
HOUSE BILL 1688

State of Washington

54th Legislature

1995 Regular Session

By Representatives Chandler, Mulliken, Grant, G. Fisher, Van Luven, L. Thomas, Casada, Mielke, Kremen, Backlund, McMorris, Morris, Johnson, Quall, Campbell and Mastin

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1 AN ACT Relating to property tax reform; amending RCW 84.55.010,
2 84.55.020, 84.40.0301, 84.40.045, 84.56.050, 84.52.054, 84.41.030, and
3 84.41.041; reenacting and amending RCW 84.56.020; adding a new section
4 to chapter 84.41 RCW; creating new sections; repealing RCW 84.56.022;
5 prescribing penalties; providing an effective date; and declaring an
6 emergency.

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

8 **PART I - FINDINGS AND INTENT**

9 NEW SECTION. **Sec. 1.** The legislature finds that:

10 (1) The current system of property taxation in the state of
11 Washington is fundamentally sound because it is based on the principle
12 of valuing and assessing property at one hundred percent of true and
13 fair value;

14 (2) Because the property tax is so visible and is paid in lump
15 sums, intensified reliance on the property tax has contributed directly
16 to "taxpayer revolts" in the state of Washington and many other states
17 and there is increasing public sentiment to further restrict property
18 taxes in this state;

1 (3) Despite attempts to place constitutional and statutory control
2 mechanisms on property tax rates, taxing districts are allowed to
3 collect taxes based on limits that do not necessarily reflect the cost
4 of their services nor the economic factors within the taxing district;

5 (4) The correlation of the actual cost of voter-approved property
6 tax levies to increasing property tax burdens has not been clearly
7 articulated to property taxpayers;

8 (5) Property taxpayers must be assured that assessment practices
9 and billing procedures are fair, equitable, and reasonable; and

10 (6) Property taxes can cause severe hardship to some property
11 owners, especially those on fixed incomes.

12 NEW SECTION. **Sec. 2.** It is the intent of this act to:

13 (1) Affirm the concept of valuing and assessing property at one
14 hundred percent of its true and fair value for the purposes of
15 determining property tax liability;

16 (2) Strengthen the statutory limitation on property tax rates;

17 (3) Provide for clarification of billing schedules;

18 (4) Reduce the burden of proof placed upon property taxpayers when
19 challenging property tax valuations;

20 (5) Provide for clear communication of the cost of voter-approved
21 property taxes through more detailed information on ballot propositions
22 and on notifications pertaining to property tax assessments; and

23 (6) Provide for annual revaluation cycles to lessen the impact of
24 property value increases on property tax bills and to promote increased
25 equity among all property taxpayers.

26 **PART II - STATUTORY LIMITATIONS STRENGTHENED**

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

29 Except as provided in this chapter, the levy for a taxing district
30 in any year shall be set so that the regular property taxes payable in
31 the following year shall not exceed one hundred six percent of the
32 amount of regular property taxes lawfully levied for such district in
33 the highest of the three most recent years in which such taxes were
34 levied for such district (~~plus an additional dollar amount calculated~~
35 ~~by multiplying the increase in assessed value in that district~~
36 ~~resulting from new construction, improvements to property, and any~~

1 increase in the assessed value of state-assessed property by the
2 regular property tax levy rate of that district for the preceding
3 year)).

4 **Sec. 4.** RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended
5 to read as follows:

6 Notwithstanding the limitation set forth in RCW 84.55.010, the
7 first levy for a taxing district created from consolidation of similar
8 taxing districts shall be set so that the regular property taxes
9 payable in the following year shall not exceed one hundred six percent
10 of the sum of the amount of regular property taxes lawfully levied for
11 each component taxing district in the highest of the three most recent
12 years in which such taxes were levied for such district (~~plus the~~
13 ~~additional dollar amount calculated by multiplying the increase in~~
14 ~~assessed value in each component district resulting from new~~
15 ~~construction and improvements to property by the regular property tax~~
16 ~~rate of each component district for the preceding year)).~~

17 **PART III - CLARIFY BILLING CYCLES**

18 **Sec. 5.** RCW 84.56.020 and 1991 c 245 s 16 and 1991 c 52 s 1 are
19 each reenacted and amended to read as follows:

20 (1) The county treasurer shall be the receiver and collector of all
21 taxes extended upon the tax rolls of the county, whether levied for
22 state, county, school, bridge, road, municipal or other purposes, and
23 also of all fines, forfeitures or penalties received by any person or
24 officer for the use of his or her county.

25 (2) All taxes upon real and personal property made payable by the
26 provisions of this title shall be due and payable to the county
27 treasurer ((on or before the thirtieth day of April and shall be
28 delinquent after that date: PROVIDED, That)) in the following manner
29 and during the year in which the tax bill was received:

30 (a) One-half of the taxes shall be due and payable on or before the
31 thirtieth day of April and shall be delinquent after that date.

32 (b) The remaining one-half of the taxes plus any applicable
33 interest and penalties shall be due and payable on or before the
34 thirty-first day of October and shall be delinquent after that date.

35 (c) If, however, the total amount of taxes due on real and personal
36 property by one person is at or below three hundred dollars, that

1 amount must be paid in total on or before the thirtieth day of June and
2 shall be delinquent after that date.

3 (3) Each tax statement shall include a notice that checks for
4 payment of taxes due under this title may be made payable to "Treasurer
5 of County" or other appropriate office, but tax statements
6 shall not include any suggestion that checks may be made payable to the
7 name of the individual holding the office of treasurer nor any other
8 individual(~~(: PROVIDED FURTHER, That when the total amount of tax or~~
9 ~~special assessments on personal property or on any lot, block or tract~~
10 ~~of real property payable by one person is thirty dollars or more, and~~
11 ~~if one half of such tax be paid on or before the thirtieth day of~~
12 ~~April, the remainder of such tax shall be due and payable on or before~~
13 ~~the thirty first day of October following and shall be delinquent after~~
14 ~~that date: PROVIDED FURTHER, That when the total amount of tax or~~
15 ~~special assessments on any lot, block or tract of real property payable~~
16 ~~by one person is thirty dollars or more, and if one half of such tax be~~
17 ~~paid after the thirtieth day of April but before the thirty first day~~
18 ~~of October, together with the applicable interest and penalty on the~~
19 ~~full amount of such tax, the remainder of such tax shall be due and~~
20 ~~payable on or before the thirty first day of October following and~~
21 ~~shall be delinquent after that date)).~~

22 ((+2)) (4) Delinquent taxes under this section are subject to
23 interest at the rate of twelve percent per annum computed on a monthly
24 basis from the date of delinquency until paid. Interest shall be
25 calculated at the rate in effect at the time of payment of the tax,
26 regardless of when the taxes were first delinquent. In addition,
27 delinquent taxes under this section are subject to penalties as
28 follows:

29 (a) A penalty of three percent shall be assessed on the amount of
30 tax delinquent on the first day of June (~~(1st)~~) of the year in which
31 the tax is due.

32 (b) An additional penalty of eight percent shall be assessed on the
33 total amount of tax delinquent on the first day of December (~~(1st)~~) of
34 the year in which the tax is due.

35 (~~(3) Subsection (2) of this section notwithstanding, no interest~~
36 ~~or penalties may be assessed for the period April 30, 1991, through~~
37 ~~December 31, 1991, on delinquent 1991 taxes which are imposed on~~
38 ~~personal residences owned by military personnel who participated in the~~
39 ~~situation known as "Operation Desert Shield," "Operation Desert Storm,"~~

1 or any following operation from August 2, 1990, to a date specified by
2 an agency of the federal government as the end of such operations.

3 ~~(4))~~ (5) For purposes of this chapter, "interest" means both
4 interest and penalties.

5 ~~((+5))~~ (6) All collections of interest on delinquent taxes shall
6 be credited to the county current expense fund; but the cost of
7 foreclosure and sale of real property, and the fees and costs of
8 distraint and sale of personal property, for delinquent taxes, shall,
9 when collected, be credited to the operation and maintenance fund of
10 the county treasurer prosecuting the foreclosure or distraint or sale;
11 and shall be used by the county treasurer as a revolving fund to defray
12 the cost of further foreclosure, distraint and sale for delinquent
13 taxes without regard to budget limitations.

14 **PART IV - REDUCTION OF BURDEN OF PROOF STANDARD**

15 **Sec. 6.** RCW 84.40.0301 and 1994 c 301 s 35 are each amended to
16 read as follows:

17 Upon review by any court, or appellate body, of a determination of
18 the valuation of property for purposes of taxation, it shall be
19 presumed that the determination of the public official charged with the
20 duty of establishing such value is correct but this presumption shall
21 not be a defense against any correction indicated by ~~((clear, cogent
22 and convincing))~~ a preponderance of the evidence.

23 **PART V - FULL TAX DISCLOSURE PROVISIONS**

24 **Sec. 7.** RCW 84.40.045 and 1994 c 301 s 36 are each amended to read
25 as follows:

26 (1) The assessor shall give notice to the taxpayer of any change in
27 the true and fair value of real property for the tract or lot of land
28 and any improvements thereon no later than thirty days after
29 appraisal~~((:—PROVIDED, That))~~. However, no such notice shall be
30 mailed during the period from January 15 to February 15 of each year~~((:—
31 PROVIDED FURTHER, That))~~. In addition, no notice need be sent with
32 respect to changes in valuation of forest land made pursuant to chapter
33 84.33 RCW.

1 (2) The notice provided for in this section shall contain the
2 following information and this information shall be separately stated
3 on the notice:

4 (a) A statement of both the ((prior)) immediately preceding year's
5 and the ((new)) current year's true and fair value ((and)), stating
6 separately land and improvement values;

7 (b) The ratio of the assessed value to the true and fair value on
8 which the assessment of the property is based((, stating separately
9 land and improvement values,)); and

10 (c) A brief statement of the procedure for appeal to the board of
11 equalization and the time, date, and place of the meetings of the
12 board.

13 (3) The notice shall be mailed by the assessor to the taxpayer.
14 For the purposes of this section, "taxpayer" means any person charged,
15 or whose property is charged, with property tax.

16 (4) If any taxpayer, as shown by the tax rolls, holds solely a
17 security interest in the real property which is the subject of the
18 notice provided for in this section, pursuant to a mortgage, contract
19 of sale, or deed of trust, such taxpayer shall((, upon written request
20 of the assessor,)) supply((, within thirty days of receipt of such
21 request,)) to the assessor for the county in which the parcel is
22 located for inclusion on the tax rolls the name and address of the
23 person making payments for property tax purposes pursuant to the
24 mortgage, contract of sale, or deed of trust, and thereafter such
25 person shall also receive a copy of the notice provided for in this
26 section. Willful failure to comply with ((such request within the time
27 limitation provided for herein)) the requirements of this subsection
28 shall make such taxpayer subject to a maximum civil penalty of five
29 thousand dollars. The penalties provided for ((herein)) in this
30 subsection shall be recoverable in an action by the county prosecutor,
31 and when recovered shall be deposited in the county current expense
32 fund. ((The assessor shall make the request provided for by this
33 section during the month of January.))

34 **Sec. 8.** RCW 84.56.050 and 1991 c 245 s 17 are each amended to read
35 as follows:

36 (1) On receiving the tax rolls the county treasurer shall post all
37 real and personal property taxes from the rolls to the treasurer's tax
38 roll, and shall carry forward to the current tax rolls a memorandum of

1 all delinquent taxes on each and every description of property, and
2 enter the same on the property upon which the taxes are delinquent
3 showing the amounts for each year.

4 (2) The treasurer shall notify each taxpayer in the county, at the
5 expense of the county, of the total amount of ((the)) real and personal
6 property((, and the current and delinquent amount of tax due on the
7 same; and the treasurer shall have printed on the notice the name of
8 each tax and the levy made on the same)) taxes due and payable. The
9 notice mailed to the taxpayer shall at a minimum contain the following
10 information and this information must be separately stated on the
11 notice:

12 (a) The name and address of the taxpayer;

13 (b) The name, address, and telephone number of the county issuing
14 the notice;

15 (c) The parcel number as noted in the county records;

16 (d) The legal property address and description;

17 (e) The year for which the assessment is being made;

18 (f) The assessed valuation for the identified parcel's land value
19 and improvement value as reported by the county assessor's office;

20 (g) Current billing information containing the name of each taxing
21 jurisdiction levying a tax on the identified parcel, the amount of that
22 jurisdiction's levy rate, and the total amount due for each taxing
23 jurisdiction;

24 (h) The total taxes due as a result of regular property taxes
25 together with an indication of the percentage increase from the
26 previous year's total;

27 (i) The total taxes due as a result of excess levies approved by
28 the voters and any special assessments together with an indication of
29 the percentage increase from the previous year's total;

30 (j) The total taxes due and payable from the taxpayer, including
31 any delinquent taxes and any interest or penalties due; and

32 (k) A notice of the payment due dates and possible delinquency
33 penalties and interest.

34 (3) The county treasurer shall be the sole collector of all
35 delinquent taxes and all other taxes due and collectible on the tax
36 rolls of the county((; PROVIDED, That)).

37 (4) For the purposes of this section, the term "taxpayer" ((as used
38 in this section shall)) means any person charged, or whose property is
39 charged, with property tax((; and)).

1 (5) The person to be officially notified under subsection (2) of
2 this section is ((that)) the person whose name appears on the tax rolls
3 ((herein mentioned: PROVIDED, FURTHER, That)) of the county issuing
4 the notice. If no name so appears the person to be officially notified
5 is that person shown by the treasurer's tax rolls or duplicate tax
6 receipts of any preceding year as the payer of the tax last paid on the
7 property in question.

8 (6) The county assessor shall include on the tax rolls the name and
9 address of the person making payments for property tax purposes
10 pursuant to a mortgage, contract of sale, or deed of trust that has
11 been provided by a taxpayer as required in RCW 84.40.045(4). If this
12 information is included on the tax rolls for any parcel, the treasurer
13 shall provide a duplicate of the notice provided for in this section to
14 that person. The duplicate notice shall clearly state in bold-face
15 type that it is not a bill and is for informational purposes only.

16 **Sec. 9.** RCW 84.52.054 and 1986 c 133 s 2 are each amended to read
17 as follows:

18 (1) Any ballot proposition submitted to the voters requesting the
19 additional tax provided for in ((subparagraph (a) of the seventeenth
20 amendment to)) Article VII, section 2 (a) and (b) of the state
21 Constitution ((as amended by Amendment 59 and as thereafter amended,))
22 and specifically authorized by RCW 84.52.052((, as now or hereafter
23 amended, and RCW)), 84.52.053 ((and)), 84.52.0531, and 84.52.056, or
24 any other proposition submitted to the voters for regular or excess
25 property tax levies shall ((be set forth in terms of dollars on the
26 ballot of the proposition to be submitted to the voters, together with
27 an estimate of the dollar rate of tax levy that will be required to
28 produce the dollar amount; and)) contain the following information in
29 the official ballot title submitted to the voters:

30 (a) The total dollar amount proposed to be collected during the
31 entire period of the levy;

32 (b) An estimate of the dollar rate of the tax levy that will be
33 required for each one thousand dollars of assessed value to produce the
34 total dollar amount proposed in (a) of this subsection;

35 (c) An estimate of the total tax liability for one hundred thousand
36 dollars of taxable value based on the estimated dollar amount of tax
37 levy in (b) of this subsection for each year of the period for which
38 the tax levy is proposed; and

1 (d) A summary of the proposed uses of the tax levies requested.

2 (2) Any ballot proposition submitted to the voters requesting the
3 additional tax provided for in Article VII, section 2 (a) and (b) of
4 the state Constitution and specifically authorized by RCW 84.52.052,
5 84.52.053, 84.52.0531, and 84.52.056, or any other proposition
6 submitted to the voters for regular or excess property tax levies
7 lasting longer than one year shall contain the following information in
8 the official ballot title submitted to the voters:

9 (a) The total dollar amount proposed to be collected during the
10 entire period of the levy;

11 (b) The total dollar amount proposed to be collected during each
12 year of the period for which the tax levy is proposed. The total
13 dollar amount for each annual levy in the period may be equal or in
14 different amounts;

15 (c) An estimate of the dollar rate of the tax levy that will be
16 required for each one thousand dollars of assessed value to produce the
17 total dollar amounts proposed in (b) of this subsection;

18 (d) An estimate of the total tax liability for one hundred thousand
19 dollars of taxable value based on the estimated dollar amount of tax
20 levy in (b) of this subsection for each year of the period for which
21 the tax levy is proposed; and

22 (e) A summary of the proposed uses of the tax levies requested.

23 (3) The county assessor, in spreading ((this)) any voter-approved
24 tax upon the rolls, shall determine the eventual dollar rate required
25 to produce the amount of dollars so voted upon, regardless of the
26 estimate of dollar rate of tax levy carried in said proposition. ((In
27 the case of a school district proposition for a particular period, the
28 dollar amount and the corresponding estimate of the dollar rate of tax
29 levy shall be set forth for each of the years in that period. The
30 dollar amount for each annual levy in the particular period may be
31 equal or in different amounts.))

32 **PART VI - ANNUAL REVALUATIONS**

33 **Sec. 10.** RCW 84.41.030 and 1982 1st ex.s. c 46 s 1 are each
34 amended to read as follows:

35 Each county assessor shall maintain an active and systematic
36 program of revaluation on a continuous basis, and shall establish a
37 revaluation schedule which will result in revaluation of all taxable

1 real property within the county at least once each (~~four~~) year(~~s~~)
2 and physical inspection of all taxable real property within the county
3 at least once each six years.

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

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

28 The assessor may require property owners to submit pertinent data
29 respecting taxable property in their control including data respecting
30 any sale or purchase of said property within the past five years, the
31 cost and characteristics of any improvement on the property and other
32 facts necessary for appraisal of the property.

33 NEW SECTION. **Sec. 12.** A new section is added to chapter 84.41 RCW
34 to read as follows:

35 (1) Each county assessor shall file an implementation plan for RCW
36 84.41.041 with the department by July 1, 1996.

1 (2) The department may approve a revaluation plan that provides for
2 phased-in compliance with the annual statistical update requirement
3 provided in RCW 84.41.041. A phased-in compliance plan must provide
4 statistical updates for a reasonable portion of all taxable real
5 property within a county each year, with full compliance with the
6 annual statistical update requirement not later than for taxes levied
7 for collection in 2000.

8 (3) Department approval of requests for phased-in compliance with
9 the annual statistical update requirement shall be determined by the
10 extent to which the requirement creates an undue burden or hardship
11 upon the county requesting the approval. For the purposes of this
12 section, "undue burden or hardship" means that the costs of complying
13 with the annual statistical update requirement by 1996 would be
14 prohibitive or that the county does not at the time of application have
15 the adequate tools or methods of valuation to ensure a smooth
16 transition to annual statistical updates by 1996.

17 NEW SECTION. **Sec. 13.** RCW 84.56.022 and 1994 c 301 s 48 are each
18 repealed.

19 NEW SECTION. **Sec. 14.** PART HEADINGS AND CAPTIONS. Part headings
20 and captions as used in this act constitute no part of the law.

21 NEW SECTION. **Sec. 15.** If any provision of this act or its
22 application to any person or circumstance is held invalid, the
23 remainder of the act or the application of the provision to other
24 persons or circumstances is not affected.

25 NEW SECTION. **Sec. 16.** This act is necessary for the immediate
26 preservation of the public peace, health, or safety, or support of the
27 state government and its existing public institutions, and shall take
28 effect July 1, 1995.

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