
ENGROSSED SUBSTITUTE HOUSE BILL 2485

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Government Operations (originally sponsored by Representatives H. Sommers, Rust, Reams, Scheuerman, Regala, Kessler, Costa, Chopp, Murray, Conway, Valle, Tokuda, Basich, Wolfe, Patterson, Dellwo and Linville)

Read first time 02/02/96.

1 AN ACT Relating to reducing property tax assessments in response to
2 government restrictions; amending RCW 84.69.020; and adding a new
3 section to chapter 84.40 RCW.

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 owner or person responsible for payment of taxes on any
8 property may petition the assessor for a reduction in the assessed
9 value of the property at any time within three years of adoption of a
10 restriction by a government entity.

11 (2) Notwithstanding the revaluation cycle for the county, the
12 assessor shall reconsider the valuation of the property within one
13 hundred twenty days of the filing of a petition under subsection (1) of
14 this section. If the new valuation is established for the property
15 after this review, the assessor shall notify the property owner in the
16 manner provided in RCW 84.40.045. Unless the property would otherwise
17 be revalued that year as a result of the revaluation cycle or new
18 construction, the valuation of the property shall not be increased as
19 a result of this revaluation. If the new valuation is established

1 after June 1st in any year, the new valuation shall be used for
2 purposes of imposing property taxes in the following year, but the
3 property owner shall be eligible for a refund under RCW 84.69.020.

4 (3) A new valuation established under this section may be appealed
5 under RCW 84.40.038.

6 (4) If the assessor reduces the valuation of a property using the
7 process under this section, the property owner shall be entitled to a
8 refund on property taxes paid on this property calculated as follows:

9 (a) A property owner is entitled to receive a refund for each year
10 after the restriction was adopted, but not to exceed three years, that
11 the taxpayer paid property taxes on the property based upon the prior
12 higher valuation.

13 (b) The amount of the refund in each year shall be the amount of
14 reduced valuation on the property for that year, multiplied by the rate
15 of property taxes imposed on the property in that year.

16 (5) As used in this section, "restriction" means a limitation,
17 requirement, regulation, or restriction that limits the use of the
18 property, including those imposed by the application of ordinances,
19 resolutions, rules, regulations, policies, statutes, and conditions of
20 land use approval.

21 **Sec. 2.** RCW 84.69.020 and 1994 c 301 s 55 are each amended to read
22 as follows:

23 On the order of the county treasurer, ad valorem taxes paid before
24 or after delinquency shall be refunded if they were:

25 (1) Paid more than once; or

26 (2) Paid as a result of manifest error in description; or

27 (3) Paid as a result of a clerical error in extending the tax
28 rolls; or

29 (4) Paid as a result of other clerical errors in listing property;
30 or

31 (5) Paid with respect to improvements which did not exist on
32 assessment date; or

33 (6) Paid under levies or statutes adjudicated to be illegal or
34 unconstitutional; or

35 (7) Paid as a result of mistake, inadvertence, or lack of knowledge
36 by any person exempted from paying real property taxes or a portion
37 thereof pursuant to RCW 84.36.381 through 84.36.389, as now or
38 hereafter amended; or

1 (8) Paid as a result of mistake, inadvertence, or lack of knowledge
2 by either a public official or employee or by any person with respect
3 to real property in which the person paying the same has no legal
4 interest; or

5 (9) Paid on the basis of an assessed valuation which was appealed
6 to the county board of equalization and ordered reduced by the board;
7 or

8 (10) Paid on the basis of an assessed valuation which was appealed
9 to the state board of tax appeals and ordered reduced by the board:
10 PROVIDED, That the amount refunded under subsections (9) and (10) of
11 this section shall only be for the difference between the tax paid on
12 the basis of the appealed valuation and the tax payable on the
13 valuation adjusted in accordance with the board's order; or

14 (11) Paid as a state property tax levied upon property, the
15 assessed value of which has been established by the state board of tax
16 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
17 refunded shall only be for the difference between the state property
18 tax paid and the amount of state property tax which would, when added
19 to all other property taxes within the one percent limitation of
20 Article VII, section 2 of the state Constitution equal one percent of
21 the assessed value established by the board;

22 (12) Paid on the basis of an assessed valuation which was
23 adjudicated to be unlawful or excessive: PROVIDED, That the amount
24 refunded shall be for the difference between the amount of tax which
25 was paid on the basis of the valuation adjudged unlawful or excessive
26 and the amount of tax payable on the basis of the assessed valuation
27 determined as a result of the proceeding; or

28 (13) Paid on property acquired under RCW 84.60.050, and canceled
29 under RCW 84.60.050(2); or

30 (14) Paid on the basis of an assessed valuation that was reduced
31 under section 1 of this act.

32 No refunds under the provisions of this section shall be made
33 because of any error in determining the valuation of property, except
34 as authorized in subsections (9), (10), (11), and (12) of this section
35 nor may any refunds be made if a bona fide purchaser has acquired
36 rights that would preclude the assessment and collection of the
37 refunded tax from the property that should properly have been charged
38 with the tax. Any refunds made on delinquent taxes shall include the
39 proportionate amount of interest and penalties paid. The county

1 treasurer may deduct from moneys collected for the benefit of the
2 state's levy, refunds of the state levy including interest on the levy
3 as provided by this section and chapter 84.68 RCW.

4 The county treasurer of each county shall make all refunds
5 determined to be authorized by this section, and by the first Monday in
6 January of each year, report to the county legislative authority a list
7 of all refunds made under this section during the previous year. The
8 list is to include the name of the person receiving the refund, the
9 amount of the refund, and the reason for the refund.

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