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**SUBSTITUTE HOUSE BILL 1301**

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**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representatives Wang, Holland, Fraser, Horn, Rust, Brumsickle, Leonard, Ballard, Nelson, Heavey, Haugen, Winsley, Jacobsen, May, Morris, Ferguson, Appelwick, Phillips, H. Sommers, Belcher, Locke, Pruitt, Franklin, Spanel, Van Luven, Cooper, Wineberry, H. Myers, Bray, Scott and Anderson).

Read first time January 29, 1991.

1            AN ACT Relating to improving property tax administrative practices;  
2 requiring annual updating of assessed values; providing more complete  
3 information about property tax administration; modifying qualification  
4 requirements for property tax appraisers; requiring a study; amending  
5 RCW 84.41.030, 84.41.041, 36.21.015, and 36.21.100; adding a new  
6 section to chapter 84.08 RCW; creating new sections; providing  
7 effective dates; and declaring an emergency.

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

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

11            Each county assessor shall maintain an active and systematic  
12 program of revaluation on a continuous basis, and shall establish a  
13 revaluation schedule which will result in revaluation of all taxable  
14 real property within the county at least once each (~~four~~) year(~~s~~)

1 and physical inspection of all taxable real property within the county  
2 at least once each six years.

3 **Sec. 2.** RCW 84.41.041 and 1987 c 319 s 4 are each amended to read  
4 as follows:

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

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

1        NEW SECTION.    **Sec. 3.**        Each county assessor shall file an  
2 implementation plan for section 2 of this act with the department of  
3 revenue by July 1, 1992.

4        The department of revenue may approve a revaluation plan that  
5 provides for phased-in compliance with the annual statistical update  
6 requirement required by section 2 of this act. A phased-in compliance  
7 plan must provide statistical updates for a reasonable portion of all  
8 taxable real property within a county each year, with full compliance  
9 with the annual statistical update requirement not later than for taxes  
10 levied for collection in 1996.

11        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 84.08 RCW  
12 to read as follows:

13        (1) The department shall prepare a clear and succinct explanation  
14 of the property tax system, including but not limited to:

15        (a) The standard of true and fair value as the basis of the  
16 property tax.

17        (b) How the assessed value for particular parcels is determined.

18        (c) The procedures and timing of the assessment process.

19        (d) How district levy rates are determined, including the one  
20 hundred six percent limit.

21        (e) How the composite tax rate is determined.

22        (f) How the amount of tax is calculated.

23        (g) How a taxpayer may appeal an assessment, and what issues are  
24 appropriate as a basis of appeal.

25        (h) A summary of tax exemption and relief programs, along with the  
26 eligibility standards and application processes.

27        (2) Each county assessor shall provide copies of the explanation to  
28 taxpayers on request, free of charge. Each revaluation notice shall  
29 include information regarding the availability of the explanation.

1       **Sec. 5.** RCW 36.21.015 and 1977 c 75 s 30 are each amended to read  
2 as follows:

3       (1) Any person having the responsibility of valuing real property  
4 for purposes of taxation including persons acting as assistants or  
5 deputies to a county assessor under RCW 36.21.011 (~~as now or hereafter~~  
6 ~~amended,~~) shall have first:

7       (~~(1) Graduated from an accredited high school or passed a high~~  
8 ~~school equivalency examination;~~

9       ~~(2))~~ (a) Had at least one year of experience in transactions  
10 involving real property, in appraisal of real property, or in  
11 assessment of real property, or at least one year of experience in a  
12 combination of the three;

13       (~~(3))~~ (b) Become knowledgeable in repair and remodeling of  
14 buildings and improvement of land, and in the significance of locality  
15 and area to the value of real property; (~~and~~

16       ~~(4))~~ (c) Become knowledgeable in the standards for appraising  
17 property set forth by the department of revenue; and

18       (d) Met other minimum requirements specified by department of  
19 revenue rule.

20       (2) The department of (~~personnel shall prepare with the advice of~~  
21 ~~the department of~~) revenue shall prepare and administer an examination  
22 on (~~the~~) subjects (~~of subsections (3) and (4), and~~) related to the  
23 valuation of real property. No person shall assess real property for  
24 purposes of taxation without having passed said examination or having  
25 received an examination waiver from the department of revenue upon  
26 showing education or experience determined by the department to be  
27 equivalent to passing the examination. A person passing said  
28 examination or receiving an examination waiver shall be (~~certified~~)  
29 accredited accordingly by the (~~director of the~~) department of  
30 (~~personnel: PROVIDED, HOWEVER, That~~) revenue.

1       (3) The department of revenue may by rule establish continuing  
2 education requirements for persons assessing real property for purposes  
3 of taxation. The department shall provide accreditation of completion  
4 of requirements imposed under this section. No person shall assess  
5 real property for purposes of taxation without complying with  
6 requirements imposed under this subsection.

7       (4) To the extent practical, the department of revenue shall  
8 coordinate accreditation requirements under this section with the  
9 requirements for certified real estate appraisers under chapter 18.140  
10 RCW.

11       (5) The examination requirements of subsection (2) of this section  
12 shall not apply to any person who shall have either:

13       ~~((1))~~ (a) Been certified as a real property appraiser by the  
14 department of personnel prior to ~~((May 21, 1971))~~ July 1, 1992; or

15       ~~((2))~~ (b) Attended and satisfactorily completed the assessor's  
16 school operated jointly by the department of revenue and the Washington  
17 state assessors association prior to August 9, 1971.

18       **Sec. 6.** RCW 36.21.100 and 1987 c 138 s 8 are each amended to read  
19 as follows:

20       Every county assessor shall report to the department of revenue on  
21 the property tax levies and related matters within the county annually  
22 at a date and in a form prescribed by the department of revenue. The  
23 report shall include, but need not be limited to, the results of sales-  
24 assessment ratio studies performed by the assessor. The ratio studies  
25 shall be based on use classes of real property and shall be performed  
26 under a plan approved by the department of revenue.

1        NEW SECTION.    **Sec. 7.**        (1) The department of revenue shall  
2        conduct a study of the administration of the property tax system. The  
3        study shall include an examination of:

4        (a) The implementation of the administrative reforms required by  
5        this legislation.

6        (b) The adequacy of information and tools relating to property  
7        location and value, including items such as maps, property data, sales  
8        data, and computer systems.

9        (c) The effectiveness of county boards of equalization.

10       (d) The adequacy of auditing procedures for property tax relief  
11       programs.

12       (e) The fiscal impact of property tax reform legislation on  
13       individual tax districts.

14       (2) The department shall report the findings of the study to the  
15       committees of the legislature that deal with revenue matters no later  
16       than November 30, 1991.

17       NEW SECTION.    **Sec. 8.**        (1) Sections 1, 3, 4, 6, 7, and 9 of  
18       this act are necessary for the immediate preservation of the public  
19       peace, health, or safety, or support of the state government and its  
20       existing public institutions, and shall take effect immediately.

21       (2) Section 2 of this act shall take effect January 1, 1995.

22       (3) Section 5 of this act shall take effect July 1, 1992.

23       NEW SECTION.    **Sec. 9.**        Section 2 of this act is effective for  
24       taxes levied for collection in 1996 and thereafter.