

HOUSE BILL REPORT

HB 2609

As Reported by House Committee On:

Finance

Title: An act relating to improving property tax administration by merging double amendments, correcting out-of-date terminology, and clarifying procedures.

Brief Description: Improving property tax administration.

Sponsors: Representatives Sullivan, Gombosky, Cairnes and Simpson; by request of Department of Revenue.

Brief History:

Committee Activity:

Finance: 1/29/02, 2/7/02 [DPS].

Brief Summary of Substitute Bill

- Makes a number of technical changes to the property tax code, including merging double amendments and updating out-of-date cross references.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Gombosky, Chair; Berkey, Vice Chair; Cairnes, Ranking Minority Member; Conway, Morris, Nixon, Orcutt, Roach, Santos, Van Luven and Veloria.

Staff: Rick Peterson (786-7150).

Background:

Inaccuracies in the Revised Code of Washington may occur in a variety of ways. Drafting errors may be made in bill drafts and floor amendments or a bill or amendment may not amend all sections necessary. A bill may change a particular term or an entity may be renamed or abolished and references to these terms or entities in other provisions of the code become inaccurate.

In a given legislative session, two or more bills may amend the same section of the code

without reference to each other. This is often called "double" or "multiple" amendments. Usually there are no substantive conflicts between the multiple amendments to a section of the code. When there are no substantive conflicts, the Code Reviser publishes the section with all amendments incorporated therein.

Summary of Substitute Bill:

Technical corrections are made to various provisions of Title 84 RCW which relate to property taxes:

- Several multiple amendments that have been merged by the Code Reviser are reenacted.
- a section that was amended and repealed is repealed.
- an inaccurate reference to the \$9.15 limit in RCW 84.52.043 is corrected to refer to the \$5.90 limit in RCW84.52.043.
- the general statute setting boundaries of taxing districts for property tax purposes is amended to reflect that the boundaries of a mosquito control district are established as of September 1 of the year in which the levy is made.
- a reference to the State Board of Education that has been changed to the Regional Committee on School District Organization is corrected.
- the calculation of the additional tax imposed upon conversion to non-exempt uses of property under the 10-year property tax exemption program for new, rehabilitated, or converted multiple-unit housing is clarified.
- clarification is made so taxes deferred under the senior citizen property tax deferral program do not have to be repaid if the senior citizen's income rises above the eligibility level after the deferral is made and so repayment is required only on death of the owner or sale of the property.
- clarification is made so exempt business inventories do not have to be listed for personal property tax purposes.

Substitute Bill Compared to Original Bill:

The substitute bill adds language to the timber tax law that limits the reference to "applicable rules" to just those rules adopted under Title 76 RCW (Forests and Forest Products). The substitute bill removes the section that restates the additional tax for conversion to non-exempt uses of property under the 10-year property tax exemption program for new, rehabilitated, or converted multiple-unit housing.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill

is passed.

Testimony For: The bill is technical and straightens out some multiple amendments from last year. It also corrects some out-of-date references. Last year the Legislature adopted a bill that cleaned up the statutes dealing with the timber tax. This is a small fix that is needed. It can be corrected in this bill.

Testimony Against: None.

Testified: Julie Sexton, Department of Revenue; and John Ehrenreich, Washington Forest Protection Association.