certification shall be available for public inspection.

20 **Sec. 13.** RCW 84.12.270 and 1975 1st ex.s. c 278 s 165 are each
21 amended to read as follows:

22 The department of revenue shall annually make an assessment of the
23 operating property of all companies; and between the fifteenth day of
24 March and the first day of July of each of said years shall prepare an
25 assessment roll upon which it shall enter and assess the ((~~true-cash~~))
26 assessed value of all the operating property of each of such companies
27 as of the first day of January of the year in which the assessment is
28 made. For the purpose of determining the ((~~true-cash~~)) assessed value
29 of such property the department of revenue may inspect the property

1 belonging to said companies and may take into consideration any
2 information or knowledge obtained by it from such examination and
3 inspection of such property, or of the books, records and accounts of
4 such companies, the statements filed as required by this chapter, the
5 reports, statements or returns of such companies filed in the office of
6 any board, office or commission of this state or any county thereof,
7 the earnings and earning power of such companies, the franchises owned
8 or used by such companies, the assessed valuation of any and all
9 property of such companies, whether operating or nonoperating property,
10 and whether situated within or outside the state, and any other facts,
11 evidence or information that may be obtainable bearing upon the value
12 of the operating property: PROVIDED, That in no event shall any
13 statement or report required from any company by this chapter be
14 conclusive upon the department of revenue in determining the amount,
15 character and (~~true cash~~) assessed value of the operating property of
16 such company.

17 **Sec. 14.** RCW 84.12.280 and 1987 c 153 s 2 are each amended to read
18 as follows:

19 (1) In making the assessment of the operating property of any
20 railroad or logging railroad company and in the apportionment of the
21 values and the taxation thereof, all land occupied and claimed
22 exclusively as the right-of-way for railroads, with all the tracks and
23 substructures and superstructures which support the same, together with
24 all side tracks, second tracks, turn-outs, station houses, depots,
25 round houses, machine shops, or other buildings belonging to the
26 company, used in the operation thereof, without separating the same
27 into land and improvements, shall be assessed as real property. And
28 the rolling stock and other movable property belonging to any railroad
29 or logging railroad company shall be considered as personal property

1 and taxed as such: PROVIDED, That all of the operating property of
2 street railway companies shall be assessed and taxed as personal
3 property.

4 (2) All of the operating property of airplane companies, telegraph
5 companies, pipe line companies, water companies and toll bridge
6 companies; the floating equipment of steamboat companies, and all of
7 the operating property other than lands and buildings of electric light
8 and power companies, telephone companies, gas companies and heating
9 companies shall be assessed and taxed as personal property.

10 (3) Notwithstanding subsections (1) and (2) of this section, the
11 limit provided under section 5 of this act shall be applied in the
12 assessment of property under this section to the same extent as that
13 limit is generally applied to property not assessed under this chapter.

14 **Sec. 15.** RCW 84.12.310 and 1975 1st ex.s. c 278 s 167 are each
15 amended to read as follows:

16 For the purpose of determining the system value of the operating
17 property of any such company, the department of revenue shall deduct
18 from the ((actual-cash)) assessed value of the total assets of such
19 company, the ((actual-cash)) assessed value of all nonoperating
20 property owned by such company. For such purpose the department of
21 revenue may require of the assessors of the various counties within
22 this state a detailed list of such company's properties assessed by
23 them, together with the assessable or assessed value thereof:
24 PROVIDED, That such assessed or assessable value shall be advisory only
25 and not conclusive on the department of revenue as to the value
26 thereof.

27 **Sec. 16.** RCW 84.12.330 and 1975 1st ex.s. c 278 s 168 are each
28 amended to read as follows:

1 Upon the assessment roll shall be placed after the name of each
2 company a general description of the operating property of the company,
3 which shall be considered sufficient if described in the language of
4 subdivision (17) of RCW 84.12.200, as applied to said company,
5 following which shall be entered the ((~~actual-cash~~)) assessed value of
6 the operating property as determined by the department of revenue. No
7 assessment shall be invalidated by reason of a mistake in the name of
8 the company assessed, or the omission of the name of the owner or by
9 the entry as owner of a name other than that of the true owner. When
10 the department of revenue shall have prepared the assessment roll and
11 entered thereon the ((~~actual-cash~~)) assessed value of the operating
12 property of the company, as herein required, it shall notify the
13 company by mail of the valuation determined by it and entered upon said
14 roll.

15 **Sec. 17.** RCW 84.12.350 and 1967 ex.s. c 26 s 17 are each amended
16 to read as follows:

17 Upon determination by the department of revenue of the true and
18 correct ((~~actual-cash~~)) assessed value of the property appearing on
19 such rolls it shall apportion such value to the respective counties
20 entitled thereto, as hereinafter provided, and shall determine the
21 equalized assessed valuation of such property in each such county and
22 in the several taxing districts therein, by applying to such actual
23 apportioned value the same ratio as the ratio of assessed to ((~~actual~~))
24 true and fair value of the general property in such county: PROVIDED,
25 That, whenever the amount of the true and correct assessed value of the
26 operating property of any company otherwise apportionable to any county
27 or other taxing district shall be less than two hundred fifty dollars,
28 such amount need not be apportioned to such county or taxing district

1 but may be added to the amount apportioned to an adjacent county or
2 taxing district.

3 **Sec. 18.** RCW 84.12.360 and 1987 c 153 s 3 are each amended to read
4 as follows:

5 The ((~~actual-cash~~)) assessed value of the operating property
6 assessed to a company, as fixed and determined by the state board of
7 equalization, shall be apportioned by the department of revenue to the
8 respective counties and to the taxing districts thereof wherein such
9 property is located in the following manner:

10 (1) Property of steam, suburban, and interurban railroad companies,
11 telegraph companies and pipe line companies--upon the basis of that
12 proportion of the value of the total operating property within the
13 state which the mileage of track, as classified by the department of
14 revenue (in case of railroads), mileage of wire (in the case of
15 telegraph companies) and mileage of pipe line (in the case of pipe line
16 companies) within each county or taxing district bears to the total
17 mileage thereof within the state, at the end of the calendar year last
18 past. For the purpose of such apportionment the department may
19 classify railroad track.

20 (2) Property of street railroad companies, telephone companies,
21 electric light and power companies, gas companies, water companies,
22 heating companies and toll bridge companies--upon the basis of relative
23 value of the operating property within each county and taxing district
24 to the value of the total operating property within the state to be
25 determined by such factors as the department of revenue shall deem
26 proper.

27 (3) Planes or other aircraft of airplane companies and watercraft
28 of steamboat companies--upon the basis of such factor or factors of
29 allocation, to be determined by the department of revenue, as will

1 secure a substantially fair and equitable division between counties and
2 other taxing districts.

3 All other property of airplane companies and steamboat companies--
4 upon the basis set forth in (~~subdivision~~) subsection (2) (~~hereof~~)
5 of this section.

6 The basis of apportionment with reference to all public utility
7 companies above prescribed shall not be deemed exclusive and the
8 department of revenue in apportioning values of such companies may also
9 take into consideration such other information, facts, circumstances,
10 or allocation factors as will enable it to make a substantially just
11 and correct valuation of the operating property of such companies
12 within the state and within each county thereof.

13 **Sec. 19.** RCW 84.16.040 and 1975 1st ex.s. c 278 s 179 are each
14 amended to read as follows:

15 The department of revenue shall annually make an assessment of the
16 operating property of each private car company; and between the first
17 day of May and the first day of July of each of said years shall
18 prepare an assessment roll upon which it shall enter and assess the
19 (~~true-cash~~) assessed value of all the operating property of each of
20 such companies as of the first day of January of the year in which the
21 assessment is made. For the purpose of determining the (~~true-cash~~)
22 assessed value of such property the department of revenue may take into
23 consideration any information or knowledge obtained by it from an
24 examination and inspection of such property, or of the books, records
25 and accounts of such companies, the statements filed as required by
26 this chapter, the reports, statements or returns of such companies
27 filed in the office of any board, office or commission of this state or
28 any county thereof, the earnings and earning power of such companies,
29 the franchises owned or used by such companies, the assessed valuation

1 of any and all property of such companies, whether operating property
2 or nonoperating property, and whether situated within or without the
3 state, and any other facts, evidences or information that may be
4 obtainable bearing upon the value of the operating property: PROVIDED,
5 That in no event shall any statement or report required from any
6 company by this chapter be conclusive upon the department of revenue in
7 determining the amount, character and (~~true cash~~) assessed value of
8 the operating property of such company.

9 **Sec. 20.** RCW 84.16.050 and 1975 1st ex.s. c 278 s 180 are each
10 amended to read as follows:

11 The department of revenue may, in determining the (~~actual cash~~)
12 assessed value of the operating property to be placed on the assessment
13 roll value the entire property as a unit. If the company owns, leases,
14 operates or uses property partly within and partly without the state,
15 the department of revenue may determine the value of the operating
16 property within this state by the proportion that the value of such
17 property bears to the value of the entire operating property of the
18 company, both within and without this state. In determining the
19 operating property which is located within this state the department of
20 revenue may consider and base such determination on the proportion
21 which the number of car miles of the various classes of cars made in
22 this state bears to the total number of car miles made by the same cars
23 within and without this state, or to the total number of car miles made
24 by all cars of the various classes within and without this state. If
25 the value of the operating property of the company cannot be fairly
26 determined in such manner the department of revenue may use any other
27 reasonable and fair method to determine the value of the operating
28 property of the company within this state.

1 **Sec. 21.** RCW 84.16.090 and 1975 1st ex.s. c 278 s 181 are each
2 amended to read as follows:

3 Upon the assessment roll shall be placed after the name of each
4 company a general description of the operating property of the company,
5 which shall be considered sufficient if described in the language of
6 subdivision (3) of RCW 84.16.010 or otherwise, following which shall be
7 entered the ((~~actual-cash~~)) assessed value of the operating property as
8 determined by the department of revenue. No assessment shall be
9 invalid by a mistake in the name of the company assessed, by omission
10 of the name of the owner or by the entry of a name other than that of
11 the true owner. When the department of revenue shall have prepared the
12 assessment roll and entered thereon the ((~~actual-cash~~)) assessed value
13 of the operating property of the company, as herein required, it shall
14 notify the company by mail of the valuation determined by it and
15 entered upon said roll; and thereupon such valuation shall become the
16 ((~~actual-cash~~)) assessed value of the operating property of the
17 company, subject to revision or correction by the state board of
18 equalization as hereinafter provided; and shall be the valuation upon
19 which, after equalization by the state board of equalization as
20 hereinafter provided, the taxes of such company shall be based and
21 computed.

22 **Sec. 22.** RCW 84.16.110 and 1967 ex.s. c 26 s 18 are each amended
23 to read as follows:

24 Upon determination by the department of revenue of the true and
25 correct ((~~actual-cash~~)) assessed value of the property appearing on
26 such rolls the department shall apportion such value to the respective
27 counties entitled thereto as hereinafter provided, and shall determine
28 the equalized or assessed valuation of such property in such counties
29 by applying to such actual apportioned value the same ratio as the

1 ratio of assessed to actual value of the general property of the
2 respective counties: PROVIDED, That, whenever the amount of the true
3 and correct assessed value of the operating property of any company
4 otherwise apportionable to any county shall be less than two hundred
5 fifty dollars, such amount need not be apportioned to such county but
6 may be added to the amount apportioned to an adjacent county.

7 **Sec. 23.** RCW 84.16.120 and 1961 c 15 s 84.16.120 are each amended
8 to read as follows:

9 The ((~~actual-cash~~)) assessed value of the property of each company
10 as fixed and determined by the state board of equalization as herein
11 provided shall be apportioned to the respective counties in the
12 following manner:

13 (1) If all the operating property of the company is situated
14 entirely within a county and none of such property is located within,
15 extends into, or through or is operated into or through any other
16 county, the entire value thereof shall be apportioned to the county
17 within which such property is situate, located and operated.

18 (2) If the operating property of any company is situated or located
19 within, extends into or is operated into or through more than one
20 county, the value thereof shall be apportioned to the respective
21 counties into or through which its cars are operated in the proportion
22 that the length of main line track of the respective railroads moving
23 such cars in such counties bears to the total length of main line track
24 of such respective railroads in this state.

25 (3) If the property of any company is of such character that it
26 will not be reasonable, feasible or fair to apportion the value as
27 hereinabove provided, the value thereof shall be apportioned between
28 the respective counties into or through which such property extends or

1 is operated or in which the same is located in such manner as may be
2 reasonable, feasible and fair.

3 **Sec. 24.** RCW 84.24.040 and 1975 1st ex.s. c 278 s 186 are each
4 amended to read as follows:

5 A hearing shall be had at the time and place set forth in the
6 notice provided for in RCW 84.24.030, and thereafter the department of
7 revenue shall determine, as of the original assessment date, and in the
8 manner provided by existing law, the ~~((cash market))~~ assessed value of
9 the property in question ~~((, and the ratio between cash market value and
10 assessed value of the other taxable property in the county where such
11 property is located, and shall fix the equalized value of the property
12 in question at that percentage of its cash market value as of the
13 original assessment date, which the equalized assessed value of the
14 general taxable property in the county where such reassessed property
15 is located, bore to its cash market value))~~: PROVIDED, HOWEVER, That
16 in case of a protest, complaint or petition based upon an alleged
17 excessive assessment, the reassessment shall not exceed the original
18 assessment.

19 **Sec. 25.** RCW 84.36.041 and 1989 c 379 s 2 are each amended to read
20 as follows:

21 (1) All real and personal property used by a nonprofit home for the
22 aging that is reasonably necessary for the purposes of the home is
23 exempt from taxation if the benefit of the exemption inures to the home
24 and:

25 (a) At least fifty percent of the occupied dwelling units in the
26 home are occupied by eligible residents; or

27 (b) The home is subsidized under a federal department of housing
28 and urban development program. The department of revenue shall provide

1 by rule a definition of homes eligible for exemption under this
2 subsection (b), consistent with the purposes of this section.

3 (2) A home for the aging is eligible for a partial exemption if the
4 home does not meet the requirements of subsection (1) of this section
5 because fewer than fifty percent of the occupied dwelling units are
6 occupied by eligible residents. The amount of exemption shall be
7 calculated by multiplying the assessed value of the property reasonably
8 necessary for the purposes of the home by a fraction. The numerator of
9 the fraction is the number of dwelling units occupied by eligible
10 persons multiplied by two. The denominator of the fraction is the
11 total number of occupied dwelling units. The fraction shall never
12 exceed one.

13 (3) To be exempt under this section, the property must be used
14 exclusively for the purposes for which the exemption is granted, except
15 as provided in RCW 84.36.805.

16 (4) A home for the aging is exempt from taxation only if the
17 organization operating the home is exempt from income tax under section
18 501(c) of the federal internal revenue code as existing on January 1,
19 1989, or such subsequent date as the director may provide by rule
20 consistent with the purposes of this section.

21 (5) Each eligible resident of a home for the aging shall submit the
22 form required under RCW 84.36.385 to the county assessor by July 1st of
23 the assessment year. An eligible resident who has filed a form for a
24 previous year need not file a new form until there is a change in
25 status affecting the person's eligibility.

26 (6) In determining the (~~true and fair~~) appraised value of a home
27 for the aging for purposes of the partial exemption provided by
28 subsection (2) of this section, the assessor shall apply the
29 computation method provided by RCW 84.34.060 and shall consider only
30 the use to which such property is applied during the years for which

1 such partial exemptions are available and shall not consider potential
2 uses of such property.

3 (7) A home for the aging that was exempt for taxes levied for
4 collection in 1990 and is not fully exempt under this section is
5 entitled to partial exemptions as follows:

6 (a) For taxes levied for collection in 1991, two-thirds of the
7 assessed value that would otherwise be subject to tax under this
8 section is exempt from taxation.

9 (b) For taxes levied for collection in 1992, one-third of the
10 assessed value that would otherwise be subject to tax under this
11 section is exempt from taxation.

12 (8) As used in this section:

13 (a) "Eligible resident" means a person who would be eligible for an
14 exemption under RCW 84.36.381 if the person owned a single-family
15 dwelling. For the purposes of determining eligibility under this
16 section, a "cotenant" as used in RCW 84.36.383 means a person who
17 resides with an eligible resident and who shares personal financial
18 resources with the eligible resident.

19 (b) "Home for the aging" means a residential housing facility that
20 (i) provides a housing arrangement chosen voluntarily by the resident,
21 the resident's guardian or conservator, or another responsible person;
22 (ii) has only residents who are at least sixty-two years of age or who
23 have needs for care generally compatible with persons who are at least
24 sixty-two years of age; and (iii) provides varying levels of care and
25 supervision, as agreed to at the time of admission or as determined
26 necessary at subsequent times of reappraisal.

27 **Sec. 26.** RCW 84.52.063 and 1973 1st ex.s. c 195 s 105 are each
28 amended to read as follows:

1 A rural library district may impose a regular property tax levy in
2 an amount equal to that which would be produced by a levy of fifty
3 cents per thousand dollars of assessed value multiplied by an equalized
4 ~~assessed valuation ((equal to one hundred percent of the true and fair~~
5 ~~value of the taxable property in the rural library district))~~, as
6 determined by the department of revenue's indicated county ratio:
7 PROVIDED, That when any county assessor shall find that the aggregate
8 rate of levy on any property will exceed the limitation set forth in
9 RCW 84.52.043 and RCW 84.52.050, as now or hereafter amended, before
10 recomputing and establishing a consolidated levy in the manner set
11 forth in RCW 84.52.010, the assessor shall first reduce the levy of any
12 rural library district, by such amount as may be necessary, but the
13 levy of any rural library district shall not be reduced to less than
14 fifty cents per thousand dollars against the value of the taxable
15 property, as determined by the county, prior to any further adjustments
16 pursuant to RCW 84.52.010. For purposes of this section "regular
17 property tax levy" shall mean a levy subject to the limitations
18 provided for in Article VII, section 2 of the state Constitution and/or
19 by statute.

20 **Sec. 27.** RCW 84.70.010 and 1987 c 319 s 6 are each amended to read
21 as follows:

22 (1) If, on or before December 31 in any calendar year, any real or
23 personal property placed upon the assessment roll of that year is
24 destroyed in whole or in part, or is in an area that has been declared
25 a disaster area by the governor and has been reduced in value by more
26 than twenty percent as a result of a natural disaster, the ((true
27 cash)) assessed value of such property shall be reduced for that year
28 by an amount determined as follows:

1 (a) First take the (~~true-cash~~) assessed value of such taxable
2 property before destruction or reduction in value and deduct therefrom
3 the true cash value of the remaining property after destruction or
4 reduction in value.

5 (b) Then divide any amount remaining by the number of days in the
6 year and multiply the quotient by the number of days remaining in the
7 calendar year after the date of the destruction or reduction in value
8 of the property.

9 (2) No reduction in the (~~true-cash~~) assessed value shall be made
10 more than three years after the date of destruction or reduction in
11 value.

12 (3) The assessor shall make such reduction on his or her own
13 motion; however, the taxpayer may make application for reduction on
14 forms prepared by the department and provided by the assessor. The
15 assessor shall notify the taxpayer of the amount of reduction.

16 (4) If destroyed property is replaced prior to the valuation dates
17 contained in RCW 36.21.080 and 36.21.090, the total taxable value for
18 that year shall not exceed the value as of the appropriate valuation
19 date in RCW 36.21.080 or 36.21.090, whichever is appropriate.

20 (5) The taxpayer may appeal the amount of reduction to the county
21 board of equalization within thirty days of notification or July 15th
22 of the year of reduction, whichever is later. The board shall
23 reconvene, if necessary, to hear the appeal.

24 NEW SECTION. **Sec. 28.** If the proposed amendment to Article VII
25 of the state Constitution authorizing averaging of large property tax
26 valuation increases over four years is validly submitted to and is
27 approved and ratified by the voters at a general election held in
28 November 1991, sections 1 through 27 of this act shall take effect
29 immediately upon certification of the election and shall be effective

1 for taxes levied for collection in 1992 and thereafter. The department
2 of revenue and the county assessors shall take all necessary steps to
3 ensure that this act is implemented immediately upon becoming
4 effective. If the proposed amendment is not so approved and ratified,
5 sections 1 through 27 of this act are void in their entirety.