

SENATE BILL 5195

State of Washington

52nd Legislature

1991 Regular Session

By Senators McDonald, Hayner, Bluechel, Cantu, Roach, von Reichbauer, Oke, Thorsness, Metcalf, Johnson, Erwin, West, Nelson and Conner.

Read first time January 23, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to the use of 1989 property valuations and
2 assessments for 1991 property taxes; adding a new section to chapter
3 84.40 RCW; adding a new section to chapter 84.55 RCW; adding a new
4 section to chapter 39.36 RCW; creating a new section; and declaring an
5 emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that the markets
8 for real estate in some areas of the state have recently experienced
9 substantial volatility. This volatility was fueled by speculative
10 buying that coincided with a temporary shortage of available property.
11 This temporary imbalance resulted in dramatic and sudden increases in
12 property values that have been followed by significant declines. These
13 fluctuations have had several pernicious effects on the taxation of
14 property in this state.

1 First, the drastic and unanticipated property tax increases that
2 result from volatile real estate values produce hardships for many
3 taxpayers. Secondly, rapid fluctuations in the real estate market have
4 an arbitrary and disparate effect on the valuation of properties during
5 the revaluation cycle, producing unequal valuations and substantial
6 disparities among properties.

7 It is the intent of the legislature to revise property revaluation
8 methods to produce a system of taxation that is more equitable,
9 uniform, and stable. To accomplish that goal, it is necessary to adopt
10 section 2 of this act on a temporary and emergency basis to prevent
11 imminent hardship and to allow the thoughtful consideration of property
12 tax reform proposals during the 1991 regular session of the
13 legislature.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.40 RCW
15 to read as follows:

16 (1) The county assessor shall use the 1989 assessment of real
17 property for taxes levied for collection in 1991 if directed by a
18 resolution of the county legislative authority pursuant to a
19 determination by the authority that 1990 assessments reflect
20 substantial volatility in the real estate market in the county.

21 (2) If the method of valuation prescribed in subsection (1) of this
22 section is adopted:

23 (a) The value of real property destroyed after January 1, 1989,
24 shall be reduced as provided in chapter 84.70 RCW;

25 (b) New construction, improvements to property, and subdivisions of
26 land, that occur after January 1, 1989, shall be valued and assessed as
27 otherwise provided in this chapter but with reference to the value the
28 property would have had if it had existed on January 1, 1989; and

1 (c) Real property in the county that is assessed by the department
2 of revenue shall be valued and assessed as provided in this section.

3 (3) This section shall expire January 1, 1992.

4 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.55 RCW
5 to read as follows:

6 Section 2 of this act does not apply to the determination of
7 limitations under this chapter.

8 This section shall expire January 1, 1992.

9 NEW SECTION. **Sec. 4.** A new section is added to chapter 39.36 RCW
10 to read as follows:

11 Section 2 of this act does not apply to the determination of the
12 value of taxable property under this chapter.

13 This section shall expire January 1, 1992.

14 NEW SECTION. **Sec. 5.** If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and shall take
21 effect immediately.