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SENATE BILL 6899

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State of Washington                      60th Legislature                      2008 Regular Session

By Senators Rockefeller, Haugen, Oemig, Shin, Kilmer, and Rasmussen

Read first time 02/01/08. Referred to Committee on Ways & Means.

1            AN ACT Relating to limiting the rate of increase of property  
2 valuations; amending RCW 84.04.030, 84.40.020, 84.40.030, 84.40.040,  
3 84.40.045, 84.41.041, 84.48.010, 84.48.065, 84.48.075, 84.48.080,  
4 84.12.280, 84.12.310, 84.12.330, 84.12.350, 84.12.360, 84.16.040,  
5 84.16.050, 84.16.090, 84.16.110, 84.16.120, 84.36.041, 84.52.063, and  
6 84.70.010; adding a new section to chapter 84.04 RCW; adding a new  
7 section to chapter 84.40 RCW; creating a new section; and providing a  
8 contingent effective date.

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

10            NEW SECTION.    **Sec. 1.** The intent of this act is to provide  
11 property tax relief by limiting valuation increases until ownership of  
12 the property changes.

13            NEW SECTION.    **Sec. 2.** A new section is added to chapter 84.04 RCW  
14 to read as follows:

15            "Appraised value of property" means the aggregate true and fair  
16 value of the property as determined by the county assessor according to  
17 the revaluation program approved under chapter 84.41 RCW, and including  
18 revaluations based on statistical data between physical inspections.

1       **Sec. 3.** RCW 84.04.030 and 2001 c 187 s 2 are each amended to read  
2 as follows:

3       "Assessed value of property" shall be held and construed to mean  
4 the aggregate valuation of the property subject to taxation by any  
5 taxing district (~~as~~) under section 6 of this act, reduced by the  
6 value of any applicable exemptions under RCW 84.36.381 or any other  
7 law, and placed on the last completed and balanced tax rolls of the  
8 county preceding the date of any tax levy.

9       **Sec. 4.** RCW 84.40.020 and 2005 c 274 s 364 are each amended to  
10 read as follows:

11       All real property in this state subject to taxation shall be listed  
12 and assessed every year, with reference to its appraised and assessed  
13 value on the first day of January of the year in which it is assessed.  
14 Such listing and all supporting documents and records shall be open to  
15 public inspection during the regular office hours of the assessor's  
16 office(~~(:—PROVIDED, That)~~). However, confidential income data is  
17 hereby exempted from public inspection as noted in RCW 42.56.070 and  
18 (~~(42.56.210)~~) 42.56.230. All personal property in this state subject  
19 to taxation shall be listed and assessed every year, with reference to  
20 its value and ownership on the first day of January of the year in  
21 which it is assessed(~~(:—PROVIDED, That)~~). However, if the stock of  
22 goods, wares, merchandise or material, whether in a raw or finished  
23 state or in process of manufacture, owned or held by any taxpayer on  
24 January 1 of any year does not fairly represent the average stock  
25 carried by such taxpayer, such stock shall be listed and assessed upon  
26 the basis of the monthly average of stock owned or held by such  
27 taxpayer during the preceding calendar year or during such portion  
28 thereof as the taxpayer was engaged in business.

29       **Sec. 5.** RCW 84.40.030 and 2007 c 301 s 2 are each amended to read  
30 as follows:

31       All personal property shall be valued at one hundred percent of its  
32 true and fair value in money and assessed on the same basis unless  
33 specifically provided otherwise by law.

34       All real property shall be appraised at one hundred percent of its  
35 true and fair value in money and assessed as provided in section 6 of  
36 this act unless specifically provided otherwise by law.

1 Taxable leasehold estates shall be valued at such price as they  
2 would bring at a fair, voluntary sale for cash without any deductions  
3 for any indebtedness owed including rentals to be paid.

4 The true and fair value of real property for taxation purposes  
5 (including property upon which there is a coal or other mine, or stone  
6 or other quarry) shall be based upon the following criteria:

7 (1) Any sales of the property being appraised or similar properties  
8 with respect to sales made within the past five years. The appraisal  
9 shall be consistent with the comprehensive land use plan, development  
10 regulations under chapter 36.70A RCW, zoning, and any other  
11 governmental policies or practices in effect at the time of appraisal  
12 that affect the use of property, as well as physical and environmental  
13 influences. An assessment may not be determined by a method that  
14 assumes a land usage or highest and best use not permitted, for that  
15 property being appraised, under existing zoning or land use planning  
16 ordinances or statutes or other government restrictions. The appraisal  
17 shall also take into account: (a) In the use of sales by real estate  
18 contract as similar sales, the extent, if any, to which the stated  
19 selling price has been increased by reason of the down payment,  
20 interest rate, or other financing terms; and (b) the extent to which  
21 the sale of a similar property actually represents the general  
22 effective market demand for property of such type, in the geographical  
23 area in which such property is located. Sales involving deed releases  
24 or similar seller-developer financing arrangements shall not be used as  
25 sales of similar property.

26 (2) In addition to sales as defined in subsection (1) of this  
27 section, consideration may be given to cost, cost less depreciation,  
28 reconstruction cost less depreciation, or capitalization of income that  
29 would be derived from prudent use of the property, as limited by law or  
30 ordinance. Consideration should be given to any agreement, between an  
31 owner of rental housing and any government agency, that restricts  
32 rental income, appreciation, and liquidity; and to the impact of  
33 government restrictions on operating expenses and on ownership rights  
34 in general of such housing. In the case of property of a complex  
35 nature, or being used under terms of a franchise from a public agency,  
36 or operating as a public utility, or property not having a record of  
37 sale within five years and not having a significant number of sales of  
38 similar property in the general area, the provisions of this subsection

1 shall be the dominant factors in valuation. When provisions of this  
2 subsection are relied upon for establishing values the property owner  
3 shall be advised upon request of the factors used in arriving at such  
4 value.

5 (3) In valuing any tract or parcel of real property, the true and  
6 fair value of the land, exclusive of structures thereon shall be  
7 determined; also the true and fair value of structures thereon, but the  
8 appraised valuation shall not exceed the true and fair value of the  
9 total property as it exists. In valuing agricultural land, growing  
10 crops shall be excluded.

11 NEW SECTION. **Sec. 6.** A new section is added to chapter 84.40 RCW  
12 to read as follows:

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

15 (a) "Previous assessed value" means the assessed value for the year  
16 immediately preceding the year for which a calculation is being made  
17 under this section.

18 (b) "Current appraised value" means the appraised value for the  
19 year for which a calculation is being made under this section.

20 (c) "Improvement increase" means the portion of the total value  
21 increase attributable to any physical improvements made to the property  
22 since the previous assessment, other than improvements exempt under RCW  
23 84.36.400 for the year for which a calculation is being made under this  
24 section. Improvement increase can never be less than zero.

25 (d) "Change of ownership" and "transfer of ownership" are  
26 equivalent, and mean a transfer of a present interest in real property,  
27 including a transfer of the beneficial use of real property.

28 (i) "Change of ownership" and "transfer of ownership" include,  
29 except as provided in (d)(ii) of this subsection:

30 (A) Contracting to convey the title to or ownership of real  
31 property upon the fulfillment of one or more stated conditions if the  
32 right to possession of the property is transferred currently;

33 (B) The creation, transfer, or termination of a joint tenancy  
34 interest;

35 (C) The creation, transfer, or termination of a tenancy-in-common  
36 interest;

1 (D) The vesting of a right of possession or enjoyment of a  
2 remainder or reversionary interest that occurs upon the termination of  
3 a life estate or other similar precedent property interest;

4 (E) An interest that vests in persons other than the trustor if a  
5 revocable trust becomes irrevocable; and

6 (F) The transfer of stock of a cooperative housing corporation,  
7 vested with legal title to real property that conveys to the transferee  
8 the exclusive right to occupancy and possession of the property or a  
9 portion of the property.

10 (ii) "Change of ownership" does not include:

11 (A) A transfer between co-owners that results in a change in the  
12 method of holding title to the real property transferred without  
13 changing the proportional interests of the co-owners in the real  
14 property, such as a partition of a tenancy in common;

15 (B) A transfer for the purpose of merely perfecting title to the  
16 real property;

17 (C) The creation, assignment, termination, or reconveyance of a  
18 security interest in real property, or the substitution of a trustee  
19 under a security instrument;

20 (D) A transfer of real property by the trustor, or by the trustor's  
21 spouse, or by both, into a trust for so long as the transferor is the  
22 sole present beneficiary of the trust, or the trust is revocable, or  
23 any transfer of real property by a trustee of such trust back to the  
24 trustor;

25 (E) A transfer of real property by an instrument whose terms  
26 reserve to the transferor an estate for years or an estate for life.  
27 However, the termination of such an estate for years or life estate  
28 shall constitute a change of ownership;

29 (F) A transfer of real property between or among the same parties  
30 for the purpose of correcting or reforming a deed to express the true  
31 intention of the parties, if the original relationship between the  
32 grantor and grantee is not changed; or

33 (G) An interspousal transfer of real property, including, but not  
34 limited to:

35 (I) Transfers to a trustee for the beneficial use of a spouse, or  
36 the surviving spouse of a deceased transferor, or by a trustee of the  
37 trust to the spouse of the trustor;

38 (II) Transfers that take effect upon the death of a spouse;

1 (III) Transfers to a spouse or former spouse in connection with a  
2 property settlement agreement or decree of dissolution of marriage or  
3 legal separation; and

4 (IV) The creation, transfer, or termination, solely between  
5 spouses, of any co-owner's interest.

6 (2) The assessed value of property, other than property that has  
7 changed or transferred ownership since the last assessment, is equal to  
8 the lesser of the current appraised value or the previous assessed  
9 value plus ten percent, plus any improvement increase.

10 (3) Upon the loss of preferential tax treatment for property that  
11 qualifies for preferential tax treatment under chapter 84.14, 84.26,  
12 84.33, 84.34, 84.36, or 84.37 RCW, the previous assessed value is the  
13 assessed value the property would have had without the preferential tax  
14 treatment.

15 **Sec. 7.** RCW 84.40.040 and 2003 c 302 s 1 are each amended to read  
16 as follows:

17 The assessor shall begin the preliminary work for each assessment  
18 not later than the first day of December of each year in all counties  
19 in the state. The assessor shall also complete the duties of listing  
20 and placing valuations on all property by May 31st of each year, except  
21 that the listing and valuation of construction and mobile homes under  
22 RCW 36.21.080 and 36.21.090 shall be completed by August 31st of each  
23 year, and in the following manner, to wit:

24 The assessor shall actually determine as nearly as practicable the  
25 true and fair value of each tract or lot of land listed for taxation  
26 and of each improvement located thereon and shall enter as the  
27 appraised value one hundred percent of the true and fair value of such  
28 land and (~~value of such~~) improvements, together with the total of  
29 such one hundred percent valuations, opposite each description of  
30 property on the assessment list and tax roll. The assessor shall  
31 determine the assessed value, under section 6 of this act, for each  
32 tract or lot of land listed for taxation, including improvements  
33 located thereon, and shall also enter this value opposite each  
34 description of property on the assessment list and tax roll.

35 The assessor shall make an alphabetical list of the names of all  
36 persons in the county liable to assessment of personal property, and  
37 require each person to make a correct list and statement of such

1 property according to the standard form prescribed by the department of  
2 revenue, which statement and list shall include, if required by the  
3 form, the year of acquisition and total original cost of personal  
4 property in each category of the prescribed form. However, the  
5 assessor may list and value improvements on publicly owned land in the  
6 same manner as real property is listed and valued, including  
7 conformance with the revaluation program required under chapter 84.41  
8 RCW. Such list and statement shall be filed on or before the last day  
9 of April. The assessor shall on or before the 1st day of January of  
10 each year mail, or electronically transmit, a notice to all such  
11 persons at their last known address that such statement and list is  
12 required. This notice must be accompanied by the form on which the  
13 statement or list is to be made. The notice mailed, or electronically  
14 transmitted, by the assessor to each taxpayer each year shall, if  
15 practicable, include the statement and list of personal property of the  
16 taxpayer for the preceding year. Upon receipt of such statement and  
17 list the assessor shall thereupon determine the true and fair value of  
18 the property included in such statement and enter one hundred percent  
19 of the same on the assessment roll opposite the name of the party  
20 assessed; and in making such entry in the assessment list, the assessor  
21 shall give the name and post office address of the party listing the  
22 property, and if the party resides in a city the assessor shall give  
23 the street and number or other brief description of the party's  
24 residence or place of business. The assessor may, after giving written  
25 notice of the action to the person to be assessed, add to the  
26 assessment list any taxable property which should be included in such  
27 list.

28 **Sec. 8.** RCW 84.40.045 and 2001 c 187 s 19 are each amended to read  
29 as follows:

30 The assessor shall give notice of any change in the (~~true and~~  
31 ~~fair~~) assessed value of real property for the tract or lot of land and  
32 any improvements thereon no later than thirty days after appraisal(~~(+~~  
33 ~~PROVIDED, That~~)). However, no such notice shall be mailed during the  
34 period from January 15 to February 15 of each year(~~(+—PROVIDED~~  
35 ~~FURTHER, That~~)) and no notice need be sent with respect to changes in  
36 valuation of forest land made pursuant to chapter 84.33 RCW.

1 The notice shall contain a statement of both the prior and the new  
2 (~~true and fair~~) appraised and assessed values, stating separately  
3 land and improvement appraised values, and a brief statement of the  
4 procedure for appeal to the board of equalization and the time, date,  
5 and place of the meetings of the board.

6 The notice shall be mailed by the assessor to the taxpayer.

7 If any taxpayer, as shown by the tax rolls, holds solely a security  
8 interest in the real property which is the subject of the notice,  
9 pursuant to a mortgage, contract of sale, or deed of trust, such  
10 taxpayer shall, upon written request of the assessor, supply, within  
11 thirty days of receipt of such request, to the assessor the name and  
12 address of the person making payments pursuant to the mortgage,  
13 contract of sale, or deed of trust, and thereafter such person shall  
14 also receive a copy of the notice provided for in this section.  
15 Willful failure to comply with such request within the time limitation  
16 provided for herein shall make such taxpayer subject to a maximum civil  
17 penalty of five thousand dollars. The penalties provided for herein  
18 shall be recoverable in an action by the county prosecutor, and when  
19 recovered shall be deposited in the county current expense fund. The  
20 assessor shall make the request provided for by this section during the  
21 month of January.

22 **Sec. 9.** RCW 84.41.041 and 2001 c 187 s 21 are each amended to read  
23 as follows:

24 Each county assessor shall cause taxable real property to be  
25 physically inspected and valued at least once every six years in  
26 accordance with RCW 84.41.030, and in accordance with a plan filed with  
27 and approved by the department of revenue. Such revaluation plan shall  
28 provide that a reasonable portion of all taxable real property within  
29 a county shall be revalued and these newly-determined values placed on  
30 the assessment rolls each year. The department may approve a plan that  
31 provides that all property in the county be revalued every two years.  
32 If the revaluation plan provides for physical inspection at least once  
33 each four years, during the intervals between each physical inspection  
34 of real property, the appraised valuation of such property may be  
35 adjusted to its current true and fair value, such adjustments to be  
36 based upon appropriate statistical data. If the revaluation plan  
37 provides for physical inspection less frequently than once each four

1 years, during the intervals between each physical inspection of real  
2 property, the appraised valuation of such property shall be adjusted to  
3 its current true and fair value, such adjustments to be made once each  
4 year and to be based upon appropriate statistical data. If the  
5 appraised valuation is changed, the assessed value shall be  
6 recalculated under section 6 of this act.

7 The assessor may require property owners to submit pertinent data  
8 respecting taxable property in their control including data respecting  
9 any sale or purchase of said property within the past five years, the  
10 cost and characteristics of any improvement on the property and other  
11 facts necessary for appraisal of the property.

12 **Sec. 10.** RCW 84.48.010 and 2001 c 187 s 22 are each amended to  
13 read as follows:

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

35 First. They shall raise the appraised valuation of each tract or  
36 lot or item of real property which is returned below its true and fair  
37 value to such price or sum as to be the true and fair value thereof and

1 raise the assessed valuation of each tract or lot or item of real  
2 property which is returned below its correct amount to the correct  
3 amount, after at least five days' notice shall have been given in  
4 writing to the owner or agent.

5 Second. They shall reduce the appraised valuation of each tract or  
6 lot or item which is returned above its true and fair value to such  
7 price or sum as to be the true and fair value thereof and reduce the  
8 assessed valuation of each tract or lot or item of real property which  
9 is returned above its correct amount to the correct amount.

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

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

25 Fifth. The board may review all claims for either real or personal  
26 property tax exemption as determined by the county assessor, and shall  
27 consider any taxpayer appeals from the decision of the assessor thereon  
28 to determine (1) if the taxpayer is entitled to an exemption, and (2)  
29 if so, the amount thereof.

30 The clerk of the board shall keep an accurate journal or record of  
31 the proceedings and orders of said board showing the facts and evidence  
32 upon which their action is based, and the said record shall be  
33 published the same as other proceedings of county legislative  
34 authority, and shall make a true record of the changes of the  
35 descriptions and (~~assessed~~) appraised values ordered by the county  
36 board of equalization. The assessor shall recalculate assessed values  
37 and correct the real and personal assessment rolls in accordance with  
38 the changes made by the said county board of equalization, and the

1 assessor shall make duplicate abstracts of such corrected values, one  
2 copy of which shall be retained in the office, and one copy forwarded  
3 to the department of revenue on or before the eighteenth day of August  
4 next following the meeting of the county board of equalization.

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

13 No taxes, except special taxes, shall be extended upon the tax  
14 rolls until the property valuations are equalized by the department of  
15 revenue for the purpose of raising the state revenue.

16 County legislative authorities as such shall at no time have any  
17 authority to change the valuation of the property of any person or to  
18 release or commute in whole or in part the taxes due on the property of  
19 any person.

20 **Sec. 11.** RCW 84.48.065 and 2001 c 187 s 23 are each amended to  
21 read as follows:

22 (1) The county assessor or treasurer may cancel or correct  
23 assessments on the assessment or tax rolls which are erroneous due to  
24 manifest errors in description, double assessments, clerical errors in  
25 extending the rolls, clerical errors in calculating the assessed value  
26 under section 6 of this act, and such manifest errors in the listing of  
27 the property which do not involve a revaluation of property, except in  
28 the case that a taxpayer produces proof that an authorized land use  
29 authority has made a definitive change in the property's land use  
30 designation. In such a case, correction of the assessment or tax rolls  
31 may be made notwithstanding the fact that the action involves a  
32 revaluation of property. Manifest errors that do not involve a  
33 revaluation of property include the assessment of property exempted by  
34 law from taxation or the failure to deduct the exemption allowed by law  
35 to the head of a family. When the county assessor cancels or corrects  
36 an assessment, the assessor shall send a notice to the taxpayer in  
37 accordance with RCW 84.40.045, advising the taxpayer that the action

1 has been taken and notifying the taxpayer of the right to appeal the  
2 cancellation or correction to the county board of equalization, in  
3 accordance with RCW 84.40.038. When the county assessor or treasurer  
4 cancels or corrects an assessment, a record of such action shall be  
5 prepared, setting forth therein the facts relating to the error. The  
6 record shall also set forth by legal description all property belonging  
7 exclusively to the state, any county, or any municipal corporation  
8 whose property is exempt from taxation, upon which there remains,  
9 according to the tax roll, any unpaid taxes. No manifest error  
10 cancellation or correction, including a cancellation or correction made  
11 due to a definitive change of land use designation, shall be made for  
12 any period more than three years preceding the year in which the error  
13 is discovered.

14 (2)(a) In the case of a definitive change of land use designation,  
15 an assessor shall make corrections that involve a revaluation of  
16 property to the assessment roll when:

17 (i) The assessor and taxpayer have signed an agreement as to the  
18 true and fair value of the taxpayer's property setting forth in the  
19 agreement the valuation information upon which the agreement is based;  
20 and

21 (ii) The assessment roll has previously been certified in  
22 accordance with RCW 84.40.320.

23 (b) In all other cases, an assessor shall make corrections that  
24 involve a revaluation of property to the assessment roll when:

25 (i) The assessor and taxpayer have signed an agreement as to the  
26 true and fair value of the taxpayer's property setting forth in the  
27 agreement the valuation information upon which the agreement is based;  
28 and

29 (ii) The following conditions are met:

30 (A) The assessment roll has previously been certified in accordance  
31 with RCW 84.40.320;

32 (B) The taxpayer has timely filed a petition with the county board  
33 of equalization pursuant to RCW 84.40.038 for the current assessment  
34 year;

35 (C) The county board of equalization has not yet held a hearing on  
36 the merits of the taxpayer's petition.

37 (3) The assessor shall issue a supplementary roll or rolls  
38 including such cancellations and corrections, and the assessment and

1 levy shall have the same force and effect as if made in the first  
2 instance, and the county treasurer shall proceed to collect the taxes  
3 due on the rolls as modified.

4 **Sec. 12.** RCW 84.48.075 and 2001 c 187 s 24 are each amended to  
5 read as follows:

6 (1) The department of revenue shall annually, prior to the first  
7 Monday in September, determine and submit to each assessor a  
8 preliminary indicated ratio for each county(~~(:—PROVIDED, That)~~). The  
9 department shall establish rules and regulations pertinent to the  
10 determination of the indicated ratio, the indicated real property  
11 ratio, and the indicated personal property ratio(~~(:—PROVIDED FURTHER,~~  
12 ~~That)~~). These rules and regulations may provide that data, as is  
13 necessary for said determination, which is available from the county  
14 assessor of any county and which has been audited as to its validity by  
15 the department, shall be utilized by the department in determining the  
16 indicated ratio.

17 (2) To such extent as is reasonable, the department may define use  
18 classes of property for the purposes of determination of the indicated  
19 ratio. Such use classes may be defined with respect to property use  
20 and may include agricultural, open space, timber and forest lands.

21 (3) The department shall review each county's preliminary ratio  
22 with the assessor, a landowner, or an owner of an intercounty public  
23 utility or private car company of that county, if requested by the  
24 assessor, a landowner, or an owner of an intercounty public utility or  
25 private car company of that county, respectively, between the first and  
26 third Mondays of September. Prior to equalization of assessments  
27 pursuant to RCW 84.48.080 and after the third Monday of September, the  
28 department shall certify to each county assessor the real and personal  
29 property ratio for that county.

30 (4) The department of revenue shall also examine procedures used by  
31 the assessor to assess real and personal property in the county,  
32 including calculations, use of prescribed value schedules, and efforts  
33 to locate all taxable property in the county. If any examination by  
34 the department discloses other than market value is being listed as  
35 appraised value on the county assessment rolls of the county by the  
36 assessor and, after due notification by the department, is not  
37 corrected, the department of revenue shall, in accordance with rules

1 adopted by the department, adjust the ratio of that type of property,  
2 which adjustment shall be used for determining the county's indicated  
3 ratio.

4 **Sec. 13.** RCW 84.48.080 and 2001 c 185 s 12 are each amended to  
5 read as follows:

6 (1) Annually during the months of September and October, the  
7 department of revenue shall examine and compare the returns of the  
8 assessment of the property in the several counties of the state, and  
9 the assessment of the property of railroad and other companies assessed  
10 by the department, and proceed to equalize the same, so that each  
11 county in the state shall pay its due and just proportion of the taxes  
12 for state purposes for such assessment year, according to the ratio the  
13 assessed valuation of the property in each county bears to the correct  
14 total assessed valuation of all property in the state.

15 (a) The department shall classify all property, real and personal,  
16 and shall raise and lower the assessed valuation of any class of  
17 property in any county to a value that shall be equal, so far as  
18 possible, to the (~~true and fair~~) correct assessed value of such class  
19 as of January 1st of the current year, after determining the correct  
20 appraised value, and any adjustment applicable under section 6 of this  
21 act for the property for the purpose of ascertaining the just amount of  
22 tax due from each county for state purposes. In equalizing personal  
23 property as of January 1st of the current year, the department shall  
24 use valuation data with respect to personal property from the three  
25 years immediately preceding the current assessment year in a manner it  
26 deems appropriate. Such classification may be on the basis of types of  
27 property, geographical areas, or both. For purposes of this section,  
28 for each county that has not provided the department with an assessment  
29 return by December 1st, the department shall proceed, using facts and  
30 information and in a manner it deems appropriate, to estimate the value  
31 of each class of property in the county.

32 (b) The department shall keep a full record of its proceedings and  
33 the same shall be published annually by the department.

34 (2) The department shall levy the state taxes authorized by law.  
35 The amount levied in any one year for general state purposes shall not  
36 exceed the lawful dollar rate on the dollar of the assessed value of  
37 the property of the entire state, (~~which assessed value shall be one~~

1 ~~hundred percent of the true and fair value of the property in money))~~  
2 as equalized under this section. The department shall apportion the  
3 amount of tax for state purposes levied by the department, among the  
4 several counties, in proportion to the valuation of the taxable  
5 property of the county for the year as equalized by the department(~~(+~~  
6 ~~PROVIDED, That~~)). For purposes of this apportionment, the department  
7 shall recompute the previous year's levy and the apportionment thereof  
8 to correct for changes and errors in taxable values reported to the  
9 department after October 1 of the preceding year and shall adjust the  
10 apportioned amount of the current year's state levy for each county by  
11 the difference between the apportioned amounts established by the  
12 original and revised levy computations for the previous year. For  
13 purposes of this section, changes in taxable values mean a final  
14 adjustment made by a county board of equalization, the state board of  
15 tax appeals, or a court of competent jurisdiction and shall include  
16 additions of omitted property, other additions or deletions from the  
17 assessment or tax rolls, any assessment return provided by a county to  
18 the department subsequent to December 1st, or a change in the indicated  
19 ratio of a county. Errors in taxable values mean errors corrected by  
20 a final reviewing body.

21 ~~((In addition to computing a levy under this subsection that is~~  
22 ~~reduced under RCW 84.55.012, the department shall compute a~~  
23 ~~hypothetical levy without regard to the reduction under RCW 84.55.012.~~  
24 ~~This hypothetical levy shall also be apportioned among the several~~  
25 ~~counties in proportion to the valuation of the taxable property of the~~  
26 ~~county for the year, as equalized by the department, in the same manner~~  
27 ~~as the actual levy and shall be used by the county assessors for the~~  
28 ~~purpose of recomputing and establishing a consolidated levy under RCW~~  
29 ~~84.52.010.))~~

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

34 (4) After the completion of the duties prescribed in this section,  
35 the director of the department shall certify the record of the  
36 proceedings of the department under this section, the tax levies made  
37 for state purposes and the apportionment thereof among the counties,  
38 and the certification shall be available for public inspection.

1       **Sec. 14.** RCW 84.12.280 and 2001 c 187 s 4 are each amended to read  
2 as follows:

3       (1) In making the assessment of the operating property of any  
4 railroad or logging railroad company and in the apportionment of the  
5 values and the taxation thereof, all land occupied and claimed  
6 exclusively as the right-of-way for railroads, with all the tracks and  
7 substructures and superstructures which support the same, together with  
8 all side tracks, second tracks, turn-outs, station houses, depots,  
9 round houses, machine shops, or other buildings belonging to the  
10 company, used in the operation thereof, without separating the same  
11 into land and improvements, shall be assessed as real property.  
12 ~~((And))~~ The rolling stock and other movable property belonging to any  
13 railroad or logging railroad company shall be considered as personal  
14 property and taxed as such~~((:—PROVIDED, That))~~. However, all of the  
15 operating property of street railway companies shall be assessed and  
16 taxed as personal property.

17       (2) All of the operating property of airplane companies, telegraph  
18 companies, pipe line companies, and all of the operating property other  
19 than lands and buildings of electric light and power companies,  
20 telephone companies, and gas companies shall be assessed and taxed as  
21 personal property.

22       (3) Notwithstanding subsections (1) and (2) of this section, the  
23 limit provided under section 6 of this act shall be applied in the  
24 assessment of property under this section to the same extent as that  
25 limit is generally applied to property not assessed under this chapter.

26       **Sec. 15.** RCW 84.12.310 and 2001 c 187 s 5 are each amended to read  
27 as follows:

28       For the purpose of determining the system value of the operating  
29 property of any such company, the department of revenue shall deduct  
30 from the ~~((true and fair))~~ assessed value of the total assets of such  
31 company, the ~~((actual cash))~~ assessed value of all nonoperating  
32 property owned by such company. For such purpose the department of  
33 revenue may require of the assessors of the various counties within  
34 this state a detailed list of such company's properties assessed by  
35 them, together with the assessable or assessed value thereof~~((:—~~  
36 ~~PROVIDED, That))~~. However, such assessed or assessable value shall be

1 advisory only and not conclusive on the department of revenue as to the  
2 value thereof.

3 **Sec. 16.** RCW 84.12.330 and 2001 c 187 s 6 are each amended to read  
4 as follows:

5 Upon the assessment roll shall be placed after the name of each  
6 company a general description of the operating property of the company,  
7 which shall be considered sufficient if described in the language of  
8 RCW 84.12.200(12), as applied to the company, following which shall be  
9 entered the (~~true and fair~~) assessed value of the operating property  
10 as determined by the department of revenue. No assessment shall be  
11 invalidated by reason of a mistake in the name of the company assessed,  
12 or the omission of the name of the owner or by the entry as owner of a  
13 name other than that of the true owner. When the department of revenue  
14 shall have prepared the assessment roll and entered thereon the (~~true  
15 and fair~~) assessed value of the operating property of the company, as  
16 herein required, it shall notify the company by mail of the valuation  
17 determined by it and entered upon the roll.

18 **Sec. 17.** RCW 84.12.350 and 2001 c 187 s 7 are each amended to read  
19 as follows:

20 Upon determination by the department of revenue of the (~~true and  
21 fair~~) assessed value of the property appearing on such rolls it shall  
22 apportion such value to the respective counties entitled thereto, as  
23 hereinafter provided, and shall determine the equalized assessed  
24 valuation of such property in each such county and in the several  
25 taxing districts therein, by applying to such actual apportioned value  
26 the same ratio as the ratio of assessed to (~~actual~~) the corrected  
27 assessed value of the general property in such county(~~(:—PROVIDED,  
28 That,)~~). However, whenever the amount of the (~~true and fair~~)  
29 assessed value of the operating property of any company otherwise  
30 apportionable to any county or other taxing district shall be less than  
31 two hundred fifty dollars, such amount need not be apportioned to such  
32 county or taxing district but may be added to the amount apportioned to  
33 an adjacent county or taxing district.

34 **Sec. 18.** RCW 84.12.360 and 2001 c 187 s 8 are each amended to read  
35 as follows:

1       The (~~true and fair~~) assessed value of the operating property  
2 assessed to a company, as fixed and determined by the department of  
3 revenue, shall be apportioned by the department of revenue to the  
4 respective counties and to the taxing districts thereof wherein such  
5 property is located in the following manner:

6       (1) Property of all railroad companies other than street railroad  
7 companies, telegraph companies and pipe line companies--upon the basis  
8 of that proportion of the value of the total operating property within  
9 the state which the mileage of track, as classified by the department  
10 of revenue (in case of railroads), mileage of wire (in the case of  
11 telegraph companies), and mileage of pipe line (in the case of pipe  
12 line companies) within each county or taxing district bears to the  
13 total mileage thereof within the state, at the end of the calendar year  
14 last past. For the purpose of such apportionment the department may  
15 classify railroad track.

16       (2) Property of street railroad companies, telephone companies,  
17 electric light and power companies, and gas companies--upon the basis  
18 of relative value of the operating property within each county and  
19 taxing district to the value of the total operating property within the  
20 state to be determined by such factors as the department of revenue  
21 shall deem proper.

22       (3) Planes or other aircraft of airplane companies--upon the basis  
23 of such factor or factors of allocation, to be determined by the  
24 department of revenue, as will secure a substantially fair and  
25 equitable division between counties and other taxing districts.

26       All other property of airplane companies--upon the basis set forth  
27 in subsection (2) of this section.

28       The basis of apportionment with reference to all public utility  
29 companies above prescribed shall not be deemed exclusive and the  
30 department of revenue in apportioning values of such companies may also  
31 take into consideration such other information, facts, circumstances,  
32 or allocation factors as will enable it to make a substantially just  
33 and correct valuation of the operating property of such companies  
34 within the state and within each county thereof.

35       **Sec. 19.** RCW 84.16.040 and 2001 c 187 s 9 are each amended to read  
36 as follows:

37       The department of revenue shall annually make an assessment of the

1 operating property of each private car company; and between the first  
2 day of May and the first day of July of each year shall prepare an  
3 assessment roll upon which it shall enter (~~(and assess)~~) the (~~(true and~~  
4 ~~fair)~~) assessed value of all the operating property of each of such  
5 companies as of the first day of January of the year in which the  
6 assessment is made. For the purpose of determining the (~~(true and~~  
7 ~~fair)~~) assessed value of such property the department of revenue may  
8 take into consideration any information or knowledge obtained by it  
9 from an examination and inspection of such property, or of the books,  
10 records, and accounts of such companies, the statements filed as  
11 required by this chapter, the reports, statements, or returns of such  
12 companies filed in the office of any board, office, or commission of  
13 this state or any county thereof, the earnings and earning power of  
14 such companies, the franchises owned or used by such companies, the  
15 true and fair valuation of any and all property of such companies,  
16 whether operating property or nonoperating property, and whether  
17 situated within or without the state, and any other facts, evidences,  
18 or information that may be obtainable bearing upon the value of the  
19 operating property(~~(:—PROVIDED, That)~~). However, in no event shall  
20 any statement or report required from any company by this chapter be  
21 conclusive upon the department of revenue in determining the amount,  
22 character, and true and fair value of the operating property of such  
23 company.

24 **Sec. 20.** RCW 84.16.050 and 2001 c 187 s 10 are each amended to  
25 read as follows:

26 The department of revenue may, in determining the (~~(true and fair)~~)  
27 assessed value of the operating property to be placed on the assessment  
28 roll value the entire property as a unit. If the company owns, leases,  
29 operates or uses property partly within and partly without the state,  
30 the department of revenue may determine the value of the operating  
31 property within this state by the proportion that the value of such  
32 property bears to the value of the entire operating property of the  
33 company, both within and without this state. In determining the  
34 operating property which is located within this state the department of  
35 revenue may consider and base such determination on the proportion  
36 which the number of car miles of the various classes of cars made in  
37 this state bears to the total number of car miles made by the same cars

1 within and without this state, or to the total number of car miles made  
2 by all cars of the various classes within and without this state. If  
3 the value of the operating property of the company cannot be fairly  
4 determined in such manner the department of revenue may use any other  
5 reasonable and fair method to determine the value of the operating  
6 property of the company within this state.

7 **Sec. 21.** RCW 84.16.090 and 2001 c 187 s 11 are each amended to  
8 read as follows:

9 Upon the assessment roll shall be placed after the name of each  
10 company a general description of the operating property of the company,  
11 which shall be considered sufficient if described in the language of  
12 RCW 84.16.010(3) or otherwise, following which shall be entered the  
13 (~~true and fair~~) assessed value of the operating property as  
14 determined by the department of revenue. No assessment shall be  
15 invalid by a mistake in the name of the company assessed, by omission  
16 of the name of the owner or by the entry of a name other than that of  
17 the true owner. When the department of revenue shall have prepared the  
18 assessment roll and entered thereon the (~~true and fair~~) assessed  
19 value of the operating property of the company, as required, it shall  
20 notify the company by mail of the valuation determined by it and  
21 entered upon the roll; and thereupon such valuation shall become the  
22 (~~true and fair~~) assessed value of the operating property of the  
23 company, subject to revision or correction by the department of revenue  
24 as hereinafter provided; and shall be the valuation upon which, after  
25 equalization by the department of revenue as hereinafter provided, the  
26 taxes of such company shall be based and computed.

27 **Sec. 22.** RCW 84.16.110 and 2001 c 187 s 12 are each amended to  
28 read as follows:

29 Upon determination by the department of revenue of the true and  
30 (~~fair~~) correct assessed value of the property appearing on such rolls  
31 the department shall apportion such value to the respective counties  
32 entitled thereto as hereinafter provided, and shall determine the  
33 equalized or assessed valuation of such property in such counties by  
34 applying to such actual apportioned value the same ratio as the ratio  
35 of assessed to (~~actual~~) corrected assessed value of the general  
36 property of the respective counties(~~(: PROVIDED, That,)~~). However,

1 whenever the amount of the true and (~~fair~~) correct assessed value of  
2 the operating property of any company otherwise apportionable to any  
3 county shall be less than two hundred fifty dollars, such amount need  
4 not be apportioned to such county but may be added to the amount  
5 apportioned to an adjacent county.

6 **Sec. 23.** RCW 84.16.120 and 2001 c 187 s 13 are each amended to  
7 read as follows:

8 The (~~true and fair~~) assessed value of the property of each  
9 company as fixed and determined by the department of revenue as herein  
10 provided shall be apportioned to the respective counties in the  
11 following manner:

12 (1) If all the operating property of the company is situated  
13 entirely within a county and none of such property is located within,  
14 extends into, or through or is operated into or through any other  
15 county, the entire value thereof shall be apportioned to the county  
16 within which such property is situated, located, and operated.

17 (2) If the operating property of any company is situated or located  
18 within, extends into or is operated into or through more than one  
19 county, the value thereof shall be apportioned to the respective  
20 counties into or through which its cars are operated in the proportion  
21 that the length of main line track of the respective railroads moving  
22 such cars in such counties bears to the total length of main line track  
23 of such respective railroads in this state.

24 (3) If the property of any company is of such character that it  
25 will not be reasonable, feasible or fair to apportion the value as  
26 hereinabove provided, the value thereof shall be apportioned between  
27 the respective counties into or through which such property extends or  
28 is operated or in which the same is located in such manner as may be  
29 reasonable, feasible and fair.

30 **Sec. 24.** RCW 84.36.041 and 2001 c 187 s 14 are each amended to  
31 read as follows:

32 (1) All real and personal property used by a nonprofit home for the  
33 aging that is reasonably necessary for the purposes of the home is  
34 exempt from taxation if the benefit of the exemption inures to the home  
35 and:

1 (a) At least fifty percent of the occupied dwelling units in the  
2 home are occupied by eligible residents; or

3 (b) The home is subsidized under a federal department of housing  
4 and urban development program. The department of revenue shall provide  
5 by rule a definition of homes eligible for exemption under this  
6 subsection (1)(b), consistent with the purposes of this section.

7 (2) All real and personal property used by a nonprofit home for the  
8 aging that is reasonably necessary for the purposes of the home is  
9 exempt from taxation if the benefit of the exemption inures to the home  
10 and the construction, rehabilitation, acquisition, or refinancing of  
11 the home is financed under a program using bonds exempt from federal  
12 income tax if at least seventy-five percent of the total amount  
13 financed uses the tax exempt bonds and the financing program requires  
14 the home to reserve a percentage of all dwelling units so financed for  
15 low-income residents. The initial term of the exemption under this  
16 subsection shall equal the term of the tax exempt bond used in  
17 connection with the financing program, or the term of the requirement  
18 to reserve dwelling units for low-income residents, whichever is  
19 shorter. If the financing program involves less than the entire home,  
20 only those dwelling units included in the financing program are  
21 eligible for total exemption. The department of revenue shall provide  
22 by rule the requirements for monitoring compliance with the provisions  
23 of this subsection and the requirements for exemption including:

24 (a) The number or percentage of dwelling units required to be  
25 occupied by low-income residents, and a definition of low income;

26 (b) The type and character of the dwelling units, whether  
27 independent units or otherwise; and

28 (c) Any particular requirements for continuing care retirement  
29 communities.

30 (3) A home for the aging is eligible for a partial exemption on the  
31 real property and a total exemption for the home's personal property if  
32 the home does not meet the requirements of subsection (1) of this  
33 section because fewer than fifty percent of the occupied dwelling units  
34 are occupied by eligible residents, as follows:

35 (a) A partial exemption shall be allowed for each dwelling unit in  
36 a home occupied by a resident requiring assistance with activities of  
37 daily living.

1 (b) A partial exemption shall be allowed for each dwelling unit in  
2 a home occupied by an eligible resident.

3 (c) A partial exemption shall be allowed for an area jointly used  
4 by a home for the aging and by a nonprofit organization, association,  
5 or corporation currently exempt from property taxation under one of the  
6 other provisions of this chapter. The shared area must be reasonably  
7 necessary for the purposes of the nonprofit organization, association,  
8 or corporation exempt from property taxation under one of the other  
9 provisions of this chapter, such as kitchen, dining, and laundry areas.

10 (d) The amount of exemption shall be calculated by multiplying the  
11 assessed value of the property reasonably necessary for the purposes of  
12 the home, less the assessed value of any area exempt under (c) of this  
13 subsection, by a fraction. The numerator of the fraction is the number  
14 of dwelling units occupied by eligible residents and by residents  
15 requiring assistance with activities of daily living. The denominator  
16 of the fraction is the total number of occupied dwelling units as of  
17 December 31st of the first assessment year the home becomes operational  
18 for which exemption is claimed and January 1st of each subsequent  
19 assessment year for which exemption is claimed.

20 (4) To be exempt under this section, the property must be used  
21 exclusively for the purposes for which the exemption is granted, except  
22 as provided in RCW 84.36.805.

23 (5) A home for the aging is exempt from taxation only if the  
24 organization operating the home is exempt from income tax under section  
25 501(c) of the federal internal revenue code as existing on January 1,  
26 1989, or such subsequent date as the director may provide by rule  
27 consistent with the purposes of this section.

28 (6) In order for the home to be eligible for exemption under  
29 subsections (1)(a) and (3)(b) of this section, each eligible resident  
30 of a home for the aging shall submit an income verification form to the  
31 county assessor by July 1st of the assessment year for which exemption  
32 is claimed. However, during the first year a home becomes operational,  
33 the county assessor shall accept income verification forms from  
34 eligible residents up to December 31st of the assessment year. The  
35 income verification form shall be prescribed and furnished by the  
36 department of revenue. An eligible resident who has filed a form for  
37 a previous year need not file a new form until there is a change in  
38 status affecting the person's eligibility.

1 (7) In determining the (~~true and fair~~) assessed value of a home  
2 for the aging for purposes of the partial exemption provided by  
3 subsection (3) of this section, the assessor shall apply the  
4 computation method provided by RCW 84.34.060 and shall consider only  
5 the use to which such property is applied during the years for which  
6 such partial exemptions are available and shall not consider potential  
7 uses of such property.

8 (8) As used in this section:

9 (a) "Eligible resident" means a person who:

10 (i) Occupied the dwelling unit as a principal place of residence as  
11 of December 31st of the first assessment year the home becomes  
12 operational. In each subsequent year, the eligible resident must  
13 occupy the dwelling unit as a principal place of residence as of  
14 January 1st of the assessment year for which the exemption is claimed.  
15 Confinement of the person to a hospital or nursing home does not  
16 disqualify the claim of exemption if the dwelling unit is temporarily  
17 unoccupied or if the dwelling unit is occupied by a spouse, a person  
18 financially dependent on the claimant for support, or both; and

19 (ii) Is sixty-one years of age or older on December 31st of the  
20 year in which the exemption claim is filed, or is, at the time of  
21 filing, retired from regular gainful employment by reason of physical  
22 disability. Any surviving spouse of a person who was receiving an  
23 exemption at the time of the person's death shall qualify if the  
24 surviving spouse is fifty-seven years of age or older and otherwise  
25 meets the requirements of this subsection; and

26 (iii) Has a combined disposable income of no more than the greater  
27 of twenty-two thousand dollars or eighty percent of the median income  
28 adjusted for family size as most recently determined by the federal  
29 department of housing and urban development for the county in which the  
30 person resides. For the purposes of determining eligibility under this  
31 section, a "cotenant" means a person who resides with an eligible  
32 resident and who shares personal financial resources with the eligible  
33 resident.

34 (b) "Combined disposable income" means the disposable income of the  
35 person submitting the income verification form, plus the disposable  
36 income of his or her spouse, and the disposable income of each cotenant  
37 occupying the dwelling unit for the preceding calendar year, less  
38 amounts paid by the person submitting the income verification form or

1 his or her spouse or cotenant during the previous year for the  
2 treatment or care of either person received in the dwelling unit or in  
3 a nursing home. If the person submitting the income verification form  
4 was retired for two months or more of the preceding year, the combined  
5 disposable income of such person shall be calculated by multiplying the  
6 average monthly combined disposable income of such person during the  
7 months such person was retired by twelve. If the income of the person  
8 submitting the income verification form is reduced for two or more  
9 months of the preceding year by reason of the death of the person's  
10 spouse, the combined disposable income of such person shall be  
11 calculated by multiplying the average monthly combined disposable  
12 income of such person after the death of the spouse by twelve.

13 (c) "Disposable income" means adjusted gross income as defined in  
14 the federal internal revenue code, as amended prior to January 1, 1989,  
15 or such subsequent date as the director may provide by rule consistent  
16 with the purpose of this section, plus all of the following items to  
17 the extent they are not included in or have been deducted from adjusted  
18 gross income:

19 (i) Capital gains, other than gain excluded from income under  
20 section 121 of the federal internal revenue code to the extent it is  
21 reinvested in a new principal residence;

22 (ii) Amounts deducted for loss;

23 (iii) Amounts deducted for depreciation;

24 (iv) Pension and annuity receipts;

25 (v) Military pay and benefits other than attendant-care and  
26 medical-aid payments;

27 (vi) Veterans benefits other than attendant-care and medical-aid  
28 payments;

29 (vii) Federal social security act and railroad retirement benefits;

30 (viii) Dividend receipts; and

31 (ix) Interest received on state and municipal bonds.

32 (d) "Resident requiring assistance with activities of daily living"  
33 means a person who requires significant assistance with the activities  
34 of daily living and who would be at risk of nursing home placement  
35 without this assistance.

36 (e) "Home for the aging" means a residential housing facility that

37 (i) provides a housing arrangement chosen voluntarily by the resident,  
38 the resident's guardian or conservator, or another responsible person;

1 (ii) has only residents who are at least sixty-one years of age or who  
2 have needs for care generally compatible with persons who are at least  
3 sixty-one years of age; and (iii) provides varying levels of care and  
4 supervision, as agreed to at the time of admission or as determined  
5 necessary at subsequent times of reappraisal.

6 (9) A for-profit home for the aging that converts to nonprofit  
7 status after June 11, 1992, and would otherwise be eligible for tax  
8 exemption under this section may not receive the tax exemption until  
9 five years have elapsed since the conversion. The exemption shall then  
10 be ratably granted over the next five years.

11 **Sec. 25.** RCW 84.52.063 and 2001 c 187 s 25 are each amended to  
12 read as follows:

13 A rural library district may impose a regular property tax levy in  
14 an amount equal to that which would be produced by a levy of fifty  
15 cents per thousand dollars of assessed value multiplied by an equalized  
16 assessed valuation (~~(equal to one hundred percent of the true and fair~~  
17 ~~value of the taxable property in the rural library district)),~~ as  
18 determined by the department of revenue's indicated county ratio(~~(+~~  
19 ~~PROVIDED, That))~~). However, when any county assessor shall find that  
20 the aggregate rate of levy on any property will exceed the limitation  
21 set forth in RCW 84.52.043 and 84.52.050, as now or hereafter amended,  
22 before recomputing and establishing a consolidated levy in the manner  
23 set forth in RCW 84.52.010, the assessor shall first reduce the levy of  
24 any rural library district, by such amount as may be necessary, but the  
25 levy of any rural library district shall not be reduced to less than  
26 fifty cents per thousand dollars against the value of the taxable  
27 property, as determined by the county, prior to any further adjustments  
28 pursuant to RCW 84.52.010. For purposes of this section "regular  
29 property tax levy" shall mean a levy subject to the limitations  
30 provided for in Article VII, section 2 of the state Constitution and/or  
31 by statute.

32 **Sec. 26.** RCW 84.70.010 and 2005 c 56 s 1 are each amended to read  
33 as follows:

34 (1) If, on or before December 31 in any calendar year, any real or  
35 personal property placed upon the assessment roll of that year is  
36 destroyed in whole or in part, or is in an area that has been declared

1 a disaster area by the governor or the county legislative authority and  
2 has been reduced in value by more than twenty percent as a result of a  
3 natural disaster, the (~~true and fair~~) assessed value of such property  
4 shall be reduced for that assessment year by an amount determined by  
5 taking the (~~true and fair~~) assessed value of such taxable property  
6 before destruction or reduction in value and deduct therefrom the true  
7 and fair value of the remaining property after destruction or reduction  
8 in value.

9 (2) Taxes levied for collection in the year in which the (~~true and~~  
10 ~~fair~~) assessed value has been reduced under subsection (1) of this  
11 section shall be abated in whole or in part as provided in this  
12 subsection. The amount of taxes to be abated shall be determined by  
13 first multiplying the amount deducted from the (~~true and fair~~)  
14 assessed value under subsection (1) of this section by the rate of levy  
15 applicable to the property in the tax year. Then divide the product by  
16 the number of days in the year and multiply the quotient by the number  
17 of days remaining in the calendar year after the date of the  
18 destruction or reduction in value of the property. If taxes abated  
19 under this section have been paid, the amount paid shall be refunded  
20 under RCW 84.69.020. The tax relief provided for in this section for  
21 the tax year in which the damage or destruction occurred does not apply  
22 to property damaged or destroyed voluntarily.

23 (3) No reduction in the (~~true and fair~~) assessed value or  
24 abatements shall be made more than three years after the date of  
25 destruction or reduction in value.

26 (4) The assessor shall make such reduction on his or her own  
27 motion; however, the taxpayer may make application for reduction on  
28 forms prepared by the department and provided by the assessor. The  
29 assessor shall notify the taxpayer of the amount of reduction.

30 (5) If destroyed property is replaced prior to the valuation dates  
31 contained in RCW 36.21.080 and 36.21.090, the total taxable value for  
32 that assessment year shall not exceed the value as of the appropriate  
33 valuation date in RCW 36.21.080 or 36.21.090, whichever is appropriate.

34 (6) The taxpayer may appeal the amount of reduction to the county  
35 board of equalization in accordance with the provisions of RCW  
36 84.40.038. The board shall reconvene, if necessary, to hear the  
37 appeal.

1        NEW SECTION.    **Sec. 27.**    This act takes effect January 1, 2010, if  
2    the proposed amendment to Article VII of the state Constitution  
3    authorizing the legislature to limit the rate of property valuation  
4    increases (SJR .... (S-4844.1/08)) is validly submitted to and is  
5    approved and ratified by the voters at the next general election. If  
6    the proposed amendment is not approved and ratified, this act is void  
7    in its entirety.

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