
HOUSE BILL 1789

State of Washington 53rd Legislature 1993 Regular Session

By Representatives Valle, Campbell and Roland

Read first time 02/08/93. Referred to Committee on Revenue.

1 AN ACT Relating to limiting property tax valuation increases for
2 residential property; adding new sections to chapter 84.40 RCW;
3 creating new sections; and providing a contingent effective date.

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

5 NEW SECTION. **Sec. 1.** The intent of this act is to provide
6 property tax relief for residential property owners whose property
7 values are increasing at a rapid rate. This rapid increase in values
8 often has the effect of increasing property taxes without an
9 accompanying increase in ability to pay. This act provides for a
10 limitation on the rate of increase of the assessed values of
11 residential real property so that the effect of rapidly rising property
12 taxes is spread over a period of years. This act also prevents
13 shifting of property tax burdens from commercial to residential
14 property during times of rapidly increasing residential property
15 values.

16 NEW SECTION. **Sec. 2.** (1) An owner of residential property may
17 apply to the county assessor in the county where the property is
18 located to have his or her real property assessed under section 3 of

1 this act. Application shall be made on forms prepared by the
2 department of revenue and available at the office of the county
3 assessor. The application shall be submitted to the county assessor.
4 A taxpayer who submits an application shall certify that he or she is
5 the owner of qualifying residential property. After the taxpayer
6 submits the initial application, and the assessor determines that the
7 property is used for residential purposes, the assessor shall, at the
8 time a notice of change of value is mailed to a taxpayer under RCW
9 84.40.045, require the taxpayer to recertify that he or she is an owner
10 of residential property in order to continue to qualify for the
11 assessed value limitation provisions of section 3 of this act.

12 (2) If, on the basis of the application submitted by the taxpayer,
13 the assessor determines that the property is not used for residential
14 purposes, the assessor shall so notify the taxpayer in writing. The
15 notice shall inform the taxpayer of the right to appeal the assessor's
16 determination to the county board of equalization within thirty days of
17 the mailing of the notice to the taxpayer.

18 NEW SECTION. **Sec. 3.** (1) The residential property of an owner who
19 receives verification under section 2 of this act shall be valued and
20 assessed as provided in this section, unless and until the property is
21 no longer used for residential purposes.

22 (2) The assessed value of residential property shall be the lesser
23 of the following values at the time of valuation:

24 (a) True and fair market value as established by the county
25 assessor in accordance with applicable law; or

26 (b) The most recent assessed value of the property increased on
27 January 1 each year thereafter by six percent, compounded annually,
28 plus the portion of the true and fair market value attributable to any
29 physical improvements not included in the previous assessment, other
30 than improvements exempt under RCW 84.36.400 for the assessment year.

31 (3) All property valued under this section shall be listed on the
32 county assessment rolls by the assessor at each of the values described
33 in subsection (2) (a) and (b) of this section.

34 NEW SECTION. **Sec. 4.** Sections 2 and 3 of this act are each added
35 to chapter 84.40 RCW.

1 NEW SECTION. **Sec. 5.** This act shall be effective for taxes levied
2 for collection in 1994 and thereafter.

3 NEW SECTION. **Sec. 6.** This act shall take effect if the proposed
4 amendment to Article VII, section 1 of the state Constitution,
5 providing for limitation of increases in taxation of residential real
6 estate is validly submitted to and is approved and ratified by the
7 voters at the next general election. If the proposed amendment is not
8 so approved and ratified, this act is void in its entirety.

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