

CERTIFICATION OF ENROLLMENT

ENGROSSED HOUSE BILL 2680 - CORRECTED COPY

52nd Legislature
1992 Regular Session

Passed by the House March 12, 1992
Yeas 97 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate March 12, 1992
Yeas 47 Nays 1

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is ENGROSSED HOUSE BILL 2680 - CORRECTED COPY as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED HOUSE BILL 2680 - CORRECTED COPY

AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 1992 Regular Session

State of Washington 52nd Legislature 1992 Regular Session

By Representatives J. Kohl, Brumsickle and Fraser; by request of
Department of Revenue

Read first time 01/23/92. Referred to Committee on Revenue.

1 AN ACT Relating to the improvement of the administration of the
2 assessment and collection of taxes; amending RCW 82.04.170, 82.08.050,
3 82.32.090, 82.32.180, 67.28.183, 82.29A.050, 82.04.300, 82.32.030,
4 82.03.130, 84.08.130, 84.40.038, 84.48.065, 84.36.385, and 84.36.387;
5 repealing RCW 82.32.040; providing effective dates; and declaring an
6 emergency.

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

8 **Sec. 1.** RCW 82.04.170 and 1985 c 135 s 1 are each amended to read
9 as follows:

10 "Tuition fee" includes library, laboratory, health service and
11 other special fees, and amounts charged for room and board by an
12 educational institution when the property or service for which such
13 charges are made is furnished exclusively to the students or faculty of
14 such institution. "Educational institution," as used in this section,

1 means only those institutions created or generally accredited as such
2 by the state, or defined as a degree granting institution under RCW
3 (~~28B.05.030(10)~~) 28B.85.010(3) and accredited by an accrediting
4 association recognized by the United States secretary of education, and
5 offering to students an educational program of a general academic
6 nature or those institutions which are not operated for profit and
7 which are privately endowed under a deed of trust to offer instruction
8 in trade, industry, and agriculture, but not including specialty
9 schools, business colleges, other trade schools, or similar
10 institutions.

11 **Sec. 2.** RCW 82.08.050 and 1986 c 36 s 1 are each amended to read
12 as follows:

13 The tax hereby imposed shall be paid by the buyer to the seller,
14 and each seller shall collect from the buyer the full amount of the tax
15 payable in respect to each taxable sale in accordance with the schedule
16 of collections adopted by the department pursuant to the provisions of
17 RCW 82.08.060. The tax required by this chapter, to be collected by
18 the seller, shall be deemed to be held in trust by the seller until
19 paid to the department, and any seller who appropriates or converts the
20 tax collected to his or her own use or to any use other than the
21 payment of the tax to the extent that the money required to be
22 collected is not available for payment on the due date as prescribed in
23 this chapter shall be guilty of a gross misdemeanor.

24 In case any seller fails to collect the tax herein imposed or
25 having collected the tax, fails to pay it to the department in the
26 manner prescribed by this chapter, whether such failure is the result
27 of his or her own acts or the result of acts or conditions beyond his
28 or her control, he or she shall, nevertheless, be personally liable to
29 the state for the amount of the tax.

1 The amount of tax, until paid by the buyer to the seller or to the
2 department, shall constitute a debt from the buyer to the seller and
3 any seller who fails or refuses to collect the tax as required with
4 intent to violate the provisions of this chapter or to gain some
5 advantage or benefit, either direct or indirect, and any buyer who
6 refuses to pay any tax due under this chapter shall be guilty of a
7 misdemeanor. The tax required by this chapter to be collected by the
8 seller shall be stated separately from the selling price in any sales
9 invoice or other instrument of sale. On all retail sales through
10 vending machines, the tax need not be stated separately from the
11 selling price or collected separately from the buyer. For purposes of
12 determining the tax due from the buyer to the seller and from the
13 seller to the department it shall be conclusively presumed that the
14 selling price quoted in any price list, sales document, contract or
15 other agreement between the parties does not include the tax imposed by
16 this chapter, but if the seller advertises the price as including the
17 tax or that the seller is paying the tax, the advertised price shall
18 not be considered the selling price.

19 Where a buyer has failed to pay to the seller the tax imposed by
20 this chapter and the seller has not paid the amount of the tax to the
21 department, the department may, in its discretion, proceed directly
22 against the buyer for collection of the tax, in which case a penalty of
23 ten percent may be added to the amount of the tax for failure of the
24 buyer to pay the same to the seller, regardless of when the tax may be
25 collected by the department; and all of the provisions of chapter 82.32
26 RCW, including those relative to interest and penalties, shall apply in
27 addition; and, for the sole purpose of applying the various provisions
28 of chapter 82.32 RCW, the (~~fifteenth~~) twenty-fifth day of the month
29 following the tax period in which the purchase was made shall be
30 considered as the due date of the tax.

1 **Sec. 3.** RCW 82.32.090 and 1991 c 142 s 11 are each amended to read
2 as follows:

3 (1) If payment of any tax due on a return to be filed by a taxpayer
4 is not received by the department of revenue by the due date, there
5 shall be assessed a penalty of five percent of the amount of the tax;
6 and if the tax is not received within thirty days after the due date,
7 there shall be assessed a total penalty of ten percent of the amount of
8 the tax; and if the tax is not received within sixty days after the due
9 date, there shall be assessed a total penalty of twenty percent of the
10 amount of the tax. No penalty so added shall be less than five
11 dollars.

12 (2) If payment of any tax assessed by the department of revenue is
13 not received by the department by the due date specified in the notice,
14 or any extension thereof, the department shall add a penalty of ten
15 percent of the amount of the additional tax found due. No penalty so
16 added shall be less than five dollars.

17 (3) If a warrant be issued by the department of revenue for the
18 collection of taxes, increases, and penalties, there shall be added
19 thereto a penalty of five percent of the amount of the tax, but not
20 less than ten dollars.

21 (4) If the department finds that all or any part of a deficiency
22 resulted from the disregard of specific written instructions as to
23 reporting or tax liabilities, the department shall add a penalty of ten
24 percent of the amount of the additional tax found due because of the
25 failure to follow the instructions. A taxpayer disregards specific
26 written instructions when the department of revenue has informed the
27 taxpayer in writing of the taxpayer's tax obligations and the taxpayer
28 fails to act in accordance with those instructions unless the
29 department has not issued final instructions because the matter is
30 under appeal pursuant to this chapter or departmental regulations. The

1 department shall not assess the penalty under this section upon any
2 taxpayer who has made a good faith effort to comply with the specific
3 written instructions provided by the department to that taxpayer.
4 Specific written instructions may be given as a part of a tax
5 assessment, audit, determination, or closing agreement, provided that
6 such specific written instructions shall apply only to the taxpayer
7 addressed or referenced on such documents. Any specific written
8 instructions by the department of revenue shall be clearly identified
9 as such and shall inform the taxpayer that failure to follow the
10 instructions may subject the taxpayer to the penalties imposed by this
11 subsection.

12 (5) If the department finds that all or any part of the deficiency
13 resulted from an intent to evade the tax payable hereunder, a further
14 penalty of fifty percent of the additional tax found to be due shall be
15 added.

16 (6) The aggregate of penalties imposed under this section for
17 failure to pay a tax due on a return by the due date, late payment of
18 any tax, increase, or penalty, or issuance of a warrant shall not
19 exceed thirty-five percent of the tax due, or twenty dollars, whichever
20 is greater.

21 (7) The department of revenue may not impose both the evasion
22 penalty and the penalty for disregarding specific written instructions
23 on the same tax found to be due.

24 **Sec. 4.** RCW 82.32.180 and 1989 c 378 s 23 are each amended to read
25 as follows:

26 Any person, except one who has failed to keep and preserve books,
27 records, and invoices as required in this chapter and chapter 82.24
28 RCW, having paid any tax as required and feeling aggrieved by the
29 amount of the tax may appeal to the superior court of Thurston county,

1 within the time limitation for a refund provided in chapter 82.32 RCW
2 or, if an application for refund has been made to the department within
3 that time limitation, then within thirty days after rejection of the
4 application, whichever time limitation is later. In the appeal the
5 taxpayer shall set forth the amount of the tax imposed upon the
6 taxpayer which the taxpayer concedes to be the correct tax and the
7 reason why the tax should be reduced or abated. The appeal shall be
8 perfected by serving a copy of the notice of appeal upon the department
9 within the time herein specified and by filing the original thereof
10 with proof of service with the clerk of the superior court of Thurston
11 county. (~~Within ten days after filing the notice of appeal, the~~
12 ~~taxpayer shall file with the clerk of the superior court a good and~~
13 ~~sufficient surety bond payable to the state in the sum of two hundred~~
14 ~~dollars, conditioned to diligently prosecute the appeal and pay the~~
15 ~~state all costs that may be awarded if the appeal of the taxpayer is~~
16 ~~not sustained.))~~

17 The trial in the superior court on appeal shall be de novo and
18 without the necessity of any pleadings other than the notice of appeal.
19 The burden shall rest upon the taxpayer to prove that the tax as paid
20 by the taxpayer is incorrect, either in whole or in part, and to
21 establish the correct amount of the tax. In such proceeding the
22 taxpayer shall be deemed the plaintiff, and the state, the defendant;
23 and both parties shall be entitled to subpoena the attendance of
24 witnesses as in other civil actions and to produce evidence that is
25 competent, relevant, and material to determine the correct amount of
26 the tax that should be paid by the taxpayer. Either party may seek
27 appellate review in the same manner as other civil actions are appealed
28 to the appellate courts.

29 It shall not be necessary for the taxpayer to protest against the
30 payment of any tax or to make any demand to have the same refunded or

1 to petition the director for a hearing in order to appeal to the
2 superior court, but no court action or proceeding of any kind shall be
3 maintained by the taxpayer to recover any tax paid, or any part
4 thereof, except as herein provided.

5 The provisions of this section shall not apply to any tax payment
6 which has been the subject of an appeal to the board of tax appeals
7 with respect to which appeal a formal hearing has been elected.

8 **Sec. 5.** RCW 67.28.183 and 1988 c 61 s 2 are each amended to read
9 as follows:

10 (1) The ~~((tax))~~ taxes levied ~~((by RCW 67.28.180 and 67.28.182))~~
11 under this chapter shall not apply to emergency lodging provided for
12 homeless persons for a period of less than thirty consecutive days
13 under a shelter voucher program administered by an eligible
14 organization.

15 (2) For the purposes of this exemption, an eligible organization
16 includes only cities, towns, and counties, or their respective
17 agencies, and groups providing emergency food and shelter services.

18 **Sec. 6.** RCW 82.29A.050 and 1975-'76 2nd ex.s. c 61 s 5 are each
19 amended to read as follows:

20 (1) The leasehold excise taxes provided for in RCW 82.29A.030 and
21 82.29A.040 shall be paid by the lessee to the lessor and the lessor
22 shall collect such tax and remit the same to the department of revenue.
23 The tax shall be payable at the same time as payments are due to the
24 lessor for use of the property from which the leasehold interest
25 arises, and in the case of payment of contract rent to a person other
26 than the lessor, at the time of payment. The tax payment shall be
27 accompanied by such information as the department of revenue may
28 require. In the case of prepaid contract rent the payment may be

1 prorated in accordance with instructions of the department of revenue
2 and the prorated portion of the tax shall be due, one-half not later
3 than May 31 and the other half not later than November 30 each year.

4 (2) The lessor receiving taxes payable under the provisions of this
5 chapter shall remit the same together with a return provided by the
6 department, to the department of revenue on or before the (~~fifteenth~~)
7 last day of the month following the month in which the tax is
8 collected. The department may relieve any taxpayer or class of
9 taxpayers from the obligation of filing monthly returns and may require
10 the return to cover other reporting periods, but in no event shall
11 returns be filed for a period greater than one year. The lessor shall
12 be fully liable for collection and remittance of the tax. The amount
13 of tax until paid by the lessee to the lessor shall constitute a debt
14 from the lessee to the lessor. The tax required by this chapter shall
15 be stated separately from contract rent, and if not so separately
16 stated for purposes of determining the tax due from the lessee to the
17 lessor and from the lessor to the department, the contract rent does
18 not include the tax imposed by this chapter. Where a lessee has failed
19 to pay to the lessor the tax imposed by this chapter and the lessor has
20 not paid the amount of the tax to the department, the department may,
21 in its discretion, proceed directly against the lessee for collection
22 of the tax: PROVIDED, That taxes due where contract rent has not been
23 paid shall be reported by the lessor to the department and the lessee
24 alone shall be liable for payment of the tax to the department.

25 (3) Each person having a leasehold interest subject to the tax
26 provided for in this chapter arising out of a lease of federally owned
27 or federal trust lands shall report and remit the tax due directly to
28 the department of revenue in the same manner and at the same time as
29 the lessor would be required to report and remit the tax if such lessor
30 were a state public entity.

1 **Sec. 7.** RCW 82.04.300 and 1983 c 3 s 213 are each amended to read
2 as follows:

3 This chapter shall apply to any person engaging in any business
4 activity taxable under RCW 82.04.230, 82.04.240, 82.04.250, 82.04.260,
5 82.04.270, 82.04.280 and 82.04.290 other than those whose value of
6 products, gross proceeds of sales, or gross income of the business is
7 less than one thousand dollars per month: PROVIDED, That where one
8 person engages in more than one business activity and the combined
9 measures of the tax applicable to such businesses equal or exceed one
10 thousand dollars per month, no exemption or deduction from the amount
11 of tax is allowed by this section.

12 Any person claiming exemption under the provisions of this section
13 may be required, according to rules adopted by the department, to file
14 returns even though no tax may be due(~~(:—PROVIDED, FURTHER, That)~~).
15 The department of revenue may allow exemptions, by general rule or
16 regulation, in those instances in which quarterly, semiannual, or
17 annual returns are permitted. Exemptions for such periods shall be
18 equivalent in amount to the total of exemptions for each month of a
19 reporting period.

20 **Sec. 8.** RCW 82.32.030 and 1982 1st ex.s. c 4 s 1 are each amended
21 to read as follows:

22 (1) Except as provided in subsection (2) of this section, if any
23 person engages in any business or performs any act upon which a tax is
24 imposed by the preceding chapters, he or she shall, ((whether taxable
25 or not,)) under such rules ((and regulations)) as the department of
26 revenue shall prescribe, apply for and obtain from the department a
27 registration certificate upon payment of fifteen dollars. Such
28 registration certificate shall be personal and nontransferable and
29 shall be valid as long as the taxpayer continues in business and pays

1 the tax accrued to the state. In case business is transacted at two or
2 more separate places by one taxpayer, a separate registration
3 certificate for each place at which business is transacted with the
4 public shall be required, but, for such additional certificates no
5 additional payment shall be required. Each certificate shall be
6 numbered and shall show the name, residence, and place and character of
7 business of the taxpayer and such other information as the department
8 of revenue deems necessary and shall be posted in a conspicuous place
9 at the place of business for which it is issued. Where a place of
10 business of the taxpayer is changed, the taxpayer must return to the
11 department the existing certificate, and a new certificate will be
12 issued for the new place of business free of charge. No person
13 required to be registered under this section shall engage in any
14 business taxable hereunder without first being so registered ((in
15 ~~compliance with the provisions of this section, except that~~)). The
16 department, by ((~~general regulation~~)) rule, may provide for the
17 issuance of certificates of registration, without requiring payment, to
18 temporary places of business ((~~without requiring payment~~)) or to
19 persons who are exempt from tax under RCW 82.04.300.

20 (2) Registration under this section is not required if the
21 following conditions are met:

22 (a) A person's value of products, gross proceeds of sales, or gross
23 income of the business is below the tax reporting threshold provided in
24 RCW 82.04.300;

25 (b) The person is not required to collect or pay to the department
26 of revenue any other tax which the department is authorized to collect;
27 and

28 (c) The person is not otherwise required to obtain a license
29 subject to the master application procedure provided in chapter 19.02
30 RCW.

1 **Sec. 9.** RCW 82.03.130 and 1989 c 378 s 4 are each amended to read
2 as follows:

3 The board shall have jurisdiction to decide the following types of
4 appeals:

5 (1) Appeals taken pursuant to RCW 82.03.190.

6 (2) Appeals from a county board of equalization pursuant to RCW
7 84.08.130.

8 (3) Appeals by an assessor or landowner from an order of the
9 director of revenue made pursuant to RCW 84.08.010 and 84.08.060, if
10 filed with the board of tax appeals within thirty days after the
11 mailing of the order, the right to such an appeal being hereby
12 established.

13 (4) Appeals by an assessor or owner of an intercounty public
14 utility or private car company from determinations by the director of
15 revenue of equalized assessed valuation of property and the
16 apportionment thereof to a county made pursuant to chapter 84.12 RCW
17 and 84.16 RCW, if filed with the board of tax appeals within thirty
18 days after mailing of the determination, the right to such appeal being
19 hereby established.

20 (5) Appeals by an assessor, landowner, or owner of an intercounty
21 public utility or private car company from a determination of any
22 county indicated ratio for such county compiled by the department of
23 revenue pursuant to RCW 84.48.075: PROVIDED, That

24 (a) Said appeal be filed after review of the ratio under RCW
25 84.48.075(3) and not later than fifteen days after the mailing of the
26 certification; and

27 (b) The hearing before the board shall be expeditiously held in
28 accordance with rules prescribed by the board and shall take precedence
29 over all matters of the same character.

1 (6) Appeals from the decisions of sale price of second class
2 shorelands on navigable lakes by the department of natural resources
3 pursuant to RCW 79.94.210.

4 (7) Appeals from urban redevelopment property tax apportionment
5 district proposals established by governmental ordinances pursuant to
6 RCW 39.88.060.

7 (8) Appeals from interest rates as determined by the department of
8 revenue for use in valuing farmland under current use assessment
9 pursuant to RCW 84.34.065.

10 (9) Appeals from revisions to stumpage value tables used to
11 determine value by the department of revenue pursuant to RCW 84.33.091.

12 (10) Appeals from denial of tax exemption application by the
13 department of revenue pursuant to RCW 84.36.850.

14 (11) Appeals pursuant to RCW 84.40.038(2).

15 **Sec. 10.** RCW 84.08.130 and 1989 c 378 s 7 are each amended to read
16 as follows:

17 Any taxpayer or taxing unit feeling aggrieved by the action of any
18 county board of equalization may appeal to the board of tax appeals by
19 filing with the county auditor a notice of appeal in duplicate within
20 thirty days after the mailing of the decision of such board of
21 equalization, which notice shall specify the actions complained of, and
22 said auditor shall forthwith transmit one of said notices to the board
23 of tax appeals; and in like manner any county assessor may appeal to
24 the board of tax appeals from any action of any county board of
25 equalization. There shall be no fee charged for the filing of an
26 appeal. The petitioner shall provide a copy of the notice of appeal to
27 all named parties within the time period provided in the rules of
28 practice and procedure of the board of tax appeals. Appeals which are
29 not filed as provided in this section shall be continued or dismissed.

1 The board of tax appeals shall require the board appealed from to file
2 a true and correct copy of its decision in such action and all evidence
3 taken in connection therewith, and may receive further evidence, and
4 shall make such order as in its judgment is just and proper. An appeal
5 of an action by a county board of equalization shall be deemed to have
6 been filed within the thirty-day period if it is postmarked on or
7 before the thirtieth day after the mailing of the decision of the board
8 of equalization.

9 **Sec. 11.** RCW 84.40.038 and 1988 c 222 s 19 are each amended to
10 read as follows:

11 (1) The owner or person responsible for payment of taxes on any
12 property may petition the county board of equalization for a change in
13 the assessed valuation placed upon such property by the county
14 assessor. Such petition must be made on forms prescribed or approved
15 by the department of revenue and any petition not conforming to those
16 requirements or not properly completed shall not be considered by the
17 board. The petition must be filed with the board on or before July 1st
18 of the year of the assessment or within thirty days after the date an
19 assessment or value change notice has been mailed, whichever is later.

20 (2) The owner or person responsible for payment of taxes on any
21 property may request that the appeal be heard by the state board of tax
22 appeals without a hearing by the county board of equalization when the
23 assessor, the owner or person responsible for payment of taxes on the
24 property, and a majority of the county board of equalization agree that
25 a direct appeal to the state board of tax appeals is appropriate. The
26 state board of tax appeals may reject the appeal, in which case the
27 county board of equalization shall consider the appeal under RCW
28 84.48.010. Notice of such a rejection, together with the reason
29 therefor, shall be provided to the affected parties and the county

1 board of equalization within thirty days of receipt of the direct
2 appeal by the state board.

3 **Sec. 12.** RCW 84.48.065 and 1989 c 378 s 14 are each amended to
4 read as follows:

5 (1) The county assessor or treasurer may cancel or correct
6 assessments on the assessment or tax rolls which are erroneous due to
7 manifest errors in description, double assessments, clerical errors in
8 extending the rolls, and such manifest errors in the listing of the
9 property which do not involve a revaluation of property, such as the
10 assessment of property exempted by law from taxation or the failure to
11 deduct the exemption allowed by law to the head of a family. When the
12 county assessor cancels or corrects an assessment, the assessor shall
13 send a notice to the taxpayer in accordance with RCW 84.40.045,
14 advising the taxpayer that the action ~~((of the county assessor is not~~
15 ~~final and shall be considered by the county board of equalization, and~~
16 ~~that such notice shall constitute legal notice of such fact))~~ has been
17 taken and notifying the taxpayer of the right to appeal the
18 cancellation or correction to the county board of equalization, in
19 accordance with RCW 84.40.038. When the county assessor or treasurer
20 cancels or corrects an assessment, a record of such action shall be
21 prepared ~~((and filed with the county board of equalization))~~, setting
22 forth therein the facts relating to the error. The record shall also
23 set forth by legal description all property belonging exclusively to
24 the state, any county, or any municipal corporation whose property is
25 exempt from taxation, upon which there remains, according to the tax
26 roll, any unpaid taxes. No manifest error cancellation or correction
27 shall be made for any period more than three years preceding the year
28 in which the error is discovered.

1 (~~The county board of equalization shall consider only such matters
2 as appear in the record filed with it by the county assessor or
3 treasurer and shall correct only such matters as are set forth in the
4 record, but it shall have no power to change or alter the assessment of
5 any person, or change the aggregate value of the taxable property of
6 the county, except insofar as it is necessary to correct the errors
7 mentioned in this section. If the county board of equalization finds
8 that the action of the assessor was not correct, it shall issue a
9 supplementary roll including such corrections as are necessary, and the
10 assessment and levy shall have the same force and effect as if made in
11 the first instance, and the county treasurer shall proceed to collect
12 the taxes due on the supplementary roll. The board shall make findings
13 of the facts upon which it bases its decision on all matters submitted
14 to it, and when so made the assessment and levy shall have the same
15 force as if made in the first instance, and the county treasurer shall
16 proceed to collect the taxes due on the rolls as modified.~~)

17 ~~The county board of equalization shall convene on a day fixed by
18 the board for the purpose of considering such matters as appear in the
19 record filed by the county assessor or treasurer.))~~

20 (2) An assessor shall make corrections that involve a revaluation
21 of property to the assessment roll when:

22 (a) The assessor and taxpayer have signed an agreement as to the
23 true and fair value of the taxpayer's property setting forth in the
24 agreement the valuation information upon which the agreement is based;
25 and

26 (b) The following conditions are met:

27 (i) The assessment roll has previously been certified in accordance
28 with RCW 84.40.320;

1 (ii) The taxpayer has timely filed a petition with the county board
2 of equalization pursuant to RCW 84.40.038 for the current assessment
3 year;

4 (iii) The county board of equalization has not yet held a hearing
5 on the merits of the taxpayer's petition.

6 (3) The assessor shall issue a supplementary roll or rolls
7 including such cancellations and corrections, and the assessment and
8 levy shall have the same force and effect as if made in the first
9 instance, and the county treasurer shall proceed to collect the taxes
10 due on the rolls as modified.

11 **Sec. 13.** RCW 84.36.385 and 1988 c 222 s 10 are each amended to
12 read as follows:

13 (1) A claim for exemption under RCW 84.36.381 as now or hereafter
14 amended, shall be made and filed at any time during the year for
15 exemption from taxes payable the following year and thereafter and
16 solely upon forms as prescribed and furnished by the department of
17 revenue. However, an exemption from tax under RCW 84.36.381 shall
18 continue for no more than four years unless a renewal application is
19 filed as provided in subsection (3) of this section. The county
20 assessor may also require, by written notice, a renewal application
21 following an amendment of the income requirements set forth in RCW
22 84.36.381. Renewal applications shall be on forms prescribed and
23 furnished by the department of revenue.

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

28 (3) Each person exempt from taxes under RCW 84.36.381 in 1993 and
29 thereafter, shall file with the county assessor a renewal application

1 not later than December 31 of the year the assessor notifies such
2 person of the requirement to file the renewal application.

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

8 (5) If the assessor finds that the applicant does not meet the
9 qualifications as set forth in RCW 84.36.381, as now or hereafter
10 amended, the claim or exemption shall be denied but such denial shall
11 be subject to appeal under the provisions of RCW 84.48.010(5). If the
12 applicant had received exemption in prior years based on erroneous
13 information, the taxes shall be collected subject to penalties as
14 provided in RCW 84.40.130 for a period of not to exceed three years.

15 (6) The department and each local assessor is hereby directed to
16 publicize the qualifications and manner of making claims under RCW
17 84.36.381 through 84.36.389, through communications media, including
18 such paid advertisements or notices as it deems appropriate. Notice of
19 the qualifications, method of making applications, the penalties for
20 not reporting a change in status, and availability of further
21 information shall be included on or with property tax statements and
22 revaluation notices for all residential property including mobile
23 homes, except rental properties.

24 **Sec. 14.** RCW 84.36.387 and 1980 c 185 s 6 are each amended to read
25 as follows:

26 (1) All claims for exemption shall be made and signed by the person
27 entitled to the exemption, by his or her attorney in fact or in the
28 event the residence of such person is under mortgage or purchase
29 contract requiring accumulation of reserves out of which the holder of

1 the mortgage or contract is required to pay real estate taxes, by such
2 holder or by the owner, either before two witnesses or the county
3 assessor or his deputy in the county where the real property is
4 located: PROVIDED, That if a claim for exemption is made by a person
5 living in a cooperative housing association, corporation, or
6 partnership, such claim shall be made and signed by the person entitled
7 to the exemption and by the authorized agent of such cooperative.

8 (2) If the taxpayer is unable to submit his own claim, the claim
9 shall be submitted by a duly authorized agent or by a guardian or other
10 person charged with the care of the person or property of such
11 taxpayer.

12 (3) All claims for exemption and renewal applications shall be
13 accompanied by such documented verification of income as shall be
14 prescribed by rule adopted by the department of revenue.

15 (4) Any person signing a false claim with the intent to defraud or
16 evade the payment of any tax shall be guilty of the offense of perjury.

17 ~~((4))~~ (5) The tax liability of a cooperative housing association,
18 corporation, or partnership shall be reduced by the amount of tax
19 exemption to which a claimant residing therein is entitled and such
20 cooperative shall reduce any amount owed by the claimant to the
21 cooperative by such exact amount of tax exemption or, if no amount be
22 owed, the cooperative shall make payment to the claimant of such exact
23 amount of exemption.

24 ~~((5))~~ (6) A remainderman or other person who would have otherwise
25 paid the tax on real property that is the subject of an exemption
26 granted under RCW 84.36.381 for an estate for life shall reduce the
27 amount which would have been payable by the life tenant to the
28 remainderman or other person to the extent of the exemption. If no
29 amount is owed or separately stated as an obligation between these

1 persons, the remainderman or other person shall make payment to the
2 life tenant in the exact amount of the exemption.

3 NEW SECTION. **Sec. 15.** RCW 82.32.040 and 1971 ex.s. c 299 s 15
4 & 1961 c 15 s 82.32.040 are each repealed.

5 NEW SECTION. **Sec. 16.** This act shall take effect July 1, 1992,
6 except sections 7 and 8 of this act which shall take effect January 1,
7 1993, and sections 9 through 12 of this act which are necessary for the
8 immediate preservation of the public peace, health, or safety, or
9 support of the state government and its existing public institutions,
10 and shall take effect June 1, 1992.