

2 **ESSB 5000** - S AMD - 446
3 By Senator Rinehart

4 ADOPTED 5/25/95

5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. **Sec. 1.** With property valuations continuing to
8 increase, property taxes have been steadily increasing. At the same
9 time, personal incomes have not continued to rise at the same rate.
10 Property taxes are becoming increasingly more difficult to pay. Many
11 residential property owners complain about the overall level of taxes
12 and about the continuing increase in tax from year to year. Taxpayers
13 want property tax relief. The legislature intends to establish an on-
14 going program of state property tax reductions the amount of which is
15 to be determined by the legislature on a yearly basis based on the
16 level of general fund tax revenues.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.55 RCW
18 to read as follows:

19 (1) The state property tax levy for collection in 1996 shall be
20 reduced by 4.7187 percent of the levy amount that would otherwise be
21 allowed under this chapter without regard to this section or any other
22 tax reduction legislation enacted in 1995.

23 (2) The tax reduction provided in this section is in addition to
24 any other tax reduction legislation that may be enacted by the
25 legislature.

26 (3) State levies for collection after 1996 shall be set at the
27 amount that would be allowed otherwise under this chapter if the state
28 levy for collection in 1996 had been set without the reduction under
29 subsection (1) of this section.

30 **Sec. 3.** RCW 84.48.080 and 1994 c 301 s 43 are each amended to read
31 as follows:

32 (1) Annually during the months of September and October, the
33 department of revenue shall examine and compare the returns of the
34 assessment of the property in the several counties of the state, and

1 the assessment of the property of railroad and other companies assessed
2 by the department, and proceed to equalize the same, so that each
3 county in the state shall pay its due and just proportion of the taxes
4 for state purposes for such assessment year, according to the ratio the
5 valuation of the property in each county bears to the total valuation
6 of all property in the state.

7 First. The department shall classify all property, real and
8 personal, and shall raise and lower the valuation of any class of
9 property in any county to a value that shall be equal, so far as
10 possible, to the true and fair value of such class as of January 1st of
11 the current year for the purpose of ascertaining the just amount of tax
12 due from each county for state purposes. In equalizing personal
13 property as of January 1st of the current year, the department shall
14 use the assessment level of the preceding year. Such classification
15 may be on the basis of types of property, geographical areas, or both.
16 For purposes of this section, for each county that has not provided the
17 department with an assessment return by December 1st, the department
18 shall proceed, using facts and information and in a manner it deems
19 appropriate, to estimate the value of each class of property in the
20 county.

21 Second. The department shall keep a full record of its proceedings
22 and the same shall be published annually by the department.

23 (2) The department shall levy the state taxes authorized by law(~~(+~~
24 ~~PROVIDED, That~~)). The amount levied in any one year for general state
25 purposes shall not exceed the lawful dollar rate on the dollar of the
26 assessed value of the property of the entire state, which assessed
27 value shall be one hundred percent of the true and fair value of such
28 property in money. The department shall apportion the amount of tax
29 for state purposes levied by the department, among the several
30 counties, in proportion to the valuation of the taxable property of the
31 county for the year as equalized by the department: PROVIDED, That for
32 purposes of this apportionment, the department shall recompute the
33 previous year's levy and the apportionment thereof to correct for
34 changes and errors in taxable values reported to the department after
35 October 1 of the preceding year and shall adjust the apportioned amount
36 of the current year's state levy for each county by the difference
37 between the apportioned amounts established by the original and revised
38 levy computations for the previous year. For purposes of this section,
39 changes in taxable values mean a final adjustment made by a county

1 board of equalization, the state board of tax appeals, or a court of
2 competent jurisdiction and shall include additions of omitted property,
3 other additions or deletions from the assessment or tax rolls, any
4 assessment return provided by a county to the department subsequent to
5 December 1st, or a change in the indicated ratio of a county. Errors
6 in taxable values mean errors corrected by a final reviewing body.

7 In addition to computing a levy under this subsection that is
8 reduced under section 2 of this act, the department shall compute a
9 hypothetical levy without regard to the reduction under section 2 of
10 this act. This hypothetical levy shall also be apportioned among the
11 several counties in proportion to the valuation of the taxable property
12 of the county for the year, as equalized by the department, in the same
13 manner as the actual levy and shall be used by the county assessors for
14 the purpose of recomputing and establishing a consolidated levy under
15 RCW 84.52.010.

16 (3) The department shall have authority to adopt rules and
17 regulations to enforce obedience to its orders in all matters in
18 relation to the returns of county assessments, the equalization of
19 values, and the apportionment of the state levy by the department.

20 (4) After the completion of the duties ((hereinabove)) prescribed
21 in this section, the director of the department shall certify the
22 record of the proceedings of the department under this section, the tax
23 levies made for state purposes and the apportionment thereof among the
24 counties, and the certification shall be available for public
25 inspection.

26 **Sec. 4.** RCW 84.52.010 and 1995 c 99 s 2 are each amended to read
27 as follows:

28 Except as is permitted under RCW 84.55.050, all taxes shall be
29 levied or voted in specific amounts.

30 The rate percent of all taxes for state and county purposes, and
31 purposes of taxing districts coextensive with the county, shall be
32 determined, calculated and fixed by the county assessors of the
33 respective counties, within the limitations provided by law, upon the
34 assessed valuation of the property of the county, as shown by the
35 completed tax rolls of the county, and the rate percent of all taxes
36 levied for purposes of taxing districts within any county shall be
37 determined, calculated and fixed by the county assessors of the
38 respective counties, within the limitations provided by law, upon the

1 assessed valuation of the property of the taxing districts
2 respectively.

3 When a county assessor finds that the aggregate rate of tax levy on
4 any property, that is subject to the limitations set forth in RCW
5 84.52.043 or 84.52.050, (~~(as now or hereafter amended,)~~) exceeds the
6 limitations provided in either of these sections, the assessor shall
7 recompute and establish a consolidated levy in the following manner:

8 (1) The full certified rates of tax levy for state, county, county
9 road district, and city or town purposes shall be extended on the tax
10 rolls in amounts not exceeding the limitations established by law;
11 however any state levy shall take precedence over all other levies and
12 shall not be reduced for any purpose other than that required by RCW
13 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
14 84.34.230, the portion of the levy by a metropolitan park district that
15 was protected under RCW 84.52.--- (section 1, chapter 99, Laws of
16 1995), and 84.52.105, the combined rate of regular property tax levies
17 that are subject to the one percent limitation exceeds one percent of
18 the true and fair value of any property, then these levies shall be
19 reduced as follows: (a) The portion of the levy by a metropolitan park
20 district that is protected under RCW 84.52.--- (section 1, chapter 99,
21 Laws of 1995) shall be reduced until the combined rate no longer
22 exceeds one percent of the true and fair value of any property or shall
23 be eliminated; (b) if the combined rate of regular property tax levies
24 that are subject to the one percent limitation still exceeds one
25 percent of the true and fair value of any property, then the levies
26 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
27 imposed under RCW 84.52.069 that is in excess of thirty cents per
28 thousand dollars of assessed value, shall be reduced on a pro rata
29 basis until the combined rate no longer exceeds one percent of the true
30 and fair value of any property or shall be eliminated; and (c) if the
31 combined rate of regular property tax levies that are subject to the
32 one percent limitation still exceeds one percent of the true and fair
33 value of any property, then the thirty cents per thousand dollars of
34 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced
35 until the combined rate no longer exceeds one percent of the true and
36 fair value of any property or eliminated.

37 (2) The certified rates of tax levy subject to these limitations by
38 all junior taxing districts imposing taxes on such property shall be

1 reduced or eliminated as follows to bring the consolidated levy of
2 taxes on such property within the provisions of these limitations:

3 (a) First, the certified property tax levy rates of those junior
4 taxing districts authorized under RCW 36.68.525, 36.69.145, and
5 67.38.130 shall be reduced on a pro rata basis or eliminated;

6 (b) Second, if the consolidated tax levy rate still exceeds these
7 limitations, the certified property tax levy rates of flood control
8 zone districts shall be reduced on a pro rata basis or eliminated;

9 (c) Third, if the consolidated tax levy rate still exceeds these
10 limitations, the certified property tax levy rates of all other junior
11 taxing districts, other than fire protection districts, library
12 districts, the first fifty cent per thousand dollars of assessed
13 valuation levies for metropolitan park districts, and the first fifty
14 cent per thousand dollars of assessed valuation levies for public
15 hospital districts, shall be reduced on a pro rata basis or eliminated;

16 (d) Fourth, if the consolidated tax levy rate still exceeds these
17 limitations, the certified property tax levy rates authorized to fire
18 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced
19 on a pro rata basis or eliminated; and

20 (e) Fifth, if the consolidated tax levy rate still exceeds these
21 limitations, the certified property tax levy rates authorized for fire
22 protection districts under RCW 52.16.130, library districts,
23 metropolitan park districts under their first fifty cent per thousand
24 dollars of assessed valuation levy, and public hospital districts under
25 their first fifty cent per thousand dollars of assessed valuation levy,
26 shall be reduced on a pro rata basis or eliminated.

27 In determining whether the aggregate rate of tax levy on any
28 property, that is subject to the limitations set forth in RCW
29 84.52.050, exceeds the limitations provided in that section, the
30 assessor shall use the hypothetical state levy, as apportioned to the
31 county under RCW 84.48.080, that was computed under RCW 84.48.080
32 without regard to the reduction under section 2 of this act."

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36 On page 1, line 1 of the title, after "reductions;" strike the
37 remainder of the title and insert "amending RCW 84.48.080 and

1 84.52.010; adding a new section to chapter 84.55 RCW; and creating a
2 new section."

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