**6614-S AMS BRAU S6157.4 - NOT FOR FLOOR USE**

**SSB 6614** - S AMD TO S AMD (S-6140.5/18) **942**

By Senator Braun

**NOT ADOPTED 03/07/2018**

Beginning on page 1, line 3 of the amendment, strike all material through "schools." on page 2, line 22 and insert the following:

"NEW SECTION. **Sec.**  A new section is added to chapter 84.56 RCW to read as follows:

(1)(a) There is provided a total reduction in state property tax collections of four hundred thirty-one million dollars for taxes payable after September 15, 2018, through December 31, 2019. This reduction is provided solely through a voucher program as provided under this section. By September 15, 2018, the department must make a voucher available for each currently taxable real and personal property parcel in the state in a form and manner as determined by the department in its sole discretion.

(b) An additional reduction in state property tax collections must be provided equal to the amount by which the June 2018 economic and revenue forecast exceeds the February 2018 economic and revenue forecast for revenues deposited into the state general fund, education legacy trust account, and Washington opportunity pathways account for the 2017-2019 and 2019-2021 biennia. The additional reduction under this subsection (1)(b) is limited to an amount that does not cause the total reduction under this subsection (1) to exceed one billion dollars.

(2) The department must determine the voucher amount for each taxable real and personal property parcel in a manner that equitably distributes the four hundred thirty-one million dollar reduction. To that end, each voucher must be issued for an amount equal to the parcel's equalized value divided by the total equalized value statewide, multiplied by four hundred thirty-one million dollars.

(3) No later than April 15, 2018, each county assessor must provide the following information about each taxable parcel in the assessor's county to the department electronically in a form and manner as prescribed by the department:

(a) Parcel number;

(b) Owner's name and mailing address;

(c) Name and mailing address of the person of record who pays the property taxes on the parcel, if that person is not the owner of the property;

(d) Type of property, either real or personal;

(e) Taxable value, as of April 1, 2018, for either or both of the state levies under RCW 84.52.065 as specified by the department; and

(f) Any additional information requested by the department by March 15, 2018, for use in administering this section.

(4)(a) Vouchers may only be redeemed beginning September 15, 2018, through June 30, 2019, for taxes levied on taxable property for collection in 2018 or 2019. Vouchers cannot be redeemed against taxes paid before the effective date of this section.

(b) Vouchers expire July 1, 2019, and may not be used to prepay property taxes due after June 30, 2019. There are no refunds for unused vouchers.

(c)(i) Except as otherwise provided in this subsection (4)(c), vouchers may only be redeemed against the taxes levied on the parcel for which the voucher was issued.

(ii) The department may, at its sole discretion, authorize vouchers to be redeemed against taxes levied on a different parcel of real property as the parcel for which the voucher was issued in cases where the parcel for which the voucher was issued no longer exists after April 1, 2018, due to the segregation or aggregation of real property parcels. The department must advise county assessors and treasurers and issue public guidance on its web site concerning the department's decision whether to authorize vouchers to be redeemed against taxes levied on a different parcel of real property as the parcel for which the voucher was issued as authorized under this subsection (4)(c).

(d) Vouchers are transferable to a new owner of the parcel for which the voucher was issued. The department may prescribe the manner that vouchers may be transferred. The county treasurer may refuse to accept a voucher that has been transferred in a manner not consistent with the manner prescribed by the department.

(5) Vouchers may be redeemed only by submitting them to the appropriate county treasurer for payment of taxes as indicated by the person redeeming the voucher.

(6) If a voucher is lost or destroyed, a qualified person may redeem the unused amount of the lost or destroyed voucher in accordance with this section by making a request to the county treasurer. A qualified person attempting to redeem a lost or destroyed voucher for a taxable parcel must provide proof satisfactory to the county treasurer that the person is a qualified person. The department must provide assistance to the county treasurer by verifying the amount that the lost or destroyed voucher was issued for.

(7) The county treasurer must apply redeemed vouchers as payment against the state taxes levied under RCW 84.52.065(2). However, the county treasurer may apply redeemed vouchers as payment against local property taxes if the county treasurer cannot feasibly apply vouchers as payment only to the state taxes levied under RCW 84.52.065(2). In such cases, the county treasurer must use collections of state property taxes levied under RCW 84.52.065(2) and not yet distributed to the state to reimburse local taxing districts for the amount of their taxes paid with vouchers redeemed in accordance with this section.

(8) By March 1, 2019, and March 1, 2020, or such other dates as may be required by the department, each county treasurer must report to the department information requested by the department concerning redeemed vouchers.

(9) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Equalized value" means the assessed value as of January 1, 2017, as provided by county assessors on April 1, 2018, divided by the real and personal property ratio for that county for property taxes levied for collection in 2018.

(b) "Qualified person" means the owner of record of the property for which a lost or destroyed voucher was issued or the person who pays the taxes on that property as indicated in the records of the county treasurer, if not the owner of record.

**Sec.**  RCW 84.69.020 and 2017 3rd sp.s. c 13 s 310 are each amended to read as follows:

On the order of the county treasurer, ad valorem taxes paid before or after delinquency must be refunded if they were:

(1) Paid more than once;

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

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

(4) Paid as a result of other clerical errors in listing property;

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

(6) Paid under levies or statutes adjudicated to be illegal or unconstitutional;

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

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

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

(10) Paid on the basis of an assessed valuation which was appealed to the state board of tax appeals and ordered reduced by the board: PROVIDED, That the amount refunded under subsections (9) and (10) of this section ((~~shall~~)) may only be for the difference between the tax paid on the basis of the appealed valuation and the tax payable on the valuation adjusted in accordance with the board's order;

(11) Paid as a state property tax levied upon property, the assessed value of which has been established by the state board of tax appeals for the year of such levy: PROVIDED, HOWEVER, That the amount refunded ((~~shall~~)) may only be for the difference between the state property tax paid and the amount of state property tax which would, when added to all other property taxes within the one percent limitation of Article VII, section 2 of the state Constitution equal one percent of the assessed value established by the board;

(12) Paid on the basis of an assessed valuation which was adjudicated to be unlawful or excessive: PROVIDED, That the amount refunded shall be for the difference between the amount of tax which was paid on the basis of the valuation adjudged unlawful or excessive and the amount of tax payable on the basis of the assessed valuation determined as a result of the proceeding;

(13) Paid on property acquired under RCW 84.60.050, and canceled under RCW 84.60.050(2);

(14) Paid on the basis of an assessed valuation that was reduced under RCW 84.48.065;

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

(16) Abated under RCW 84.70.010; or

(17) Paid in excess of the amount of taxes properly due at the time of the excess payment, including amounts paid in excess of taxes properly due at the time of the excess payment as a result of the proper use of a voucher as authorized under section 1 of this act.

No refunds under the provisions of this section shall be made because of any error in determining the valuation of property, except as authorized in subsections (9), (10), (11), and (12) of this section nor may any refunds be made if a bona fide purchaser has acquired rights that would preclude the assessment and collection of the refunded tax from the property that should properly have been charged with the tax. Any refunds made on delinquent taxes must include the proportionate amount of interest and penalties paid. However, no refunds as a result of an incorrect payment authorized under subsection (8) of this section made by a third party payee shall be granted. The county treasurer may deduct from moneys collected for the benefit of the state's levies, refunds of the state's levies including interest on the levies as provided by this section and chapter 84.68 RCW.

The county treasurer of each county must make all refunds determined to be authorized by this section, and by the first Monday in February of each year, report to the county legislative authority a list of all refunds made under this section during the previous year. The list is to include the name of the person receiving the refund, the amount of the refund, and the reason for the refund.

NEW SECTION. **Sec.**  A new section is added to chapter 34.05 RCW to read as follows:

The rule-making provisions of this chapter do not apply to the department of revenue's administration of section 1 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 63.29 RCW to read as follows:

This chapter does not apply to unredeemed vouchers issued under section 1 of this act.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

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By Senator Braun

**NOT ADOPTED 03/07/2018**

On page 2, line 2 of the title amendment, after "insert" strike the remainder of the title and insert "state property tax relief for taxes due in 2018 and 2019; amending RCW 84.69.020; adding a new section to chapter 84.56 RCW; adding a new section to chapter 34.05 RCW; adding a new section to chapter 63.29 RCW; and declaring an emergency."

EFFECT: Replaces provisions of the bill lowering the calendar year 2019 state property tax with the creation of a state property tax relief voucher program for taxes payable after September 15, 2018. Provides $431 million of property tax relief from the general fund and dedicates any June 2018 revenue forecast increase to additional property tax relief, capped at $1 billion. Requires county assessors to provide DOR with the necessary data by April 15, 2018. Requires vouchers to be redeemed by July 1, 2019.