
SENATE BILL 6468

State of Washington

58th Legislature

2004 Regular Session

By Senators Winsley, Kastama, Shin and Regala

Read first time 01/21/2004. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to the six-year review of property tax exemptions;
2 and amending RCW 43.136.030 and 43.136.040.

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

4 **Sec. 1.** RCW 43.136.030 and 1982 1st ex.s. c 35 s 41 are each
5 amended to read as follows:

6 (1) The joint legislative (~~(budget)~~) audit and review committee
7 shall review each tax preference for termination by the processes
8 provided in this chapter. The review shall be completed and a report
9 prepared on or before June 30th of the year prior to the date
10 established for termination. Upon completion of its report, the joint
11 legislative (~~(budget)~~) audit and review committee shall transmit copies
12 of the report to the department of revenue. The department of revenue
13 may then conduct its own review of the tax preference scheduled for
14 termination and shall prepare a report on or before September 30th of
15 the year prior to the date established for termination. Upon
16 completion of its report the department of revenue shall transmit
17 copies of its report to the joint legislative (~~(budget)~~) audit and
18 review committee. The joint legislative (~~(budget)~~) audit and review
19 committee shall prepare a final report that includes the reports of

1 both the department of revenue and the joint legislative ((budget))
2 audit and review committee. The joint legislative ((budget)) audit and
3 review committee and the department of revenue shall, upon request,
4 make available to each other all working papers, studies, and other
5 documents which relate to reports required under this section. The
6 joint legislative ((budget)) audit and review committee shall transmit
7 the final report to all members of the legislature, to the governor,
8 and to the state library.

9 (2) The joint legislative audit and review committee shall review
10 all tax preferences in chapter 84.36 RCW that have not been reviewed
11 under subsection (1) of this section beginning in 2005 and every six
12 years thereafter. The review shall be completed and a report prepared
13 on or before June 30th of the year a review is required. Tax
14 preferences that have been in effect less than two years from June 30th
15 of the year a review is required do not need to be evaluated. Upon
16 completion of the report, the committee shall transmit the report to
17 each member of the legislature. The report shall address the
18 following:

19 (a) The persons or organizations whose state tax liabilities are
20 directly affected;

21 (b) The additional amount of taxes that state and local governments
22 would collect if the tax preference is eliminated;

23 (c) The change in the distribution of property taxes if the tax
24 preference is eliminated;

25 (d) The fiscal, societal, and other legislative objectives that
26 have occurred because of the tax preference;

27 (e) Expected fiscal, societal, and other legislative objectives if
28 the tax preference is continued.

29 **Sec. 2.** RCW 43.136.040 and 1982 1st ex.s. c 35 s 42 are each
30 amended to read as follows:

31 In reviewing a tax preference under RCW 43.136.030(1), the joint
32 legislative ((budget)) audit and review committee shall develop
33 information needed by the legislature to determine if the tax
34 preference should be terminated as scheduled, modified, or
35 reestablished without modification. The joint legislative ((budget))
36 audit and review committee shall consider, but not be limited to, the
37 following factors in the review.

1 (1) The persons or organizations whose state tax liabilities are
2 directly affected by the tax preference.

3 (2) Legislative objectives that might provide a justification for
4 the tax preference.

5 (3) Evidence that the existence of the tax preference has
6 contributed to the achievement of any of the objectives identified in
7 subsection (2) of this section.

8 (4) The extent to which continuation of the tax preference beyond
9 its scheduled termination date might contribute to any of the
10 objectives identified in subsection (2) of this section.

11 (5) Fiscal impacts of the tax preference, including past impacts
12 and expected future impacts if it is not terminated as scheduled.

13 (6) The extent to which termination of the tax preference would
14 affect the distribution of liability for payment of state taxes.

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