H-1309.1

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**HOUSE BILL 2115**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Stanford, Ormsby, and Tharinger

AN ACT Relating to exempting a portion of the valuation of residential property from property taxation; amending RCW 84.48.010; adding a new section to chapter 84.36 RCW; creating new sections; and providing a contingent effective date.

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

NEW SECTION. **Sec.**  The legislature finds that an increased demand for housing and a low supply of available properties has made property values throughout the state increase substantially. Moreover, the legislature finds that this impacts low and moderate-income families as they are required to spend a higher percentage of their monthly income on housing-related costs. The legislature also finds that there is an important public policy objective in assisting families to achieve and maintain home ownership. The legislature finds that flat dollar homestead exemptions are effective in assisting low and moderate-income families because it represents a larger share of the property taxes owed of these families.

NEW SECTION. **Sec.**  A new section is added to chapter 84.36 RCW to read as follows:

(1) A portion of the assessed value of a residence is exempt from property taxes imposed for state purposes. The exemption from property taxation is equal to:

(a) The first fifty thousand dollars of valuation of each residential tax parcel consisting of less than three dwelling units; and

(b) The first fifty thousand dollars of valuation of each residential unit in a multiunit residential dwelling wherein each unit is owned and taxed separately.

(2) If the assessor finds that the residence does not meet the qualifications for a homestead exemption under this section, the exemption must be denied, but such denial is subject to appeal under the provisions of RCW 84.48.010 and in accordance with the provisions of RCW 84.40.038.

(3) For the purposes of this section:

(a) "Homestead exemption" refers to an exemption under this section; and

(b) "Residence" means a single-family dwelling unit, whether such unit be separate or part of a multiunit dwelling, including the land on which such dwelling stands. The term also includes:

(i) A single-family dwelling situated upon lands the fee of which is vested in the United States or any instrumentality thereof including an Indian tribe or in the state of Washington, and notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a residence must be deemed real property; and

(ii) A mobile home that has substantially lost its identity as a mobile unit by virtue of its being fixed in location upon land owned or leased by the owner of the mobile home and placed on a foundation (posts or blocks) with fixed pipe, connections with sewer, water, or other utilities.

(4) The department must adopt such rules and regulations and prescribe such forms as may be necessary and appropriate to implement and administer this act subject to chapter 34.05 RCW, the administrative procedure act.

**Sec.**  RCW 84.48.010 and 2001 c 187 s 22 are each amended to read as follows:

(1) Prior to July 15th, the county legislative authority ((~~shall~~)) must form a board for the equalization of the assessment of the property of the county. The members of ((~~said~~)) the board ((~~shall~~)) must receive a per diem amount as set by the county legislative authority for each day of actual attendance of the meeting of the board of equalization to be paid out of the current expense fund of the county((~~: PROVIDED, That~~)). However, when the county legislative authority constitute the board they ((~~shall~~)) may only receive their compensation as members of the county legislative authority. The board of equalization ((~~shall~~)) must meet in open session for this purpose annually on the 15th day of July and, having each taken an oath fairly and impartially to perform their duties as members of such board, they ((~~shall~~)) must examine and compare the returns of the assessment of the property of the county and proceed to equalize the same, so that each tract or lot of real property and each article or class of personal property ((~~shall~~)) must be entered on the assessment list at its true and fair value, according to the measure of value used by the county assessor in such assessment year, which is presumed to be correct under RCW 84.40.0301, and subject to the following rules:

((~~First.~~)) (a) They ((~~shall~~)) must raise the valuation of each tract or lot or item of real property which is returned below its true and fair value to such price or sum as to be the true and fair value thereof, after at least five days' notice ((~~shall~~)) have been given in writing to the owner or agent.

((~~Second.~~)) (b) They ((~~shall~~)) must reduce the valuation of each tract or lot or item which is returned above its true and fair value to such price or sum as to be the true and fair value thereof.

((~~Third.~~)) (c) They ((~~shall~~)) must raise the valuation of each class of personal property which is returned below its true and fair value to such price or sum as to be the true and fair value thereof, and they ((~~shall~~)) must raise the aggregate value of the personal property of each individual whenever the aggregate value is less than the true valuation of the taxable personal property possessed by such individual, to such sum or amount as to be the true value thereof, after at least five days' notice ((~~shall~~)) have been given in writing to the owner or agent thereof.

((~~Fourth.~~)) (d) They ((~~shall~~)) must reduce the valuation of each class of personal property enumerated on the detail and assessment list of the current year, which is returned above its true and fair value, to such price or sum as to be the true and fair value thereof; and they ((~~shall~~)) must reduce the aggregate valuation of the personal property of such individual who has been assessed at too large a sum to such sum or amount as was the true and fair value of the personal property.

((~~Fifth.~~)) (e) The board may review all claims for either real or personal property tax exemption, or homestead exemptions under section 2 of this act, as determined by the county assessor, and ((~~shall~~)) must consider any taxpayer appeals from the decision of the assessor thereon to determine ((~~(1)~~)) (i) if the taxpayer is entitled to an exemption, and ((~~(2)~~)) (ii) if so, the amount thereof.

(2) The clerk of the board ((~~shall~~)) must keep an accurate journal or record of the proceedings and orders of said board showing the facts and evidence upon which their action is based, and the said record ((~~shall~~)) must be published the same as other proceedings of county legislative authority, and ((~~shall~~)) must make a true record of the changes of the descriptions and assessed values ordered by the county board of equalization. The assessor shall correct the real and personal assessment rolls in accordance with the changes made by the said county board of equalization, and the assessor ((~~shall~~)) must make duplicate abstracts of such corrected values, one copy of which ((~~shall~~)) must be retained in the office, and one copy forwarded to the department of revenue on or before the eighteenth day of August next following the meeting of the county board of equalization.

(3) The county board of equalization ((~~shall~~)) must meet on the 15th day of July and may continue in session and adjourn from time to time during a period not to exceed four weeks, but shall remain in session not less than three days((~~: PROVIDED, That~~)). However, the county board of equalization with the approval of the county legislative authority may convene at any time when petitions filed exceed twenty-five, or ten percent of the number of appeals filed in the preceding year, whichever is greater.

(4) No taxes, except special taxes, ((~~shall~~)) may be extended upon the tax rolls until the property valuations are equalized by the department of revenue for the purpose of raising the state revenue.

(5) County legislative authorities as such ((~~shall~~)) may at no time have any authority to change the valuation of the property of any person or to release or commute in whole or in part the taxes due on the property of any person.

NEW SECTION. **Sec.**  This act applies to taxes levied for collection in 2019 and thereafter.

NEW SECTION. **Sec.**  (1) If the proposed amendment to Article VII of the state Constitution in House Joint Resolution No. .... (H-1310/17), providing for a homestead exemption, is validly submitted to and is approved and ratified by the voters at the next general election, this act takes effect as provided in subsection (2) of this section.

(2) If the contingency in subsection (1) of this section occurs, this act takes effect on the date that House Joint Resolution No. .... (H-1310/17) becomes effective.

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