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**SUBSTITUTE SENATE BILL 6600**

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**State of Washington**

**53rd Legislature**

**1994 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Owen, Skratek, Franklin, McAuliffe, M. Rasmussen, Haugen, Fraser, Sheldon, Moore, Gaspard, Snyder, Sutherland, Oke and Winsley)

Read first time 02/08/94.

1 AN ACT Relating to an analysis of property tax systems; making an  
2 appropriation; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** The sum of one hundred thousand dollars, or  
5 as much thereof as may be necessary, is appropriated to the  
6 legislature, to be divided equally between the senate and the house of  
7 representatives, from the general fund for the biennium ending June 30,  
8 1995, for the purpose of conducting a study of the property tax system  
9 of Washington and other states. The goal of the study shall be to  
10 analyze the existing system with an emphasis on the problems resulting  
11 from changes in economic conditions and actual impacts on residential  
12 property taxes. The study shall consider possible changes to the  
13 system, including the adoption of an alternative system, that would  
14 alleviate the problems of the current system and operate to enhance the  
15 confidence of persons in the property tax system beyond that confidence  
16 level that now exists. Alternative systems considered may include two-  
17 tiered property tax systems, property classification systems, tax or  
18 value limitations, exemptions, or alternative tax bases.

1 The appropriation shall be used to contract with a private  
2 consultant to conduct the study.

3 The study shall examine the current and possible alternative  
4 systems in terms of the following:

5 (1) What are the major strengths and deficiencies of the current  
6 system?

7 (2) What problems are caused by the current system, including  
8 problems perceived by property taxpayers, and to what extent do the  
9 problems exist?

10 (3) How can the problems be reduced or eliminated?

11 (4) How would a proposed change shift the burden among property tax  
12 payers, both short and long-term? What will be the consequence of any  
13 proposed change on individual taxpayers?

14 (5) What will be the consequence of any proposed change on the  
15 stability and predictability of local government revenues?

16 (6) Does the current or any alternate system proposed provide an  
17 equitable, predictable, and easily administered property tax system?

18 (7) For any alternative system proposed, what are the major  
19 strengths and deficiencies? What are the costs, both state and local,  
20 associated with making the change?

21 (8) Are the alternative systems consistent with state policies,  
22 including growth management, transportation planning, and the  
23 environment?

24 (9) Are the alternative systems likely to promote business growth  
25 and economic activity?

26 A legislative oversight committee is hereby created to monitor and  
27 consult with the contractor selected to conduct the study. The  
28 committee shall consist of six legislators, three from the senate and  
29 three from the house of representatives. Not more than two members  
30 from each chamber shall be from the same political party. The members  
31 from the senate shall be appointed by the president of the senate and  
32 the members from the house of representatives shall be appointed by the  
33 speaker of the house of representatives.

34 The department of revenue, and all local governments, shall provide  
35 all technical assistance and data required by the contractor to perform  
36 the study.

37 The contractor shall prepare and provide a final report, together  
38 with recommendations, to the oversight committee and the fiscal  
39 committees of the legislature by December 1, 1994.

1        NEW SECTION.    **Sec. 2.**    This act is necessary for the immediate  
2 preservation of the public peace, health, or safety, or support of the  
3 state government and its existing public institutions, and shall take  
4 effect immediately.

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