

2SSB 5449 - S AMD 656

By Senator Braun

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I

4 **Creation of the Tax Appeal Division**

5 NEW SECTION. **Sec. 101.** (1) The legislature finds that taxes are
6 a critically sensitive point of contact between citizens and their
7 government. The legislature further finds that:

8 (a) Washington taxpayers have a right to expect that their taxes
9 will be fairly assessed in accordance with the law;

10 (b) Taxpayers should have full opportunity for settlement and the
11 right to a fair and impartial hearing prior to being required to pay
12 a disputed tax; and

13 (c) Appeal procedures should encourage the resolution of tax
14 disputes through mediation and other settlement processes.

15 (2) Therefore, the legislature finds that establishing a new tax
16 appeal division in the court of appeals to resolve appeals of tax
17 disputes will create an independent tax appeal forum within the
18 judicial branch of government to promote public confidence in the tax
19 system, insuring both the appearance and reality of due process and
20 fundamental fairness, while promoting the consistency and
21 predictability of tax decisions. The legislature further finds that
22 hearing procedures should recognize financial practicalities, and
23 finds that the procedural rules for the commissioner department
24 should therefore provide for informal appeals and taxpayer
25 representation by nonlawyers.

26 (3) This act must be interpreted and construed to further the
27 purposes of the act, and court rules adopted for implementing this
28 act should be structured and construed to further this intent.

29 **Sec. 102.** RCW 2.06.020 and 2009 c 77 s 1 are each amended to
30 read as follows:

1 The court shall have three divisions(~~(, one of which shall be~~
2 ~~headquartered in Seattle, one of which shall be headquartered in~~
3 ~~Spokane, and one of which shall be headquartered in Tacoma:)) of
4 general appellate jurisdiction and one division for tax appeals. The
5 first division of general appellate jurisdiction shall be
6 headquartered in Seattle, the second division of general appellate
7 jurisdiction shall be headquartered in Tacoma, the third division of
8 general appellate jurisdiction shall be headquartered in Spokane, and
9 the tax appeal division with jurisdiction over tax appeals as
10 provided by statute headquartered in Olympia.~~

11 (1) The first division shall have twelve judges from three
12 districts, as follows:

13 (a) District 1 shall consist of King county and shall have eight
14 judges;

15 (b) District 2 shall consist of Snohomish county and shall have
16 two judges; and

17 (c) District 3 shall consist of Island, San Juan, Skagit, and
18 Whatcom counties and shall have two judges.

19 (2) The second division shall have eight judges from the
20 following districts:

21 (a) District 1 shall consist of Pierce county and shall have
22 three judges;

23 (b) District 2 shall consist of Clallam, Grays Harbor, Jefferson,
24 Kitsap, Mason, and Thurston counties and shall have three judges;

25 (c) District 3 shall consist of Clark, Cowlitz, Lewis, Pacific,
26 Skamania, and Wahkiakum counties and shall have two judges.

27 (3) The third division shall have five judges from the following
28 districts:

29 (a) District 1 shall consist of Ferry, Lincoln, Okanogan, Pend
30 Oreille, Spokane, and Stevens counties and shall have two judges;

31 (b) District 2 shall consist of Adams, Asotin, Benton, Columbia,
32 Franklin, Garfield, Grant, Walla Walla, and Whitman counties and
33 shall have one judge;

34 (c) District 3 shall consist of Chelan, Douglas, Kittitas,
35 Klickitat, and Yakima counties and shall have two judges.

36 (4) The tax appeal division must have three judges, one from each
37 division specified in subsections (1) through (3) of this section,
38 and must have statewide jurisdiction over tax appeals as provided by
39 statute. The tax appeal division may hold hearings in any location in
40 the state that is convenient to the parties. The county clerk or

1 board of county commissioners, upon a reasonable request of a judge
2 of the tax appeal division, must provide suitable rooms for hearings.

3 NEW SECTION. **Sec. 103.** A new section is added to chapter 2.06
4 RCW to read as follows:

5 The tax appeal division must consist of two departments:

6 (1) The main department:

7 (a) The main department of the tax appeal division must consist
8 of three judges who may individually hear and decide tax appeals,
9 except proceedings that must be heard by a three judge panel.

10 (b) Upon petition by a party, the main department must initially
11 hear appeals that involve complex issues, issues of substantial
12 public importance, or issues that require expertise beyond a
13 commissioner's proficiency. Unless otherwise allowed by the presiding
14 judge for good cause shown, the petition for a direct appeal to the
15 main department must be filed by the appellant within sixty days of
16 the filing of the initial appeal.

17 (c) A party may petition for a three judge panel hearing of the
18 appeal, or three judge panel review of a final decision of the main
19 department when: (i) The decision under appeal conflicts with a
20 decision of the supreme court or a prior decision of the tax appeal
21 division; or (ii) the appeal involves one or more questions of
22 exceptional public importance; and (iii) there are no genuine issues
23 of material fact. In so far as possible, proceedings under this
24 subsection must be conducted in accordance with the rules of
25 appellate procedure applicable in the divisions of general appellate
26 jurisdiction.

27 (d) Decisions of the main department of the tax appeal division
28 must be rendered no later than six months after submission of the
29 last brief filed subsequent to completion of the hearing or, if
30 briefs are not submitted, then no later than six months after
31 completion of the hearing. The court may extend the six-month period,
32 for good cause, up to three additional months; and

33 (2) The commissioner department:

34 (a) The commissioner department must hear all appeals that are
35 not heard initially by the main department. The judges of the main
36 department must appoint one or more individuals to sit as
37 commissioners at locations within the state as the presiding judge
38 must determine and must perform such duties as the presiding judge of

1 the tax appeal division may direct. Commissioners may be appointed to
2 serve on either a full-time or part-time basis.

3 (b) Small claims division of the commissioner department: There
4 is hereby established a small claims division of the commissioner
5 department. The small claims division is a cost-effective and
6 informal option for taxpayers seeking an independent review of their
7 contested tax assessment. The small claims division shall have
8 jurisdiction, but not exclusive jurisdiction, in contested tax
9 assessments proceedings when:

10 (i) The contested amount is less than twenty-five thousand
11 dollars for a calendar year exclusive of interest and penalties; and

12 (ii) The taxpayer timely requests a small claims proceeding.

13 (c) In proceedings before the small claims division:

14 (i) A taxpayer may appear personally or may designate a
15 representative;

16 (ii) Designated representatives include an employee, director, or
17 officer of the taxpayer, a certified public accountant licensed in
18 the state of Washington, an attorney admitted to practice in the
19 state of Washington, a partner, joint venturer, or trustee
20 representing the respective partnership, joint venturer, or trust, a
21 personal representative of a decedent's estate, or other person
22 designated with approval of the commissioner. The taxpayer or the
23 taxpayer's representative may testify;

24 (iii) A commissioner must preside over all cases in the small
25 claims division;

26 (iv) A taxpayer may elect to proceed in the small claims division
27 of the commissioner department by filing a petition in the form
28 prescribed by the commissioner department no later than ninety days
29 after the taxpayer's receipt of written notice of the determination
30 that is the subject of the petition. A taxpayer may not revoke an
31 election to proceed in the small claims division;

32 (v) At any time prior to entry of judgment, a taxpayer may
33 dismiss a proceeding in the small claims division by notifying the
34 clerk of the tax tribunal in writing. Such dismissal is with
35 prejudice and does not have the effect of revoking the election made
36 in accordance with this subsection (2)(c);

37 (vi) Hearings in the small claims division must be informal and
38 the commissioner may receive such evidence as the commissioner deems
39 appropriate for determination of the case. The taxpayer may offer
40 witness testimony from a licensed real estate broker, a licensed

1 appraiser, or an accounting or other professional services firm by an
2 accountant licensed in this state or other person with knowledge of
3 the facts of the case. Testimony must be given under oath or
4 affirmation; and

5 (vii) A judgment of the small claims division is conclusive upon
6 all parties and may not be appealed. A judgment of the small claims
7 division may not be considered as precedent in any other case,
8 hearing, or proceeding.

9 (d) Voluntary mediation process:

10 (i) The commissioner department shall provide an informal
11 voluntary and confidential mediation process. The purpose of the
12 mediation is to help the parties reach an agreement that settles the
13 dispute. The department shall prescribe rules for the conduct of
14 mediation consistent with the purpose of the mediation.

15 (ii) A dispute may only be submitted to mediation if all the
16 parties agree to go to mediation and agree to the following:

17 (A) An appointed neutral mediator shall lead and facilitate the
18 mediation. The mediator shall be a commissioner who is not assigned
19 to preside over and decide the case;

20 (B) The mediator's role is to assist the parties to work together
21 to reach a mutually agreeable dispute resolution. The mediator will
22 not issue findings of fact or a decision in the matter;

23 (C) Mediation is a confidential process. All mediation
24 discussions, statements of parties, and materials provided as part of
25 the mediation are confidential, shall not be disclosed outside the
26 mediation, and shall not be used for any nonmediation purpose or used
27 in any other proceeding;

28 (D) An agreement reached by the parties during the mediation
29 shall be memorialized in writing and signed by the parties. Based on
30 the signed agreement, the court enters an order closing the case; and

31 (E) If the mediation does not result in a written agreement
32 resolving the dispute, the case shall proceed to trial in the
33 commissioner department.

34 (e) Qualifications of commissioners:

35 (i) An individual who is appointed as a commissioner must be a
36 citizen of the United States and a resident of this state and
37 competent to perform the duties of the office including at least
38 three years' of experience in the field of state or local taxation.
39 Commissioners need not be attorneys.

1 (ii)(A) Before entering office, each individual employed as a
2 commissioner must take and subscribe to an oath or affirmation that
3 the individual:

4 (I) Will support the Constitutions of the United States and
5 Washington and faithfully and honestly discharge the duties of the
6 office; and

7 (II) Does not hold, and while the individual is a commissioner
8 will not hold, a position under any political party.

9 (B) The oath or affirmation must be filed with the clerk of the
10 tax appeal division.

11 (iii) An individual while a commissioner may hold another office
12 or position of profit or pursue another calling or vocation unless
13 it:

14 (A) Is inconsistent with the expeditious, proper, and impartial
15 performance of the duties of a commissioner; or

16 (B) Would interfere with the ability of the commissioner to
17 perform fully the duties of the commissioner's position.

18 **Sec. 104.** RCW 2.06.030 and 1980 c 76 s 3 are each amended to
19 read as follows:

20 (1) The administration and procedures of the court shall be as
21 provided by rules of the supreme court. The court shall be vested
22 with all power and authority, not inconsistent with said rules,
23 necessary to carry into complete execution all of its judgments,
24 decrees and determinations in all matters within its jurisdiction,
25 according to the rules and principles of the common law and the
26 Constitution and laws of this state.

27 (2) For the prompt and orderly administration of justice, the
28 supreme court may ~~((+1))~~ (a) transfer to the appropriate division of
29 the court for decision a case or appeal pending before the supreme
30 court; or ~~((+2))~~ (b) transfer to the supreme court for decision a
31 case or appeal pending in a division of the court.

32 (3) Subject to the provisions of this section~~((, the court shall
33 have))~~ and section 109 of this act, the divisions of general
34 appellate jurisdiction have exclusive appellate jurisdiction in all
35 cases except:

36 (a) Cases of quo warranto, prohibition, injunction or mandamus
37 directed to state officials;

38 (b) Criminal cases where the death penalty has been decreed;

1 (c) Cases where the validity of all or any portion of a statute,
2 ordinance, tax, impost, assessment or toll is drawn into question on
3 the grounds of repugnancy to the Constitution of the United States or
4 of the state of Washington, or to a statute or treaty of the United
5 States, and the superior court has held against its validity;

6 (d) Cases involving fundamental and urgent issues of broad public
7 import requiring prompt and ultimate determination; and

8 (e) Cases involving substantive issues on which there is a direct
9 conflict among prevailing decisions of panels of the court or between
10 decisions of the supreme court;

11 all of which shall be appealed directly to the supreme court(~~(+~~
12 ~~PROVIDED, That~~)). However, whenever a majority of the court before
13 which an appeal is pending, but before a hearing thereon, is in doubt
14 as to whether such appeal is within the categories set forth in
15 (~~subsection~~) (d) or (e) of this (~~section~~) subsection, the cause
16 shall be certified to the supreme court for such determination.

17 (4) The appellate jurisdiction of the court of appeals does not
18 extend to civil actions at law for the recovery of money or personal
19 property when the original amount in controversy, or the value of the
20 property does not exceed the sum of two hundred dollars.

21 (5) The court shall have appellate jurisdiction over review of
22 final decisions of administrative agencies certified by the superior
23 court pursuant to RCW 34.05.518.

24 (6) Appeals from the court to the supreme court shall be only at
25 the discretion of the supreme court upon the filing of a petition for
26 review. No case, appeal or petition for a writ filed in the supreme
27 court or the court shall be dismissed for the reason that it was not
28 filed in the proper court, but it shall be transferred to the proper
29 court.

30 **Sec. 105.** RCW 2.06.040 and 2007 c 34 s 1 are each amended to
31 read as follows:

32 (~~The court~~) (1) The divisions of general appellate jurisdiction
33 shall sit in panels of three judges and decisions shall be rendered
34 by not less than a majority of the panel. In the determination of
35 causes all decisions of the court shall be given in writing and the
36 grounds of the decisions shall be stated. All decisions of the court
37 having precedential value shall be published as opinions of the
38 court. Each panel shall determine whether a decision of the court has
39 sufficient precedential value to be published as an opinion of the

1 court. Decisions determined not to have precedential value shall not
2 be published. Panels in the first division shall be comprised of such
3 judges as the chief judge thereof shall from time to time direct.
4 Judges of the respective divisions may sit in other divisions and
5 causes may be transferred between divisions, as directed by written
6 order of the chief justice. The court may hold sessions in cities as
7 may be designated by rule.

8 (2) The court may establish rules supplementary to and not in
9 conflict with rules of the supreme court.

10 (3) The final decisions of the main department of the tax appeal
11 division must be issued in writing and the grounds of the decisions
12 must be stated. Except for decisions by a three judge panel, the
13 decisions by the main department of the tax appeal division must
14 include findings of fact and conclusions of law. All decisions by the
15 main department must be published as opinions of the court.

16 (4) The decisions of the main department in proceedings before a
17 single judge and decisions on appeals from the superior court in any
18 case involving the validity of any tax, assessment, or toll are
19 subject to discretionary review by the supreme court in the same
20 manner as the decisions of other divisions of the court of appeals.
21 The parties to a decision by a three judge panel, except for those
22 involving appeals from decisions by the superior court in cases
23 involving the validity of any tax, assessment, or toll, have a right
24 of appeal to the supreme court.

25 (5) The final decisions of the commissioner department must be
26 rendered in writing, and must include a statement of the facts and
27 the conclusions of law. Decisions of the commissioner department must
28 be made readily available for online research but they may not be
29 published as opinions of the tax appeal division and may not be cited
30 or relied upon as precedent. The exclusive remedy for review of any
31 decision or order of a commissioner must be by petition to the main
32 department of the tax appeal division.

33 **Sec. 106.** RCW 2.06.050 and 2011 c 336 s 11 are each amended to
34 read as follows:

35 A judge of the court (~~shall~~) must be:

36 (1) Admitted to the practice of law in the courts of this state
37 not less than five years prior to taking office.

1 (2) A resident for not less than one year at the time of
2 appointment or initial election in the district for which his or her
3 position was created.

4 (3) A candidate for judge of the tax appeal division and must
5 certify under oath that he or she has at least five years' experience
6 in the practice of state or local tax law in Washington.

7 **Sec. 107.** RCW 2.06.070 and 1969 ex.s. c 221 s 7 are each amended
8 to read as follows:

9 (1) Upon the taking effect of RCW 2.06.010 through 2.06.100, the
10 governor shall appoint the judges of the court of appeals for each
11 district in the numbers provided in RCW 2.06.020, who shall hold
12 office until the second Monday in January of the year following the
13 first state general election following the effective date of this
14 act. In making the original appointments the governor shall take into
15 consideration such factors as: Personal character; intellect;
16 ability; diversity of background of experience in the practice of the
17 law; diversity of political philosophy; diversity of educational
18 experience; and diversity of affiliation with social and economic
19 groups, for the purpose of establishing a balanced appellate court
20 with the highest quality of personnel. At the first state general
21 election after the effective date of this act there shall be elected
22 from each district the number of judges provided for in RCW 2.06.020.
23 Upon taking office the judges of each division elected shall come
24 together at the direction of the chief justice and be divided by lot
25 into three equal groups; those of the first group shall hold office
26 until the second Monday in January of 1973, those of the second group
27 shall hold office until the second Monday in January of 1975, and
28 those of the third group shall hold office until the second Monday in
29 January of 1977, and until their successors are elected and
30 qualified. Thereafter, judges shall be elected for the full term of
31 six years and until their successors are elected and qualified,
32 commencing with the second Monday in January succeeding their
33 election(~~(- PROVIDED, HOWEVER, That)~~). However, if the governor shall

34 make appointments to the appellate court from membership of the
35 superior court, the governor shall, in making appointments filling
36 vacancies created in the superior courts by such action, take into
37 consideration such factors as: Personal character; intellect;
38 ability; diversity of background of experience in the practice of the
39 law; diversity of political philosophy; diversity of educational

1 experience; and diversity of affiliation with social and economic
2 groups, for the purpose of maintaining a balanced superior court with
3 the highest quality of personnel.

4 (2) At the first state general election after the establishment
5 of the tax appeal division, there must be elected the number of
6 judges to the tax appeal division provided for in RCW 2.06.020. The
7 terms of the first three judges elected to the tax appeal division
8 must be staggered as determined by lot, so that one judge holds
9 office until the second Monday in January of 2020, a second judge
10 holds office until the second Monday in January of 2022, and the
11 remaining judge holds office until the second Monday in January of
12 2024, and until their successors are elected and qualified.
13 Thereafter, judges must be elected for the full term of six years and
14 until their successors are elected and qualified, commencing with the
15 second Monday in January succeeding their election.

16 **Sec. 108.** RCW 2.06.150 and 1997 c 88 s 3 are each amended to
17 read as follows:

18 (1) Whenever necessary for the prompt and orderly administration
19 of justice, the chief justice of the supreme court of the state of
20 Washington may appoint any regularly elected and qualified judge of
21 the superior court or any retired judge of a court of record in this
22 state to serve as judge pro tempore of the court of appeals(~~(-~~
23 ~~PROVIDED, HOWEVER, That)~~). However, no judge pro tempore appointed to
24 serve on the court of appeals may serve more than ninety days in any
25 one year and a judge pro tempore of the tax appeal division must be
26 qualified for the position as provided in RCW 2.06.050(3).

27 (2) If the term of a judge of the court of appeals expires with
28 cases or other judicial business pending, the chief justice of the
29 supreme court of the state of Washington, upon the recommendation of
30 the chief presiding judge of the court of appeals, may appoint the
31 judge to serve as judge pro tempore of the court of appeals, whenever
32 necessary for the prompt and orderly administration of justice. No
33 judge may be appointed under this subsection more than one time and
34 no appointment may exceed sixty days.

35 (3) Before entering upon his or her duties as judge pro tempore
36 of the court of appeals, the appointee shall take and subscribe an
37 oath of office as provided for in Article IV, section 28 of the state
38 Constitution.

1 NEW SECTION. **Sec. 109.** A new section is added to chapter 2.06

2 RCW to read as follows:

3 (1) Except as otherwise provided in this section, all proceedings
4 before the tax appeal division are original, independent proceedings
5 and must be tried without a jury and de novo.

6 (2) Appeals subject to Title 84 RCW are subject to the
7 presumption set forth in RCW 84.40.0301. In all other appeals to the
8 tax appeal division, the decision appealed from is presumed correct,
9 and the appellant has the burden of proving otherwise by a
10 preponderance of the evidence. The tax appeal division may exercise
11 such procedural powers and authority as necessary to the full
12 exercise of its jurisdiction, including the power to issue compulsory
13 process as provided by court rule.

14 (3) The tax appeal division has jurisdiction to hear the
15 following appeals:

16 (a) Appeals of a notice of denial of a petition or a notice of
17 assessment made under RCW 82.34.110, 82.32.160, 82.32.170, or
18 82.49.060;

19 (b) Appeals from a county board of equalization;

20 (c) Appeals by an assessor or landowner from an order of the
21 director of revenue made pursuant to RCW 84.08.010 and 84.08.060, if
22 filed with the tax division of the court of appeals within ninety
23 days after the mailing of the order;

24 (d) Appeals by an assessor or owner of an intercounty public
25 utility or private car company from determinations by the director of
26 revenue of equalized assessed valuation of property and the
27 apportionment thereof to a county made pursuant to chapters 84.12 and
28 84.16 RCW, if filed with the tax division of the court of appeals
29 within ninety days after mailing of the determination;

30 (e) Appeals by an assessor, landowner, or owner of an intercounty
31 public utility or private car company from a determination of any
32 county indicated ratio for such county compiled by the department of
33 revenue pursuant to RCW 84.48.075, if the appeal is filed after
34 review of the ratio under RCW 84.48.075(3) and not later than fifteen
35 days after the mailing of the certification. A hearing under this
36 subsection (3)(e) before the court must be expeditiously held in
37 accordance with rules prescribed by the court and must take
38 precedence over all matters of the same character;

1 (f) Appeals from the decisions of sale price of second-class
2 shorelands on navigable lakes by the department of natural resources
3 pursuant to RCW 79.125.450;

4 (g) Appeals from urban redevelopment property tax apportionment
5 district proposals established by governmental ordinances pursuant to
6 RCW 39.88.060;

7 (h) Appeals from interest rates as determined by the department
8 of revenue for use in valuing farmland under current use assessment
9 pursuant to RCW 84.34.065;

10 (i) Appeals from revisions to stumpage value tables used to
11 determine value by the department of revenue pursuant to RCW
12 84.33.091;

13 (j) Appeals from denial of a tax exemption application by the
14 department of revenue pursuant to RCW 84.36.850;

15 (k) Appeals pursuant to RCW 84.40.038(3);

16 (l) Appeals pursuant to RCW 84.39.020; and

17 (m) Appeals of refunds denied under Title 83 RCW or superior
18 court orders made under chapter 83.100 RCW.

19 (4) Except for cases which may be appealed or transferred
20 directly to the supreme court under RCW 2.06.030, the tax appeal
21 division has exclusive appellate jurisdiction over appeals from the
22 superior court in cases involving the validity of any tax,
23 assessment, or toll or superior court order issued under chapter
24 83.100 RCW.

25 (5) Except as otherwise specifically provided by law, the
26 provisions of RCW 1.12.070 apply to all notices of appeal filed with
27 the tax appeal division.

28 (6) Except in cases involving property taxes unless subject to
29 RCW 84.52.018, the taxpayer has the right to have his or her case
30 heard by the tax appeal division prior to the payment of any of the
31 amounts asserted as due by the tax administration agency and prior to
32 the posting of any bond.

33 (7) If, with or after the filing of a timely notice of appeal,
34 the taxpayer pays all or part of the tax or other amount in issue
35 before the tax appeal division has rendered a decision, the court
36 must treat the taxpayer's petition as a protest of a denial of a
37 claim for refund of the amount paid.

38 NEW SECTION. **Sec. 110.** A new section is added to chapter 2.06
39 RCW to read as follows:

1 (1) Subject to the limitations provided in subsection (2) of this
2 section, the tax appeal division may stay collection of all or any
3 part of an assessment or additional assessment of the department of
4 revenue, on petition of the taxpayer, unless it finds that:

5 (a) Staying collection will materially impair the department's
6 ability to collect the assessment; or

7 (b) The taxpayer's appeal lacks merit and is brought for purposes
8 of delaying payment of the assessment.

9 (2)(a) The amount of an assessment that may be stayed under
10 subsection (1) of this section is limited to:

11 (i) Five hundred thousand dollars or less through June 30, 2019;

12 (ii) Seven hundred fifty thousand dollars or less beginning July
13 1, 2019, through June 30, 2023; and

14 (iii) One million dollars or less beginning July 1, 2023, through
15 June 30, 2027.

16 (b) Beginning July 1, 2027, there is no dollar limit to the
17 amount that may be stayed under subsection (1) of this section.

18 (3) The tax appeal division may stay collection in the interest
19 of justice, or where the taxpayer provides adequate assurance that
20 collection of the assessment will not be materially impaired.

21 (4) The tax appeal division may impose interest on the amount of
22 any assessment for which collection is stayed.

23 (5) No stay of collection ordered by the tax appeal division may
24 stay collection for more than sixty days past the date on which the
25 tax appeal division issues its final decision or rules on a motion
26 for reconsideration, whichever is later.

27 (6) Interest imposed under this section is in addition to the
28 interest imposed under other provisions of law. The interest rate may
29 be adjusted on the first day of January of each year.

30 (7) The tax appeal division may not stay collection in hearings
31 where the notice of appeal was filed before January 1, 2017.

32 NEW SECTION. **Sec. 111.** A new section is added to chapter 2.06
33 RCW to read as follows:

34 (1) An appeal to the tax appeal division is initiated by the
35 filing of a notice of appeal as provided by court rule. Except for
36 property tax appeals under RCW 84.08.130, 84.34.065, 84.36.850,
37 84.40.038, 84.48.075, and as otherwise provided, the notice of appeal
38 must be filed with the tax appeal division within ninety days after
39 receipt of the tax determination being appealed.

1 (2) Upon filing a notice of appeal to the main department of the
2 tax appeal division, the appellant must pay a fee in the amount of
3 two hundred fifty dollars.

4 (3) Upon filing a notice of appeal to the commissioner of the tax
5 appeal division, the appellant must pay a fee in the amount of fifty
6 dollars.

7 **PART II**

8 **Conforming and Technical Corrections**

9 **Sec. 201.** RCW 34.05.030 and 2015 3rd sp.s. c 1 s 309 are each
10 amended to read as follows:

11 (1) This chapter (~~shall~~) does not apply to:

12 (a) The state militia, or

13 (b) The board of clemency and pardons, or

14 (c) The department of corrections or the indeterminate sentencing
15 review board with respect to persons who are in their custody or are
16 subject to the jurisdiction of those agencies.

17 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not
18 apply:

19 (a) To adjudicative proceedings of the board of industrial
20 insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

21 (b) Except for actions pursuant to chapter 46.29 RCW, to the
22 denial, suspension, or revocation of a driver's license by the
23 department of licensing;

24 (c) To the department of labor and industries where another
25 statute expressly provides for review of adjudicative proceedings of
26 a department action, order, decision, or award before the board of
27 industrial insurance appeals;

28 (d) To actions of the Washington personnel resources board, the
29 director of financial management, and the department of enterprise
30 services when carrying out their duties under chapter 41.06 RCW;

31 (e) To adjustments by the department of revenue of the amount of
32 the surcharge imposed under RCW 82.04.261; or

33 (f) To the extent they are inconsistent with any provisions of
34 chapter 43.43 RCW.

35 (3) (~~Unless a party makes an election for a formal hearing~~
36 ~~pursuant to RCW 82.03.140 or 82.03.190,)~~ RCW 34.05.410 through
37 34.05.598 do not apply to a review hearing conducted by the (~~board~~
38 ~~of tax~~) tax division of the court of appeals.

1 (4) The rule-making provisions of this chapter do not apply to:

2 (a) Reimbursement unit values, fee schedules, arithmetic
3 conversion factors, and similar arithmetic factors used to determine
4 payment rates that apply to goods and services purchased under
5 contract for clients eligible under chapter 74.09 RCW; and

6 (b) Adjustments by the department of revenue of the amount of the
7 surcharge imposed under RCW 82.04.261.

8 (5) All other agencies, whether or not formerly specifically
9 excluded from the provisions of all or any part of the administrative
10 procedure act, shall be subject to the entire act.

11 **Sec. 202.** RCW 34.12.020 and 2010 c 211 s 16 are each reenacted
12 and amended to read as follows:

13 (~~Unless the context clearly requires otherwise,~~) The
14 definitions in this section apply throughout this chapter unless the
15 context clearly requires otherwise.

16 (1) "Administrative law judge" means any person appointed by the
17 chief administrative law judge to conduct or preside over hearings as
18 provided in this chapter.

19 (2) "Hearing" means an adjudicative proceeding within the meaning
20 of RCW 34.05.010(1) conducted by a state agency under RCW 34.05.413
21 through 34.05.476.

22 (3) "Office" means the office of administrative hearings.

23 (4) "State agency" means any state board, commission, department,
24 or officer authorized by law to make rules or to conduct adjudicative
25 proceedings, except those in the legislative or judicial branches,
26 the growth management hearings board, the utilities and
27 transportation commission, the pollution control hearings board, the
28 shorelines hearings board, the forest practices appeals board, the
29 environmental and land use hearings office, the board of industrial
30 insurance appeals, the Washington personnel resources board, and the
31 public employment relations commission(~~, and the board of tax~~
32 ~~appeals~~)).

33 **Sec. 203.** RCW 39.88.060 and 1989 c 378 s 1 are each amended to
34 read as follows:

35 (1) Any taxing district that objects to the apportionment
36 district, the duration of the apportionment, the manner of
37 apportionment, or the propriety of cost items established by the
38 public improvement ordinance of the sponsor may, within thirty days

1 after mailing of the ordinance, petition for review thereof by the
2 (~~state board of tax appeals. The state board of tax appeals shall~~
3 ~~meet within a reasonable time, hear all the evidence presented by the~~
4 ~~parties on matters in dispute, and determine the issues upon the~~
5 ~~evidence as may be presented to it at the hearing. The board~~) tax
6 division of the court of appeals. The tax division may approve or
7 deny the public improvement ordinance as enacted or may grant
8 approval conditioned upon modification of the ordinance by the
9 sponsor. The decision by the (~~state board of tax appeals shall be~~)
10 tax division of the court of appeals is final and conclusive but
11 (~~shall~~) does not preclude modification or discontinuation of the
12 public improvement.

13 (2) If the sponsor modifies the public improvement ordinance as
14 directed by the (~~board~~) tax division of the court of appeals, the
15 public improvement ordinance (~~shall be~~) is effective without
16 further hearings or findings and (~~shall~~) is not (~~be~~) subject to
17 any further appeal. If the sponsor modifies the public improvement
18 ordinance in a manner other than as directed by the (~~board~~) tax
19 division of the court of appeals, the public improvement ordinance
20 (~~shall be~~) is subject to the procedures established pursuant to RCW
21 39.88.040 and 39.88.050.

22 **Sec. 204.** RCW 42.17A.705 and 2015 3rd sp.s. c 1 s 406 and 2015
23 3rd sp.s. c 1 s 317 are each reenacted and amended to read as
24 follows:

25 For the purposes of RCW 42.17A.700, "executive state officer"
26 includes:

27 (1) The chief administrative law judge, the director of
28 agriculture, the director of the department of services for the
29 blind, the director of the state system of community and technical
30 colleges, the director of commerce, the director of the consolidated
31 technology services agency, the secretary of corrections, the
32 director of early learning, the director of ecology, the commissioner
33 of employment security, the chair of the energy facility site
34 evaluation council, the director of enterprise services, the
35 secretary of the state finance committee, the director of financial
36 management, the director of fish and wildlife, the executive
37 secretary of the forest practices appeals board, the director of the
38 gambling commission, the secretary of health, the administrator of
39 the Washington state health care authority, the executive secretary

1 of the health care facilities authority, the executive secretary of
2 the higher education facilities authority, the executive secretary of
3 the horse racing commission, the executive secretary of the human
4 rights commission, the executive secretary of the indeterminate
5 sentence review board, the executive director of the state investment
6 board, the director of labor and industries, the director of
7 licensing, the director of the lottery commission, the director of
8 the office of minority and women's business enterprises, the director
9 of parks and recreation, the executive director of the public
10 disclosure commission, the executive director of the Puget Sound
11 partnership, the director of the recreation and conservation office,
12 the director of retirement systems, the director of revenue, the
13 secretary of social and health services, the chief of the Washington
14 state patrol, (~~the executive secretary of the board of tax~~
15 ~~appeals~~), the secretary of transportation, the secretary of the
16 utilities and transportation commission, the director of veterans
17 affairs, the president of each of the regional and state universities
18 and the president of The Evergreen State College, and each district
19 and each campus president of each state community college;

20 (2) Each professional staff member of the office of the governor;

21 (3) Each professional staff member of the legislature; and

22 (4) Central Washington University board of trustees, the boards
23 of trustees of each community college and each technical college,
24 each member of the state board for community and technical colleges,
25 state convention and trade center board of directors, Eastern
26 Washington University board of trustees, Washington economic
27 development finance authority, Washington energy northwest executive
28 board, The Evergreen State College board of trustees, executive
29 ethics board, fish and wildlife commission, forest practices appeals
30 board, forest practices board, gambling commission, Washington health
31 care facilities authority, student achievement council, higher
32 education facilities authority, horse racing commission, state
33 housing finance commission, human rights commission, indeterminate
34 sentence review board, board of industrial insurance appeals, state
35 investment board, commission on judicial conduct, legislative ethics
36 board, life sciences discovery fund authority board of trustees,
37 liquor (~~control~~) and cannabis board, lottery commission, Pacific
38 Northwest electric power and conservation planning council, parks and
39 recreation commission, Washington personnel resources board, board of
40 pilotage commissioners, pollution control hearings board, public

1 disclosure commission, public employees' benefits board, recreation
2 and conservation funding board, salmon recovery funding board,
3 shorelines hearings board, (~~board of tax appeals,~~) transportation
4 commission, University of Washington board of regents, utilities and
5 transportation commission, Washington State University board of
6 regents, and Western Washington University board of trustees.

7 **Sec. 205.** RCW 79.125.450 and 2005 c 155 s 520 are each amended
8 to read as follows:

9 (1) The legislature finds that maintaining public lands in public
10 ownership is often in the public interest. However, when second-class
11 shorelands on navigable lakes have minimal public value, the sale of
12 those shorelands to the abutting upland owner may not be contrary to
13 the public interest. However, the purpose of this section is to
14 remove the prohibition contained in RCW 79.125.200 regarding the sale
15 of second-class shorelands to abutting owners, whose uplands front on
16 the shorelands. Nothing contained in this section (~~shall~~) may be
17 construed to otherwise affect the rights of interested parties
18 relating to public or private ownership of shorelands within the
19 state.

20 (2) Notwithstanding the provisions of RCW 79.125.200, the
21 department may sell second-class shorelands on navigable lakes to
22 abutting owners whose uplands front upon the shorelands in cases
23 where the board has determined that these sales would not be contrary
24 to the public interest. These shorelands (~~shall~~) must be sold at
25 fair market value, but not less than five percent of the fair market
26 value of the abutting upland, less improvements, to a maximum
27 distance of one hundred and fifty feet landward from the line of
28 ordinary high water.

29 (3) Review of the decision of the department regarding the sale
30 price established for a shoreland to be sold pursuant to this section
31 may be obtained by the upland owner by filing a petition with the
32 (~~board of tax appeals created in accordance with chapter 82.03 RCW~~
33 ~~within thirty~~) tax division of the court of appeals within thirty
34 days after the mailing of notification by the department to the owner
35 regarding the price. The (~~board of tax appeals shall~~) tax division
36 of the court of appeals must review the cases in an adjudicative
37 proceeding as described in chapter 34.05 RCW, the administrative
38 procedure act, and the (~~board's~~) court's review (~~shall~~) must be
39 de novo. Decisions of the (~~board of tax~~) tax division of the court

1 of appeals regarding fair market values determined pursuant to this
2 section (~~shall be~~) are final (~~unless appealed to the superior~~
3 ~~court pursuant to RCW 34.05.510 through 34.05.598~~)).

4 **Sec. 206.** RCW 82.01.090 and 1967 ex.s. c 26 s 6 are each amended
5 to read as follows:

6 Except for the powers and duties devolved upon the (~~board of tax~~
7 ~~appeals by the provisions of RCW 82.03.010 through 82.03.190~~) tax
8 appeal division of the court of appeals, the director of revenue
9 (~~shall~~) must, after July 1, 1967, exercise those powers, duties and
10 functions theretofore vested in the tax commission of the state of
11 Washington, including all powers, duties and functions of the
12 commission acting as the commission or as the state board of
13 equalization or in any other capacity.

14 **Sec. 207.** RCW 82.29A.060 and 1994 c 95 s 1 are each amended to
15 read as follows:

16 (1) All administrative provisions in chapters 82.02 and 82.32 RCW
17 (~~shall be~~) are applicable to taxes imposed pursuant to this
18 chapter.

19 (2)(a) A lessee, or a sublessee in the case where the sublessee
20 is responsible for paying the tax imposed under this chapter, of
21 property used for residential purposes may petition the county board
22 of equalization for a change in appraised value when the department
23 of revenue establishes taxable rent under RCW 82.29A.020(2)(~~(b)~~)
24 (g) based on an appraisal done by the county assessor at the request
25 of the department. The petition must be on forms prescribed or
26 approved by the department (~~of revenue~~) and any petition not
27 conforming to those requirements or not properly completed (~~shall~~)
28 may not be considered by the board. The petition must be filed with
29 the board within the time period set forth in RCW 84.40.038. A
30 decision of the board of equalization may be appealed by the taxpayer
31 to the (~~board of tax~~) tax division of the court of appeals as
32 provided in RCW 84.08.130.

33 (b) A sublessee, in the case where the sublessee is responsible
34 for paying the tax imposed under this chapter, of property used for
35 residential purposes may petition the department for a change in
36 taxable rent when the department of revenue establishes taxable rent
37 under RCW 82.29A.020(2)(~~(b)~~) (g).

1 (c) Any change in tax resulting from an appeal under this
2 subsection (~~shall~~) must be allocated to the lessee or sublessee
3 responsible for paying the tax.

4 (3) This section (~~shall~~) does not authorize the issuance of any
5 levy upon any property owned by the public lessor.

6 (4) In selecting leasehold excise tax returns for audit the
7 department (~~of revenue shall~~) must give priority to any return an
8 audit of which is specifically requested in writing by the county
9 assessor or treasurer or other chief financial officer of any city or
10 county affected by such return. Notwithstanding the provisions of RCW
11 82.32.330, findings of fact and determinations of the amount of
12 taxable rent made pursuant to the provisions of this chapter
13 (~~shall~~) must be open to public inspection at all reasonable times.

14 **Sec. 208.** RCW 82.32.160 and 2007 c 111 s 110 are each amended to
15 read as follows:

16 (1) Any person having been issued a notice of additional taxes,
17 delinquent taxes, interest, or penalties assessed by the
18 department(~~τ~~) may within (~~thirty~~) ninety days after the issuance
19 of the original notice of the amount thereof or within the period
20 covered by any extension of the due date thereof granted by the
21 department petition the department in writing for a correction of the
22 amount of the assessment, and a conference for examination and review
23 of the assessment, or file an appeal with the tax division of the
24 court of appeals. The petition (~~shall~~) must set forth the reasons
25 why the correction should be granted and the amount of the tax,
26 interest, or penalties, which the petitioner believes to be due. The
27 department (~~shall~~) must promptly consider the petition and may
28 grant or deny it. If denied, the petitioner (~~shall~~) must be
29 notified by mail, or electronically as provided in RCW 82.32.135,
30 thereof forthwith. If a conference is granted, the department
31 (~~shall~~) must fix the time and place therefor and notify the
32 petitioner thereof by mail or electronically as provided in RCW
33 82.32.135. After the conference the department may make such
34 determination as may appear to it to be just and lawful and (~~shall~~)
35 must mail a copy of its determination to the petitioner, or provide a
36 copy of its determination electronically as provided in RCW
37 82.32.135. If no such petition is filed within the (~~thirty-day~~)
38 ninety-day period the assessment covered by the notice shall become
39 final.

1 (2) The procedures provided for (~~herein shall~~) in this section
2 apply also to a notice denying, in whole or in part, an application
3 for a pollution control tax exemption and credit certificate, with
4 such modifications to such procedures established by departmental
5 rules and regulations as may be necessary to accommodate a claim for
6 exemption or credit.

7 **Sec. 209.** RCW 82.32.170 and 2013 c 23 s 324 are each amended to
8 read as follows:

9 Any person, having paid any tax, original assessment, additional
10 assessment, or corrected assessment of any tax(~~(τ)~~) may apply to the
11 department within the time limitation for refund provided in this
12 chapter, by petition in writing for a correction of the amount
13 paid(~~(, and a conference for examination and review of the tax~~
14 ~~liability, in which petition he or she shall set forth the reasons~~
15 ~~why the conference should be granted, and the amount in which the~~
16 ~~tax, interest, or penalty, should be refunded. The department shall~~
17 ~~promptly consider the petition, and may grant or deny it. If denied,~~
18 ~~the petitioner shall be notified by mail, or electronically as~~
19 ~~provided in RCW 82.32.135, thereof forthwith. If a conference is~~
20 ~~granted, the department shall notify the petitioner by mail, or~~
21 ~~electronically as provided in RCW 82.32.135, of the time and place~~
22 ~~fixed therefor. After the hearing, the department may make such~~
23 ~~determination as may appear to it just and lawful, and shall mail a~~
24 ~~copy of its determination to the petitioner, or provide a copy of its~~
25 ~~determination electronically as provided in RCW 82.32.135)). The
26 petition must set forth the amount of the tax, interest, or penalty
27 the taxpayer contends should be refunded and the reasons. The
28 department must promptly consider the petition, and may grant or deny
29 it and must notify the taxpayer of its decision by mail, or
30 electronically as provided in RCW 82.32.135. If denied, the taxpayer
31 may file an appeal with the tax division of the court of appeals
32 within ninety days.~~

33 **Sec. 210.** RCW 82.32.180 and 1997 c 156 s 4 are each amended to
34 read as follows:

35 (1) Any person, except one who has failed to keep and preserve
36 books, records, and invoices as required in this chapter and chapter
37 82.24 RCW, (~~having paid any tax as required and feeling aggrieved by~~
38 ~~the amount of the tax)) may appeal to the superior court of Thurston~~

1 county(~~(7)~~) or the tax division of the court of appeals. The appeal
2 must be filed within the time limitation for a refund provided in
3 this chapter (~~(82.32 RCW)~~) or, if an application for refund has been
4 made to the department within that time limitation, then within
5 (~~(thirty)~~) ninety days after rejection of the application, whichever
6 time limitation is later. In the appeal the taxpayer (~~(shall)~~) must
7 set forth the amount of the tax imposed upon the taxpayer which the
8 taxpayer concedes to be the correct tax and the reason why the tax
9 should be reduced or abated. The appeal shall be perfected by serving
10 a copy of the notice of appeal upon the department within the time
11 (~~(herein)~~) specified in this section and by filing the original
12 thereof with proof of service with the clerk of the superior court of
13 Thurston county or the tax division of the court of appeals.

14 (2) The trial in the superior court on appeal (~~(shall)~~) or the
15 tax division of the court of appeals must be de novo and without the
16 necessity of any pleadings other than the notice of appeal. At trial,
17 the burden (~~(shall)~~) rests upon the taxpayer to prove that the tax as
18 paid by the taxpayer is incorrect, either in whole or in part, and to
19 establish the correct amount of the tax. In such proceeding the
20 taxpayer (~~(shall be)~~) is deemed the plaintiff, and the state, the
21 defendant; and both parties (~~(shall be)~~) are entitled to subpoena the
22 attendance of witnesses as in other civil actions and to produce
23 evidence that is competent, relevant, and material to determine the
24 correct amount of the tax that should be paid by the taxpayer. Either
25 party may seek appellate review in the same manner as other civil
26 actions are appealed to the appellate courts.

27 (3) It (~~(shall)~~) is not (~~(be)~~) necessary for the taxpayer to
28 protest against the payment of any tax or to make any demand to have
29 the same refunded or to petition the director for a hearing in order
30 to appeal to the superior court or the tax division of the court of
31 appeals, but no court action or proceeding of any kind (~~(shall)~~) may
32 be maintained by the taxpayer to recover any tax paid, or any part
33 thereof, except as (~~(herein)~~) provided in this section.

34 (~~(The provisions of this section shall not apply to any tax~~
35 ~~payment which has been the subject of an appeal to the board of tax~~
36 ~~appeals with respect to which appeal a formal hearing has been~~
37 ~~elected.)~~)

38 **Sec. 211.** RCW 82.49.060 and 1993 c 33 s 1 are each amended to
39 read as follows:

1 (1) Any vessel owner disputing an appraised value under RCW
2 82.49.050 or disputing whether the vessel is taxable, may petition
3 for a conference with the department as provided under RCW 82.32.160,
4 or for reduction of the tax due as provided under RCW 82.32.170.

5 (2) Any vessel owner having received a notice of denial of a
6 petition or a notice of determination made for the owner's vessel
7 under RCW 82.32.160 or 82.32.170 may appeal to the (~~board of tax~~
8 ~~appeals as provided under RCW 82.03.190~~) tax division of the court
9 of appeals. In deciding a case appealed under this section, the
10 (~~board of tax~~) tax division of the court of appeals may require an
11 independent appraisal of the vessel. The cost of the independent
12 appraisal (~~shall~~) must be apportioned between the department and
13 the vessel owner as provided by the (~~board~~) court.

14 **Sec. 212.** RCW 84.08.060 and 1988 c 222 s 9 are each amended to
15 read as follows:

16 (1) The department (~~of revenue shall have~~) has power to direct
17 and to order any county board of equalization to raise or lower the
18 valuation of any taxable property, or to add any property to the
19 assessment list, or to perform or complete any other duty required by
20 statute. The department (~~of revenue~~) may require any such board of
21 equalization to reconvene after its adjournment for the purpose of
22 performing any order or requirement made by the department (~~of~~
23 ~~revenue~~) and may make such orders as it (~~shall~~) determines to be
24 just and necessary.

25 (2) The department may require any county board of equalization
26 to reconvene at any time for the purpose of performing or completing
27 any duty or taking any action it might lawfully have performed or
28 taken at any of its previous meetings. No board may be reconvened
29 later than three years after the date of adjournment of its regularly
30 convened session. If such board of equalization (~~shall~~) fails or
31 refuses (~~forthwith~~) to comply with any such order or requirement of
32 the department (~~of revenue~~), the department (~~of revenue shall~~
33 ~~have~~) has the power to take any other appropriate action, or to make
34 such correction or change in the assessment list, and such
35 corrections and changes (~~shall~~) must be a part of the record of the
36 proceedings of the (~~said~~) board of equalization(~~:- PROVIDED,~~
37 ~~That~~). However, in all cases where the department (~~of revenue~~
38 ~~shall~~) raises the valuation of any property or adds property to the
39 assessment list, (~~it shall~~) the department must give notice either

1 for the same time and in the same manner as is now required in like
2 cases of county boards of equalization, or if (~~it shall deem~~) the
3 department deems such method of giving notice impracticable it
4 (~~shall~~) must give notice by publication thereof in a newspaper of
5 general circulation within the county in which the property affected
6 is situated once each week for two consecutive weeks, and the
7 department (~~of revenue shall~~) may not proceed to raise such
8 valuation or add such property to the assessment list until a period
9 of five days (~~shall have~~) has elapsed subsequent to the date of the
10 last publication of such notice(~~:- PROVIDED FURTHER, That~~),
11 Moreover, appeals to the (~~board of tax~~) tax division of the court
12 of appeals by any taxpayer or taxing unit concerning any action of
13 the county board of equalization (~~shall~~) may not raise the
14 valuation of the property to an amount greater than the larger of
15 either the valuation of the property by the county assessor or the
16 valuation of the property assigned by the county board of
17 equalization. Such notice (~~shall~~) must give the legal description
18 of each tract of land involved, or a general description in case of
19 personal property; the tax record-owner thereof; the assessed value
20 thereof determined by the county board of equalization in case the
21 property is on the assessment roll; and the assessed value thereof as
22 determined by the department (~~of revenue~~) and (~~shall~~) must state
23 that the department (~~of revenue~~) proposes to increase the assessed
24 valuation of such property to the amount stated and to add such
25 property to the assessment list at the assessed valuation stated. The
26 necessary expense incurred by the department (~~of revenue~~) in making
27 such reassessment and/or adding such property to the assessment list
28 (~~shall~~) must be borne by the county or township in which the
29 property as reassessed and/or so added to the assessment list is
30 situated and (~~shall~~) must be paid out of the proper funds of such
31 county upon the order of the department of revenue.

32 **Sec. 213.** RCW 84.08.130 and 1998 c 54 s 3 are each amended to
33 read as follows:

34 (1) Any taxpayer or taxing unit feeling aggrieved by the action
35 of any county board of equalization may appeal to the (~~board of~~
36 ~~tax~~) tax division of the court of appeals by filing with the (~~board~~
37 ~~of tax~~) tax division of the court of appeals in accordance with RCW
38 1.12.070 a notice of appeal within thirty days after the mailing of
39 the decision of such board of equalization, which notice (~~shall~~)

1 must specify the actions complained of; and in like manner any county
2 assessor may appeal to the (~~board of tax~~) tax division of the court
3 of appeals from any action of any county board of equalization.
4 (~~There shall be no fee charged for the filing of an appeal. The~~
5 ~~board shall transmit a copy of the notice of appeal to all named~~
6 ~~parties within thirty days of its receipt by the board. Appeals which~~
7 ~~are not filed as provided in this section shall be dismissed. The~~
8 ~~board of tax appeals shall~~) The tax division of the court of appeals
9 must transmit a copy of the notice of appeal to all named parties
10 within thirty days of its receipt by the tax division of the court of
11 appeals. Appeals that are not filed as provided in this section must
12 be dismissed. The tax division of the court of appeals must require
13 the board appealed from to file a true and correct copy of its
14 decision in such action and all evidence taken in connection
15 therewith, and may receive further evidence, and (~~shall~~) must make
16 such order as in its judgment is just and proper.

17 (2) The (~~board of tax~~) tax division of the court of appeals may
18 enter an order, pursuant to subsection (1) of this section, that has
19 effect up to the end of the assessment cycle used by the assessor, if
20 there has been no intervening change in the value during that time.

21 **Sec. 214.** RCW 84.33.091 and 1998 c 311 s 13 are each amended to
22 read as follows:

23 (1) The department (~~of revenue shall~~) must designate areas
24 containing timber having similar growing, harvesting, and marketing
25 conditions to be used as units for the preparation and application of
26 stumpage values. Each year on or before December 31st for use the
27 following January through June 30th, and on or before June 30th for
28 use the following July through December 31st, the department
29 (~~shall~~) must prepare tables of stumpage values of each species or
30 subclassification of timber within these units. The stumpage value
31 (~~shall be~~) is the amount that each such species or
32 subclassification would sell for at a voluntary sale made in the
33 ordinary course of business for purposes of immediate harvest. These
34 stumpage values, expressed in terms of a dollar amount per thousand
35 board feet or other unit measure, (~~shall~~) must be determined in a
36 manner which makes reasonable and adequate allowances for age, size,
37 quality, costs of removal, accessibility to point of conversion,
38 market conditions, and all other relevant factors from:

1 (a) Gross proceeds from sales on the stump of similar timber of
2 like quality and character at similar locations, and in similar
3 quantities;

4 (b) Gross proceeds from sales of logs adjusted to reflect only
5 the portion of such proceeds attributable to value on the stump
6 immediately prior to harvest; or

7 (c) A combination of (a) and (b) of this subsection.

8 (2) Upon application from any person who plans to harvest damaged
9 timber, the stumpage values for which have been materially reduced
10 from the values shown in the applicable tables due to damage
11 resulting from fire, blow down, ice storm, flood, or other sudden
12 unforeseen cause, the department (~~shall~~) must revise the stumpage
13 value tables for any area in which such timber is located and shall
14 specify any additional accounting or other requirements to be
15 complied with in reporting and paying the tax.

16 (3) The preliminary area designations and stumpage value tables
17 and any revisions thereof are subject to review by the ways and means
18 committees of the house of representatives and senate prior to
19 finalization. Tables of stumpage values (~~shall~~) must be signed by
20 the director or the director's designee. A copy thereof (~~shall~~)
21 must be mailed to anyone who has submitted to the department a
22 written request for a copy.

23 (4) On or before the sixtieth day after the date of final
24 adoption of any stumpage value tables, any harvester may appeal to
25 the (~~board of tax~~) tax division of the court of appeals for a
26 revision of stumpage values for an area determined pursuant to
27 subsection (3) of this section.

28 **Sec. 215.** RCW 84.34.065 and 2014 c 97 s 310 are each amended to
29 read as follows:

30 (1) The true and fair value of farm and agricultural land
31 (~~shall~~) must be determined by consideration of the earning or
32 productive capacity of comparable lands from crops grown most
33 typically in the area averaged over not less than five years,
34 capitalized at indicative rates. The earning or productive capacity
35 of farm and agricultural lands is the "net cash rental," capitalized
36 at a "rate of interest" charged on long term loans secured by a
37 mortgage on farm or agricultural land plus a component for property
38 taxes. The current use value of land under RCW 84.34.020(2)(f) must
39 be established as: The prior year's average value of open space farm

1 and agricultural land used in the county plus the value of land
2 improvements such as septic, water, and power used to serve the
3 residence. This may not be interpreted to require the assessor to
4 list improvements to the land with the value of the land.

5 (2) For the purposes of the (~~above~~) computation in subsection
6 (1) of this section:

7 (a)(i) The term "net cash rental" means the average rental paid
8 on an annual basis, in cash, for the land being appraised and other
9 farm and agricultural land of similar quality and similarly situated
10 that is available for lease for a period of at least three years to
11 any reliable person without unreasonable restrictions on its use for
12 production of agricultural crops. There is allowed as a deduction
13 from the rental received or computed any costs of crop production
14 charged against the landlord if the costs are such as are customarily
15 paid by a landlord. If "net cash rental" data is not available, the
16 earning or productive capacity of farm and agricultural lands is
17 determined by the cash value of typical or usual crops grown on land
18 of similar quality and similarly situated averaged over not less than
19 five years. Standard costs of production are allowed as a deduction
20 from the cash value of the crops.

21 (ii) The current "net cash rental" or "earning capacity" is
22 determined by the assessor with the advice of the advisory committee
23 as provided in RCW 84.34.145, and through a continuing internal
24 study, assisted by studies of the department (~~of revenue~~). This net
25 cash rental figure as it applies to any farm and agricultural land
26 may be challenged before the same boards or authorities as would be
27 the case with regard to assessed values on general property.

28 (b)(i) (~~The term~~) "Rate of interest" means the rate of interest
29 charged by the farm credit administration and other large financial
30 institutions regularly making loans secured by farm and agricultural
31 lands through mortgages or similar legal instruments, averaged over
32 the immediate past five years.

33 (ii) The "rate of interest" must be determined annually by a rule
34 adopted by the department (~~of revenue~~) and such rule must be
35 published in the state register not later than January 1st of each
36 year for use in that assessment year. The department (~~of revenue~~)
37 determination may be appealed to the (~~state board of tax~~) tax
38 division of the court of appeals within thirty days after the date of
39 publication by any owner of farm or agricultural land or the assessor
40 of any county containing farm and agricultural land.

1 (c) ~~((The))~~ "Component for property taxes" ~~((is))~~ means a figure
2 obtained by dividing the assessed value of all property in the county
3 into the property taxes levied within the county in the year
4 preceding the assessment and multiplying the quotient obtained by one
5 hundred.

6 **Sec. 216.** RCW 84.36.850 and 2013 c 23 s 352 are each amended to
7 read as follows:

8 (1) Any applicant aggrieved by the department's ~~((of revenue's))~~
9 denial of an exemption application may petition the ~~((state board of~~
10 ~~tax))~~ tax division of the court of appeals to review an application
11 for either real or personal property tax exemption and the ~~((board~~
12 ~~shall))~~ tax division of the court of appeals must consider any
13 appeals to determine ~~((1))~~: If the property is entitled to an
14 exemption~~((τ))~~; and ~~((2))~~ the amount or portion thereof.

15 (2) A county assessor of the county in which the exempted
16 property is located ~~((shall be))~~ is empowered to appeal to the
17 ~~((state board of tax))~~ tax division of the court of appeals to review
18 any real or personal property tax exemption approved by the
19 department ~~((of revenue which))~~ that he or she feels is not
20 warranted.

21 (3) Appeals from a department ~~((of revenue))~~ decision must be
22 made within thirty days after the mailing of the approval or denial.

23 **Sec. 217.** RCW 84.39.020 and 2005 c 253 s 2 are each amended to
24 read as follows:

25 (1) Each claimant applying for assistance under RCW 84.39.010
26 ~~((shall))~~ must file a claim with the department, on forms prescribed
27 by the department, no later than thirty days before the tax is due.
28 The department may waive this requirement for good cause shown. The
29 department ~~((shall))~~ must supply forms to the county assessor to
30 allow persons to apply for the program at the county assessor's
31 office.

32 (2) The claim ~~((shall))~~ must designate the property to which the
33 assistance applies and ~~((shall))~~ must include a statement setting
34 forth ~~((a))~~: A list of all members of the claimant's household~~((τ~~
35 ~~b))~~; facts establishing the eligibility under this section~~((τ))~~;
36 and ~~((e))~~ any other relevant information required by the rules of
37 the department. Each copy ~~((shall))~~ must be signed by the claimant
38 subject to the penalties as provided in chapter 9A.72 RCW for false

1 swearing. The first claim (~~shall~~) must include proof of the
2 claimant's age acceptable to the department.

3 (3)(a) The following documentation (~~shall~~) must be filed with a
4 claim along with any other documentation required by the department:

5 (~~(a)~~) (i) The deceased veteran's DD 214 report of separation,
6 or its equivalent, that must be under honorable conditions;

7 (~~(b)~~) (ii) A copy of the applicant's certificate of marriage to
8 the deceased;

9 (~~(c)~~) (iii) A copy of the deceased veteran's death certificate;
10 and

11 (~~(d)~~) (iv) A letter from the United States veterans'
12 administration certifying that the death of the veteran meets the
13 requirements of RCW 84.39.010(2).

14 (b) The department of veterans affairs (~~shall~~) must assist an
15 eligible widow or widower in the preparation and submission of an
16 application and the procurement of necessary substantiating
17 documentation.

18 (4) The department (~~shall~~) must determine if each claimant is
19 eligible each year. Any applicant aggrieved by the department's
20 denial of assistance may petition the (~~state board of tax~~) tax
21 division of the court of appeals to review the denial and the (~~board~~
22 ~~shall~~) tax division of the court of appeals must consider any
23 appeals to determine (~~(a)~~): If the claimant is entitled to
24 assistance; and (~~(b)~~) the amount or portion thereof.

25 **Sec. 218.** RCW 84.40.038 and 2014 c 97 s 407 are each amended to
26 read as follows:

27 (1) The owner or person responsible for payment of taxes on any
28 property may petition the county board of equalization for a change
29 in the assessed valuation placed upon such property by the county
30 assessor or for any other reason specifically authorized by statute.
31 Such petition must be made on forms prescribed or approved by the
32 department (~~of revenue~~) and any petition not conforming to those
33 requirements or not properly completed may not be considered by the
34 board. The petition must be filed with the board:

35 (a) On or before July 1st of the year of the assessment or
36 determination;

37 (b) Within thirty days after the date the assessment, value
38 change notice, or other notice was mailed;

1 (c) Within thirty days after the date that the assessor
2 electronically (i) transmitted the assessment, value change notice,
3 or other notice, or (ii) notified the owner or person responsible for
4 payment of taxes that the assessment, value change notice, or other
5 notice was available to be accessed by the owner or other person; or

6 (d) Within a time limit of up to sixty days adopted by the county
7 legislative authority, whichever is later. If a county legislative
8 authority sets a time limit, the authority may not change the limit
9 for three years from the adoption of the limit.

10 (2) The board of equalization may waive the filing deadline if
11 the petition is filed within a reasonable time after the filing
12 deadline and the petitioner shows good cause for the late filing.
13 However, the board of equalization must waive the filing deadline for
14 the circumstance described under (f) of this subsection if the
15 petition is filed within a reasonable time after the filing deadline.
16 The decision of the board of equalization regarding a waiver of the
17 filing deadline is final and not appealable under RCW 84.08.130. Good
18 cause may be shown by one or more of the following events or
19 circumstances:

20 (a) Death or serious illness of the taxpayer or his or her
21 immediate family;

22 (b) The taxpayer was absent from the address where the taxpayer
23 normally receives the assessment or value change notice, was absent
24 for more than fifteen days of the days allowed in subsection (1) of
25 this section before the filing deadline, and the filing deadline is
26 after July 1;

27 (c) Incorrect written advice regarding filing requirements
28 received from board of equalization staff, county assessor's staff,
29 or staff of the property tax advisor designated under RCW 84.48.140;

30 (d) Natural disaster such as flood or earthquake;

31 (e) Delay or loss related to the delivery of the petition by the
32 postal service, and documented by the postal service;

33 (f) The taxpayer was not sent a revaluation notice under RCW
34 84.40.045 for the current assessment year and the taxpayer can
35 demonstrate both of the following:

36 (i) The taxpayer's property value did not change from the
37 previous year; and

38 (ii) The taxpayer's property is located in an area revalued by
39 the assessor for the current assessment year; or

40 (g) Other circumstances as the department may provide by rule.

1 (3) The owner or person responsible for payment of taxes on any
2 property may request that the appeal be heard by the (~~state board of~~
3 ~~tax~~) tax division of the court of appeals without a hearing by the
4 county board of equalization when the assessor, the owner or person
5 responsible for payment of taxes on the property, and a majority of
6 the county board of equalization agree that a direct appeal to the
7 (~~state board of tax~~) tax division of the court of appeals is
8 appropriate. The (~~state board of tax~~) tax division of the court of
9 appeals may reject the appeal, in which case the county board of
10 equalization must consider the appeal under RCW 84.48.010. Notice of
11 such a rejection, together with the reason therefor, must be provided
12 to the affected parties and the county board of equalization within
13 thirty days of receipt of the direct appeal by the (~~state board~~)
14 tax division of the court of appeals.

15 **Sec. 219.** RCW 84.48.080 and 2008 c 86 s 502 are each amended to
16 read as follows:

17 (1) Annually during the months of September and October, the
18 department (~~of revenue shall~~) must examine and compare the returns
19 of the assessment of the property in the several counties of the
20 state, and the assessment of the property of railroad and other
21 companies assessed by the department, and proceed to equalize the
22 same, so that each county in the state (~~shall~~) must pay its due and
23 just proportion of the taxes for state purposes for such assessment
24 year, according to the ratio the valuation of the property in each
25 county bears to the total valuation of all property in the state.

26 (a) The department (~~shall~~) must classify all property, real and
27 personal, and (~~shall~~) must raise and lower the valuation of any
28 class of property in any county to a value that (~~shall be~~) equals,
29 so far as possible, to the true and fair value of such class as of
30 January 1st of the current year for the purpose of ascertaining the
31 just amount of tax due from each county for state purposes. In
32 equalizing personal property as of January 1st of the current year,
33 the department (~~shall~~) must use valuation data with respect to
34 personal property from the three years immediately preceding the
35 current assessment year in a manner it deems appropriate. Such
36 classification may be on the basis of types of property, geographical
37 areas, or both. For purposes of this section, for each county that
38 has not provided the department with an assessment return by December
39 1st, the department (~~shall~~) must proceed, using facts and

1 information and in a manner it deems appropriate, to estimate the
2 value of each class of property in the county.

3 (b) The department (~~shall~~) must keep a full record of its
4 proceedings and the same (~~shall~~) must be published annually by the
5 department.

6 (2) The department (~~shall~~) must levy the state taxes authorized
7 by law. The amount levied in any one year for general state purposes
8 (~~shall~~) may not exceed the lawful dollar rate on the dollar of the
9 assessed value of the property of the entire state, which assessed
10 value (~~shall~~) must be one hundred percent of the true and fair
11 value of the property in money. The department (~~shall~~) must
12 apportion the amount of tax for state purposes levied by the
13 department, among the several counties, in proportion to the
14 valuation of the taxable property of the county for the year as
15 equalized by the department(~~:-PROVIDED, That~~). However, for
16 purposes of this apportionment, the department (~~shall~~) must
17 recompute the previous year's levy and the apportionment thereof to
18 correct for changes and errors in taxable values reported to the
19 department after October 1 of the preceding year and (~~shall~~) must
20 adjust the apportioned amount of the current year's state levy for
21 each county by the difference between the apportioned amounts
22 established by the original and revised levy computations for the
23 previous year. For purposes of this section, changes in taxable
24 values mean a final adjustment made by a county board of
25 equalization, (~~the state board of tax appeals, or~~) a court of
26 competent jurisdiction (~~and shall~~), or the tax division of the
27 court of appeals and must include additions of omitted property,
28 other additions or deletions from the assessment or tax rolls, any
29 assessment return provided by a county to the department subsequent
30 to December 1st, or a change in the indicated ratio of a county.
31 Errors in taxable values mean errors corrected by a final reviewing
32 body.

33 (3) The department (~~shall have~~) has authority to adopt rules
34 and regulations to enforce obedience to its orders in all matters in
35 relation to the returns of county assessments, the equalization of
36 values, and the apportionment of the state levy by the department.

37 (4) After the completion of the duties prescribed in this
38 section, the director of the department (~~shall~~) must certify the
39 record of the proceedings of the department under this section, the
40 tax levies made for state purposes and the apportionment thereof

1 among the counties, and the certification (~~shall~~) must be available
2 for public inspection.

3 **Sec. 220.** RCW 84.52.018 and 1994 c 124 s 37 are each amended to
4 read as follows:

5 (1) Whenever any property value or claim for exemption or
6 cancellation of a property assessment is appealed to the (~~state~~
7 ~~board of tax appeals or~~) court of competent jurisdiction or tax
8 division of the court of appeals and the dollar difference between
9 the total value asserted by the taxpayer and the total value asserted
10 by the opposing party exceeds one-fourth of one percent of the total
11 assessed value of property in the county, the assessor (~~shall~~) may
12 use only that portion of the total value which is not in controversy
13 for purposes of computing the levy rates and extending the tax on the
14 tax roll in accordance with this chapter, unless the (~~state board of~~
15 ~~tax~~) tax division of the court of appeals has issued its
16 determination at the time of extending the tax.

17 (2) When the (~~state board of tax~~) tax division of the court of
18 appeals or court of competent jurisdiction makes its final
19 determination, the proper amount of tax (~~shall~~) must be extended
20 and collected for each taxing district if this has not already been
21 done. The amount of tax collected and extended (~~shall~~) must include
22 interest at the rate of nine percent per year on the amount of the
23 (~~board's~~) tax division of the court of appeals' final determination
24 minus the amount not in controversy. The interest (~~shall~~) accrues
25 from the date the taxes on the amount not in controversy were first
26 due and payable. Any amount extended in excess of that permitted by
27 chapter 84.55 RCW (~~shall~~) must be held in abeyance and used to
28 reduce the levy rates of the next succeeding levy.

29 **Sec. 221.** RCW 84.56.290 and 1991 c 245 s 37 are each amended to
30 read as follows:

31 (1) Whenever any tax (~~shall have been heretofore, or shall be~~
32 ~~hereafter,~~) has been canceled, reduced, or modified in any final
33 judicial, county board of equalization, (~~state board of tax~~
34 ~~appeals,~~) or administrative proceeding; or whenever any tax (~~shall~~
35 ~~have been heretofore, or shall be hereafter~~) has been canceled by
36 sale of property to any irrigation district under foreclosure
37 proceedings for delinquent irrigation district assessments; or
38 whenever any contracts or leases on public lands (~~shall have been~~

1 ~~heretofore, or shall be hereafter,)~~ has been canceled and the tax
2 thereon remains unpaid for a period of two years, the director (~~(of~~
3 ~~revenue shall)~~) must, upon receipt from the county treasurer of a
4 certified copy of the final judgment, order, or decree canceling,
5 reducing, or modifying taxes, or of a certificate from the county
6 treasurer of the cancellation by sale to an irrigation district, or
7 of a certificate from the commissioner of public lands and the county
8 treasurer of the cancellation of public land contracts or leases and
9 nonpayment of taxes thereon, as the case may be, make corresponding
10 entries and corrections on the director's records of the state's
11 portion of reduced or canceled tax.

12 (2) Upon canceling taxes deemed uncollectible, the county
13 commissioners (~~(shall)~~) must notify the county treasurer of such
14 action, whereupon the county treasurer (~~(shall)~~) must deduct on the
15 treasurer's records the amount of such uncollectible taxes due the
16 various state funds and (~~(shall)~~) must immediately notify the
17 department (~~(of revenue)~~) of the treasurer's action and of the reason
18 therefor; which uncollectible tax (~~(shall not then nor thereafter~~
19 ~~be)~~) is not due or owing the various state funds and the necessary
20 corrections (~~(shall)~~) must be made by the county treasurer upon the
21 quarterly settlement next following.

22 (3) When any assessment of property is made which does not appear
23 on the assessment list certified by the county board of equalization
24 to the department (~~(of revenue)~~) the county assessor (~~(shall)~~) must
25 indicate to the county treasurer the assessments and the taxes due
26 therefrom when the list is delivered to the county treasurer on
27 December 15th. The county treasurer (~~(shall)~~) must then notify the
28 department (~~(of revenue)~~) of the taxes due the state from the
29 assessments which did not appear on the assessment list certified by
30 the county board of equalization to the department (~~(of revenue)~~).
31 The county treasurer (~~(shall)~~) must make proper accounting of all
32 sums collected as either advance tax, compensating or additional tax,
33 or supplemental or omitted tax and (~~(shall)~~) must notify the
34 department (~~(of revenue)~~) of the amounts due the various state funds
35 according to the levy used in extending such tax, and those amounts
36 (~~(shall)~~) immediately become due and owing to the various state
37 funds, to be paid to the state treasurer in the same manner as taxes
38 extended on the regular tax roll.

1 **Sec. 222.** RCW 84.69.020 and 2005 c 502 s 9 are each amended to
2 read as follows:

3 (1) On the order of the county treasurer, ad valorem taxes paid
4 before or after delinquency (~~(shall)~~) must be refunded if they were:

5 (~~(1)~~) (a) Paid more than once;

6 (~~(2)~~) (b) Paid as a result of manifest error in description;

7 (~~(3)~~) (c) Paid as a result of a clerical error in extending the
8 tax rolls;

9 (~~(4)~~) (d) Paid as a result of other clerical errors in listing
10 property;

11 (~~(5)~~) (e) Paid with respect to improvements which did not exist
12 on assessment date;

13 (~~(6)~~) (f) Paid under levies or statutes adjudicated to be
14 illegal or unconstitutional;

15 (~~(7)~~) (g) Paid as a result of mistake, inadvertence, or lack of
16 knowledge by any person exempted from paying real property taxes or a
17 portion thereof pursuant to RCW 84.36.381 through 84.36.389, as now
18 or hereafter amended;

19 (~~(8)~~) (h) Paid as a result of mistake, inadvertence, or lack of
20 knowledge by either a public official or employee or by any person
21 with respect to real property in which the person paying the same has
22 no legal interest;

23 (~~(9)~~) (i) Paid on the basis of an assessed valuation which was
24 appealed to the county board of equalization and ordered reduced by
25 the board;

26 (~~(10)~~) (j) Paid on the basis of an assessed valuation (~~(which)~~)
27 that was appealed to the (~~(state board of tax)~~) tax division of the
28 court of appeals and ordered reduced by the (~~(board: PROVIDED, That)~~)
29 tax division of the court of appeals. However, the amount refunded
30 under (~~(subsections (9) and (10) of this section shall)~~) (i) and (j)
31 of this subsection (1) may only be for the difference between the tax
32 paid on the basis of the appealed valuation and the tax payable on
33 the valuation adjusted in accordance with the (~~(board's)~~) court's
34 order;

35 (~~(11)~~) (k) Paid as a state property tax levied upon property,
36 the assessed value of which has been established by the (~~(state board~~
37 ~~of tax)~~) tax division of the court of appeals for the year of such
38 levy(~~(: PROVIDED, HOWEVER, That)~~). However, the amount refunded
39 (~~(shall)~~) may only be for the difference between the state property
40 tax paid and the amount of state property tax which would, when added

1 to all other property taxes within the one percent limitation of
2 Article VII, section 2 of the state Constitution equal one percent of
3 the assessed value established by the ~~((board))~~ court;

4 ~~((+12+))~~ (1) Paid on the basis of an assessed valuation which was
5 adjudicated to be unlawful or excessive~~((+PROVIDED, That))~~. However,
6 the amount refunded ~~((shall))~~ must be for the difference between the
7 amount of tax which was paid on the basis of the valuation adjudged
8 unlawful or excessive and the amount of tax payable on the basis of
9 the assessed valuation determined as a result of the proceeding;

10 ~~((+13+))~~ (m) Paid on property acquired under RCW 84.60.050, and
11 canceled under RCW 84.60.050(2);

12 ~~((+14+))~~ (n) Paid on the basis of an assessed valuation that was
13 reduced under RCW 84.48.065;

14 ~~((+15+))~~ (o) Paid on the basis of an assessed valuation that was
15 reduced under RCW 84.40.039; or

16 ~~((+16+))~~ (p) Abated under RCW 84.70.010.

17 (2) No refunds under the provisions of this section ~~((shall))~~ may
18 be made because of any error in determining the valuation of
19 property, except as authorized in subsection~~((s (9), (10), (11), and~~
20 ~~+12+))~~ (1)(i), (j), (k), and (l) of this section nor may any refunds
21 be made if a bona fide purchaser has acquired rights that would
22 preclude the assessment and collection of the refunded tax from the
23 property that should properly have been charged with the tax. Any
24 refunds made on delinquent taxes ~~((shall))~~ must include the
25 proportionate amount of interest and penalties paid. However, no
26 refunds as a result of an incorrect payment authorized under
27 subsection ~~((+8+))~~ (1)(h) of this section made by a third party payee
28 ~~((shall))~~ may be granted. The county treasurer may deduct from moneys
29 collected for the benefit of the state's levy, refunds of the state
30 levy including interest on the levy as provided by this section and
31 chapter 84.68 RCW.

32 (3) The county treasurer of each county ~~((shall))~~ must make all
33 refunds determined to be authorized by this section, and by the first
34 Monday in February of each year, report to the county legislative
35 authority a list of all refunds made under this section during the
36 previous year. The list is to include the name of the person
37 receiving the refund, the amount of the refund, and the reason for
38 the refund.

1 **Sec. 223.** RCW 84.69.030 and 2015 c 174 s 1 are each amended to
2 read as follows:

3 (1) Except as provided in this section, no orders for a refund
4 under this chapter may be made except on a claim:

5 (a) Verified by the person who paid the tax, the person's
6 guardian, executor, or administrator; and

7 (b) Filed with the county treasurer within three years after the
8 due date of the payment sought to be refunded; and

9 (c) Stating the statutory ground upon which the refund is
10 claimed.

11 (2) No claim for an order of refund is required for a refund that
12 is based upon:

13 (a) An order of the board of equalization, (~~state board of tax~~
14 ~~appeals~~) tax division of the court of tax appeals, or court of
15 competent jurisdiction justifying a refund under RCW 84.69.020 (9)
16 through (12);

17 (b) A decision by the treasurer or assessor that is rendered
18 within three years after the due date of the payment to be refunded,
19 justifying a refund under RCW 84.69.020; or

20 (c) A decision by the assessor or department approving an
21 exemption application that is filed under chapter 84.36 RCW within
22 three years after the due date of the payment to be refunded.

23 (3) A county legislative authority may authorize a refund on a
24 claim filed more than three years after the due date of the payment
25 sought to be refunded if the claim arises from taxes paid as a result
26 of a manifest error in a description of property.

27 **Sec. 224.** RCW 84.69.180 and 2013 c 239 s 1 are each amended to
28 read as follows:

29 (1) Taxing districts other than the state may levy a tax upon all
30 the taxable property within the district for the purpose of:

31 (a) Funding refunds paid or to be paid under this chapter, except
32 for refunds under RCW 84.69.020(1)(~~a~~), including interest, as ordered
33 by the county treasurer or county legislative authority within the
34 preceding twelve months; and

35 (b) Reimbursing the taxing district for taxes abated or
36 (~~cancelled~~) canceled, offset by any supplemental taxes collected
37 under this title, other than amounts collected under RCW 84.52.018
38 within the preceding twelve months. This subsection (1)(b) only
39 applies to abatements and cancellations that do not require a refund

1 under this chapter. Abatements and cancellations that require a
2 refund are included within the scope of (a) of this subsection.

3 (2) As provided in RCW 84.55.070, the provisions of chapter 84.55
4 RCW do not apply to a levy made by or for a taxing district under
5 this section.

6 NEW SECTION. **Sec. 225.** (1) The board of tax appeals is hereby
7 abolished and its powers, duties, and functions are hereby
8 transferred to the tax appeal division of the court of appeals.

9 (2)(a) All reports, documents, surveys, books, records, files,
10 papers, or written material in the possession of the board of tax
11 appeals must be delivered to the custody of the tax appeal division
12 of the court of appeals. All cabinets, furniture, office equipment,
13 motor vehicles, and other tangible property employed by the board of
14 tax appeals must be made available to the tax appeal division of the
15 court of appeals. All funds, credits, or other assets held by the
16 board of tax appeals must be assigned to the tax appeal division of
17 the court of appeals.

18 (b) Any appropriations made to the board of tax appeals must, on
19 the effective date of this section, be transferred and credited to
20 the tax appeal division of the court of appeals.

21 (c) If any question arises as to the transfer of any personnel,
22 funds, books, documents, records, papers, files, equipment, or other
23 tangible property used or held in the exercise of the powers and the
24 performance of the duties and functions transferred, the director of
25 financial management must make a determination as to the proper
26 allocation and certify the same to the state agencies concerned.

27 (3) Other than members of the board of tax appeals and tax
28 referees appointed by the board, all employees of the board of tax
29 appeals are transferred to the jurisdiction of the tax appeal
30 division of the court of appeals. All employees classified under
31 chapter 41.06 RCW, the state civil service law, are assigned to the
32 tax appeal division of the court of appeals to perform their usual
33 duties upon the same terms as formerly, without any loss of rights,
34 subject to any action that may be appropriate thereafter in
35 accordance with the laws and rules governing state civil service.

36 (4) All rules and all pending business before the board of tax
37 appeals must be continued and acted upon by the tax appeal division
38 of the court of appeals. All existing contracts and obligations

1 remain in full force and must be performed by the tax appeal division
2 of the court of appeals.

3 (5) The transfer of the powers, duties, functions, and personnel
4 of the board of tax appeals does not affect the validity of any act
5 performed before the effective date of this section.

6 (6) If apportionments of budgeted funds are required because of
7 the transfers directed by this section, the director of financial
8 management must certify the apportionments to the agencies affected,
9 the state auditor, and the state treasurer. Each of these must make
10 the appropriate transfer and adjustments in funds and appropriation
11 accounts and equipment records in accordance with the certification.

12 NEW SECTION. **Sec. 226.** The following acts or parts of acts are
13 each repealed:

14 (1) RCW 82.03.010 (Board created) and 1967 ex.s. c 26 s 30;

15 (2) RCW 82.03.020 (Members—Number—Qualifications—Appointment)
16 and 1967 ex.s. c 26 s 31;

17 (3) RCW 82.03.030 (Terms—Vacancies) and 1967 ex.s. c 26 s 32;

18 (4) RCW 82.03.040 (Removal of members—Grounds—Procedure) and
19 1967 ex.s. c 26 s 33;

20 (5) RCW 82.03.050 (Operation on part-time or full-time basis—
21 Salary—Compensation—Travel expenses) and 2013 c 23 s 311, 1975-'76
22 2nd ex.s. c 34 s 176, 1970 ex.s. c 65 s 2, & 1967 ex.s. c 26 s 34;

23 (6) RCW 82.03.060 (Members not to be candidate or hold public
24 office, engage in inconsistent occupation nor be on political
25 committee—Restriction on leaving board) and 2013 c 23 s 312 & 1967
26 ex.s. c 26 s 35;

27 (7) RCW 82.03.070 (Executive director, tax referees, clerk,
28 assistants) and 1988 c 222 s 2 & 1967 ex.s. c 26 s 36;

29 (8) RCW 82.03.080 (Chair) and 2013 c 23 s 313 & 1967 ex.s. c 26 s
30 37;

31 (9) RCW 82.03.090 (Office of board—Quorum—Hearings) and 1967
32 ex.s. c 26 s 38;

33 (10) RCW 82.03.100 (Findings and decisions—Signing—Filing—
34 Public inspection) and 1967 ex.s. c 26 s 39;

35 (11) RCW 82.03.110 (Publication of findings and decisions) and
36 1967 ex.s. c 26 s 40;

37 (12) RCW 82.03.120 (Journal of final findings and decisions) and
38 1988 c 222 s 3 & 1967 ex.s. c 26 s 41;

1 (13) RCW 82.03.130 (Appeals to board—Jurisdiction as to types of
2 appeals—Filing) and 2005 c 253 s 7, 1998 c 54 s 1, 1994 c 123 s 3,
3 1992 c 206 s 9, 1989 c 378 s 4, 1982 1st ex.s. c 46 s 6, 1977 ex.s. c
4 284 s 2, & 1967 ex.s. c 26 s 42;

5 (14) RCW 82.03.140 (Appeals to board—Election of formal or
6 informal hearing) and 2000 c 103 s 1, 1988 c 222 s 4, 1982 1st ex.s.
7 c 46 s 8, & 1967 ex.s. c 26 s 43;

8 (15) RCW 82.03.150 (Appeals to board—Informal hearings, powers of
9 board or tax referees—Assistance) and 2000 c 103 s 2, 1988 c 222 s 5,
10 & 1967 ex.s. c 26 s 44;

11 (16) RCW 82.03.160 (Appeals to board—Formal hearings, powers of
12 board or tax referees—Assistance) and 2000 c 103 s 3, 1989 c 175 s
13 175, 1988 c 222 s 6, & 1967 ex.s. c 26 s 45;

14 (17) RCW 82.03.170 (Rules of practice and procedure) and 1988 c
15 222 s 7 & 1967 ex.s. c 26 s 46;

16 (18) RCW 82.03.180 (Judicial review) and 2000 c 103 s 4, 1989 c
17 175 s 176, 1982 1st ex.s. c 46 s 9, & 1967 ex.s. c 26 s 47;

18 (19) RCW 82.03.190 (Appeal to board from denial of petition or
19 notice of determination as to reduction or refund—Procedure—Notice)
20 and 2012 c 39 s 3, 1998 c 54 s 2, 1989 c 378 s 5, 1983 c 3 s 211,
21 1979 ex.s. c 209 s 50, 1975 1st ex.s. c 158 s 3, & 1967 ex.s. c 26 s
22 48;

23 (20) RCW 82.03.200 (Appeals from county board of equalization—
24 Evidence submission in advance of hearing) and 1994 c 301 s 17; and

25 (21) RCW 82.32.150 (Contest of tax—Prepayment required—
26 Restraining orders and injunctions barred) and 1961 c 15 s
27 82.32.150."

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By Senator Braun

28 On page 1, line 2 of the title, after "appeals;" strike the
29 remainder of the title and insert "amending RCW 2.06.020, 2.06.030,
30 2.06.040, 2.06.050, 2.06.070, 2.06.150, 34.05.030, 39.88.060,
31 79.125.450, 82.01.090, 82.29A.060, 82.32.160, 82.32.170, 82.32.180,
32 82.49.060, 84.08.060, 84.08.130, 84.33.091, 84.34.065, 84.36.850,
33 84.39.020, 84.40.038, 84.48.080, 84.52.018, 84.56.290, 84.69.020,
34 84.69.030, and 84.69.180; reenacting and amending RCW 34.12.020 and

1 42.17A.705; adding new sections to chapter 2.06 RCW; creating new
2 sections; and repealing RCW 82.03.010, 82.03.020, 82.03.030,
3 82.03.040, 82.03.050, 82.03.060, 82.03.070, 82.03.080, 82.03.090,
4 82.03.100, 82.03.110, 82.03.120, 82.03.130, 82.03.140, 82.03.150,
5 82.03.160, 82.03.170, 82.03.180, 82.03.190, 82.03.200, and
6 82.32.150."

EFFECT: Modifies and expands the list of individuals who may represent a taxpayer in proceedings before the small claims division. Clarifies that tax court commissioners need not be attorneys. Clarifies that tax court commissioners preside over cases in the commissioners department and the small claims division. Creates a small claims process in the commissioners department for cases up to \$25,000, as well as a mediation process. Requires a candidate for judge of the tax appeal division to certify under oath that he or she has at least 5 years' experience in the practice of state or local tax law in Washington. Phases out the upfront payment of disputed taxes through 2027. Makes clarifying and technical changes.

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