
HOUSE BILL 1500

State of Washington

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By Representatives Hargrove, Fuhrman, Boldt, Campbell, Crouse, Huff, McMahan, McMorris, Thompson, Radcliff, Sheahan, B. Thomas, Pelesky, L. Thomas, Goldsmith, Casada, Benton, Koster, Cairnes, Stevens, Mastin, Basich, Chandler, Kremen and Backlund

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1 AN ACT Relating to limiting increases in valuation for property tax
2 purposes; amending RCW 84.40.040, 84.55.010, and 84.70.010; adding a
3 new section to chapter 84.40 RCW; and creating a new section.

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

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

7 (1) The assessed value of real property shall not exceed the lesser
8 of the following:

9 (a) The true and fair market value of the property, as established
10 by the county assessor in accordance with applicable law; or

11 (b) The most recent assessed value of the property increased on
12 January 1st each year thereafter by the lesser of the inflation factor
13 or three percent.

14 (2) As used in this section, "inflation factor" means a number that
15 is appropriate for use in measuring changes in the cost of living and
16 is provided each year by the department. The department shall base the
17 factor upon a recognized measure or measures of inflation, such as the
18 consumer price indexes published by the bureau of labor statistics of
19 the federal department of labor.

1 **Sec. 2.** RCW 84.40.040 and 1988 c 222 s 15 are each amended to read
2 as follows:

3 The assessor shall begin the preliminary work for each assessment
4 not later than the first day of December of each year in all counties
5 in the state. The assessor shall also complete the duties of listing
6 and placing valuations on all property by May 31st of each year, except
7 that the listing and valuation of construction (~~((under RCW 36.21.040~~
8 ~~through 36.21.080))~~) shall be completed (~~((by August 31st of each year))~~)
9 as provided in RCW 36.21.080, and in the following manner, to wit:

10 The assessor shall actually determine as nearly as practicable the
11 true and fair value of each tract or lot of land listed for taxation
12 and of each improvement located thereon and shall enter one hundred
13 percent of the true and fair value of such land and of the total true
14 and fair value of such improvements, together with the total of such
15 one hundred percent valuations, opposite each description of property
16 on the assessment list and tax roll.

17 The assessor shall determine the assessed value for each tract or
18 lot of land listed for taxation, including improvements located
19 thereon, and shall also enter this value opposite each description of
20 property on the assessment list and tax roll.

21 The assessor shall make an alphabetical list of the names of all
22 persons in the county liable to assessment of personal property, and
23 require each person to make a correct list and statement of such
24 property according to the standard form prescribed by the department of
25 revenue, which statement and list shall include, if required by the
26 form, the year of acquisition and total original cost of personal
27 property in each category of the prescribed form, and shall be signed
28 and verified under penalty of perjury by the person listing the
29 property: PROVIDED, That the assessor may list and value improvements
30 on publicly owned land in the same manner as real property is listed
31 and valued, including conformance with the revaluation program required
32 under chapter 84.41 RCW. Such list and statement shall be filed on or
33 before the last day of April. The assessor shall on or before the 1st
34 day of January of each year mail a notice to all such persons at their
35 last known address that such statement and list is required, such
36 notice to be accompanied by the form on which the statement or list is
37 to be made: PROVIDED, That the notice mailed by the assessor to each
38 taxpayer each year shall, if practicable, include the statement and
39 list of personal property of the taxpayer for the preceding year. Upon

1 receipt of such statement and list the assessor shall thereupon
2 determine the true and fair value of the property included in such
3 statement and enter one hundred percent of the same on the assessment
4 roll opposite the name of the party assessed; and in making such entry
5 in the assessment list, the assessor shall give the name and post
6 office address of the party listing the property, and if the party
7 resides in a city the assessor shall give the street and number or
8 other brief description of the party's residence or place of business.
9 The assessor may, after giving written notice of the action to the
10 person to be assessed, add to the assessment list any taxable property
11 which should be included in such list.

12 **Sec. 3.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended to
13 read as follows:

14 (1) Except as provided in this chapter, the levy for a taxing
15 district in any year shall be set so that the regular property taxes
16 payable in the following year shall not exceed ((one hundred six
17 percent of the amount of regular property taxes lawfully levied for
18 such district in the highest of the three most recent years in which
19 such taxes were levied for such district plus an additional)) the
20 dollar amount calculated by multiplying the increase in assessed value
21 in that district resulting from new construction, improvements to
22 property, and any increase in the assessed value of state-assessed
23 property by the regular property tax levy rate of that district for the
24 preceding year, plus:

25 (a) For taxes levied for collection before 1996, one hundred six
26 percent of the base amount;

27 (b) For taxes levied for collection in 1996, one hundred percent
28 plus the lesser of the inflation factor or five percent, multiplied by
29 the base amount.

30 (c) For taxes levied for collection in 1997, one hundred percent
31 plus the lesser of the inflation factor or four percent, multiplied by
32 the base amount;

33 (d) For taxes levied for collection in 1998, one hundred percent
34 plus the lesser of the inflation factor or three percent, multiplied by
35 the base amount.

36 (2) As used in this section:

1 (a) "Base amount" means the amount of regular property taxes
2 lawfully levied for such district in the highest of the three most
3 recent years in which such taxes were levied for such district.

4 (b) "Inflation factor" has the meaning given in section 1 of this
5 act.

6 **Sec. 4.** RCW 84.70.010 and 1994 c 301 s 56 are each amended to read
7 as follows:

8 (1) If, on or before December 31 in any calendar year, any real or
9 personal property placed upon the assessment roll of that year is
10 destroyed in whole or in part, or is in an area that has been declared
11 a disaster area by the governor and has been reduced in value by more
12 than twenty percent as a result of a natural disaster, the (~~true and~~
13 ~~fair~~) assessed value of such property shall be reduced for that year
14 by an amount determined as follows:

15 (a) First take the true and fair value of such taxable property
16 before destruction or reduction in value and deduct therefrom the true
17 and fair value of the remaining property after destruction or reduction
18 in value.

19 (b) Then multiply any amount remaining by the ratio of the assessed
20 value of the property to the true and fair value of the property.

21 (c) Then divide (~~any amount remaining~~) the result under (b) of
22 this subsection by the number of days in the year and multiply the
23 quotient by the number of days remaining in the calendar year after the
24 date of the destruction or reduction in value of the property.

25 (2) No reduction in the (~~true and fair~~) assessed value shall be
26 made more than three years after the date of destruction or reduction
27 in value.

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

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

36 (5) The taxpayer may appeal the amount of reduction to the county
37 board of equalization within thirty days of notification or July 1st of

1 the year of reduction, whichever is later. The board shall reconvene,
2 if necessary, to hear the appeal.

3 NEW SECTION. **Sec. 5.** This act shall be effective for taxes levied
4 for collection in 1996 and thereafter.

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