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HOUSE BILL 2115

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State of Washington                      65th Legislature                      2017 Regular Session

By Representatives Stanford, Ormsby, and Tharinger

Read first time 02/15/17. Referred to Committee on Finance.

1            AN ACT Relating to exempting a portion of the valuation of  
2 residential property from property taxation; amending RCW 84.48.010;  
3 adding a new section to chapter 84.36 RCW; creating new sections; and  
4 providing a contingent effective date.

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

6            NEW SECTION.    **Sec. 1.**    The legislature finds that an increased  
7 demand for housing and a low supply of available properties has made  
8 property values throughout the state increase substantially.  
9 Moreover, the legislature finds that this impacts low and moderate-  
10 income families as they are required to spend a higher percentage of  
11 their monthly income on housing-related costs. The legislature also  
12 finds that there is an important public policy objective in assisting  
13 families to achieve and maintain home ownership. The legislature  
14 finds that flat dollar homestead exemptions are effective in  
15 assisting low and moderate-income families because it represents a  
16 larger share of the property taxes owed of these families.

17            NEW SECTION.    **Sec. 2.**    A new section is added to chapter 84.36  
18 RCW to read as follows:

1 (1) A portion of the assessed value of a residence is exempt from  
2 property taxes imposed for state purposes. The exemption from  
3 property taxation is equal to:

4 (a) The first fifty thousand dollars of valuation of each  
5 residential tax parcel consisting of less than three dwelling units;  
6 and

7 (b) The first fifty thousand dollars of valuation of each  
8 residential unit in a multiunit residential dwelling wherein each  
9 unit is owned and taxed separately.

10 (2) If the assessor finds that the residence does not meet the  
11 qualifications for a homestead exemption under this section, the  
12 exemption must be denied, but such denial is subject to appeal under  
13 the provisions of RCW 84.48.010 and in accordance with the provisions  
14 of RCW 84.40.038.

15 (3) For the purposes of this section:

16 (a) "Homestead exemption" refers to an exemption under this  
17 section; and

18 (b) "Residence" means a single-family dwelling unit, whether such  
19 unit be separate or part of a multiunit dwelling, including the land  
20 on which such dwelling stands. The term also includes:

21 (i) A single-family dwelling situated upon lands the fee of which  
22 is vested in the United States or any instrumentality thereof  
23 including an Indian tribe or in the state of Washington, and  
24 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a  
25 residence must be deemed real property; and

26 (ii) A mobile home that has substantially lost its identity as a  
27 mobile unit by virtue of its being fixed in location upon land owned  
28 or leased by the owner of the mobile home and placed on a foundation  
29 (posts or blocks) with fixed pipe, connections with sewer, water, or  
30 other utilities.

31 (4) The department must adopt such rules and regulations and  
32 prescribe such forms as may be necessary and appropriate to implement  
33 and administer this act subject to chapter 34.05 RCW, the  
34 administrative procedure act.

35 **Sec. 3.** RCW 84.48.010 and 2001 c 187 s 22 are each amended to  
36 read as follows:

37 (1) Prior to July 15th, the county legislative authority  
38 (~~shall~~) must form a board for the equalization of the assessment of  
39 the property of the county. The members of (~~said~~) the board

1 (~~shall~~) must receive a per diem amount as set by the county  
2 legislative authority for each day of actual attendance of the  
3 meeting of the board of equalization to be paid out of the current  
4 expense fund of the county(~~(: PROVIDED, That)~~). However, when the  
5 county legislative authority constitute the board they (~~shall~~) may  
6 only receive their compensation as members of the county legislative  
7 authority. The board of equalization (~~shall~~) must meet in open  
8 session for this purpose annually on the 15th day of July and, having  
9 each taken an oath fairly and impartially to perform their duties as  
10 members of such board, they (~~shall~~) must examine and compare the  
11 returns of the assessment of the property of the county and proceed  
12 to equalize the same, so that each tract or lot of real property and  
13 each article or class of personal property (~~shall~~) must be entered  
14 on the assessment list at its true and fair value, according to the  
15 measure of value used by the county assessor in such assessment year,  
16 which is presumed to be correct under RCW 84.40.0301, and subject to  
17 the following rules:

18 (~~First-~~) (a) They (~~shall~~) must raise the valuation of each  
19 tract or lot or item of real property which is returned below its  
20 true and fair value to such price or sum as to be the true and fair  
21 value thereof, after at least five days' notice (~~shall~~) have been  
22 given in writing to the owner or agent.

23 (~~Second-~~) (b) They (~~shall~~) must reduce the valuation of each  
24 tract or lot or item which is returned above its true and fair value  
25 to such price or sum as to be the true and fair value thereof.

26 (~~Third-~~) (c) They (~~shall~~) must raise the valuation of each  
27 class of personal property which is returned below its true and fair  
28 value to such price or sum as to be the true and fair value thereof,  
29 and they (~~shall~~) must raise the aggregate value of the personal  
30 property of each individual whenever the aggregate value is less than  
31 the true valuation of the taxable personal property possessed by such  
32 individual, to such sum or amount as to be the true value thereof,  
33 after at least five days' notice (~~shall~~) have been given in writing  
34 to the owner or agent thereof.

35 (~~Fourth-~~) (d) They (~~shall~~) must reduce the valuation of each  
36 class of personal property enumerated on the detail and assessment  
37 list of the current year, which is returned above its true and fair  
38 value, to such price or sum as to be the true and fair value thereof;  
39 and they (~~shall~~) must reduce the aggregate valuation of the  
40 personal property of such individual who has been assessed at too

1 large a sum to such sum or amount as was the true and fair value of  
2 the personal property.

3 ~~((Fifth-))~~ (e) The board may review all claims for either real or  
4 personal property tax exemption, or homestead exemptions under  
5 section 2 of this act, as determined by the county assessor, and  
6 ~~((shall))~~ must consider any taxpayer appeals from the decision of the  
7 assessor thereon to determine ~~((+1+))~~ (i) if the taxpayer is entitled  
8 to an exemption, and ~~((+2+))~~ (ii) if so, the amount thereof.

9 (2) The clerk of the board ~~((shall))~~ must keep an accurate  
10 journal or record of the proceedings and orders of said board showing  
11 the facts and evidence upon which their action is based, and the said  
12 record ~~((shall))~~ must be published the same as other proceedings of  
13 county legislative authority, and ~~((shall))~~ must make a true record  
14 of the changes of the descriptions and assessed values ordered by the  
15 county board of equalization. The assessor shall correct the real and  
16 personal assessment rolls in accordance with the changes made by the  
17 said county board of equalization, and the assessor ~~((shall))~~ must  
18 make duplicate abstracts of such corrected values, one copy of which  
19 ~~((shall))~~ must be retained in the office, and one copy forwarded to  
20 the department of revenue on or before the eighteenth day of August  
21 next following the meeting of the county board of equalization.

22 (3) The county board of equalization ~~((shall))~~ must meet on the  
23 15th day of July and may continue in session and adjourn from time to  
24 time during a period not to exceed four weeks, but shall remain in  
25 session not less than three days~~((:—PROVIDED,—That))~~. However, the  
26 county board of equalization with the approval of the county  
27 legislative authority may convene at any time when petitions filed  
28 exceed twenty-five, or ten percent of the number of appeals filed in  
29 the preceding year, whichever is greater.

30 (4) No taxes, except special taxes, ~~((shall))~~ may be extended  
31 upon the tax rolls until the property valuations are equalized by the  
32 department of revenue for the purpose of raising the state revenue.

33 (5) County legislative authorities as such ~~((shall))~~ may at no  
34 time have any authority to change the valuation of the property of  
35 any person or to release or commute in whole or in part the taxes due  
36 on the property of any person.

37 NEW SECTION. **Sec. 4.** This act applies to taxes levied for  
38 collection in 2019 and thereafter.

1        NEW SECTION.    **Sec. 5.**    (1) If the proposed amendment to Article  
2    VII of the state Constitution in House Joint Resolution No. ....  
3    (H-1310/17), providing for a homestead exemption, is validly  
4    submitted to and is approved and ratified by the voters at the next  
5    general election, this act takes effect as provided in subsection (2)  
6    of this section.

7        (2) If the contingency in subsection (1) of this section occurs,  
8    this act takes effect on the date that House Joint Resolution  
9    No. .... (H-1310/17) becomes effective.

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