

CERTIFICATION OF ENROLLMENT
SUBSTITUTE HOUSE BILL 1301

52nd Legislature
1991 Regular Session

Passed by the House April 28, 1991
Yeas 97 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate April 28, 1991
Yeas 39 Nays 9

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1301** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

Secretary of State
State of Washington

SUBSTITUTE HOUSE BILL 1301

AS AMENDED BY THE SENATE

Passed Legislature - 1991 Regular Session

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 36.21.015 and 36.21.100; adding a new section to chapter 84.08 RCW;
6 creating a new section; providing an effective date; and declaring an
7 emergency.

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

9 NEW SECTION. **Sec. 1.** (1) The department of revenue shall
10 study the administration of the property tax system. The study shall
11 include examination of and recommendations regarding the following
12 issues:

13 (a) Annual revaluations:

1 (i) Whether the property tax system would be improved by revaluing
2 all property annually, and if annual revaluations would be an
3 improvement, the extent of the improvement.

4 (ii) The cost of increasing the frequency of revaluations,
5 including the increased burden on smaller counties.

6 (iii) Whether any move to annual revaluations should be phased in
7 over a period of years.

8 (iv) Whether the state should assist in meeting any increased costs
9 of annual revaluations.

10 (v) What assistance the department can provide in helping counties
11 achieve annual revaluations.

12 (b) General property tax administration:

13 (i) The adequacy of information and tools relating to property
14 location and value, including items such as maps, property data, sales
15 data, geographic information systems, and computer systems.

16 (ii) The proper role and the effectiveness of county boards of
17 equalization.

18 (iii) The adequacy of auditing procedures for property tax relief
19 programs.

20 (iv) Any other property tax administration problems that the
21 department determines warrant study and recommendations to the
22 legislature.

23 (2) The department shall report the findings of the study and the
24 recommendations of the department to the committees of the legislature
25 that deal with revenue matters no later than November 30, 1991.

26 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.08 RCW
27 to read as follows:

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

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

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

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

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

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

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

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

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

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

16 **Sec. 3.** RCW 36.21.015 and 1977 c 75 s 30 are each amended to read
17 as follows:

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

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

24 ~~(2))~~ (a) Had at least one year of experience in transactions
25 involving real property, in appraisal of real property, or in
26 assessment of real property, or at least one year of experience in a
27 combination of the three;

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

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

6 (d) Met other minimum requirements specified by department of
7 revenue rule.

8 (2) The department of ~~((personnel shall prepare with the advice of~~
9 ~~the department of))~~ revenue shall prepare and administer an examination
10 on ~~((the))~~ subjects ~~((of subsections (3) and (4), and))~~ related to the
11 valuation of real property. No person shall assess real property for
12 purposes of taxation without having passed said examination or having
13 received an examination waiver from the department of revenue upon
14 showing education or experience determined by the department to be
15 equivalent to passing the examination. A person passing said
16 examination or receiving an examination waiver shall be ~~((certified))~~
17 accredited accordingly by the ~~((director of the))~~ department of
18 ~~((personnel: PROVIDED, HOWEVER, That))~~ revenue.

19 (3) The department of revenue may by rule establish continuing
20 education requirements for persons assessing real property for purposes
21 of taxation. The department shall provide accreditation of completion
22 of requirements imposed under this section. No person shall assess
23 real property for purposes of taxation without complying with
24 requirements imposed under this subsection.

25 (4) To the extent practical, the department of revenue shall
26 coordinate accreditation requirements under this section with the
27 requirements for certified real estate appraisers under chapter 18.140
28 RCW.

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

1 (~~(1)~~) (a) Been certified as a real property appraiser by the
2 department of personnel prior to (~~May 21, 1971~~) July 1, 1992; or
3 (~~(2)~~) (b) Attended and satisfactorily completed the assessor's
4 school operated jointly by the department of revenue and the Washington
5 state assessors association prior to August 9, 1971.

6 **Sec. 4.** RCW 36.21.100 and 1987 c 138 s 8 are each amended to read
7 as follows:

8 Every county assessor shall report to the department of revenue on
9 the property tax levies and related matters within the county annually
10 at a date and in a form prescribed by the department of revenue. The
11 report shall include, but need not be limited to, the results of sales-
12 assessment ratio studies performed by the assessor. The ratio studies
13 shall be based on use classes of real property and shall be performed
14 under a plan approved by the department of revenue.

15 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and shall take
18 effect immediately, except section 3 of this act, which shall take
19 effect July 1, 1992.