
HOUSE BILL 2238

State of Washington

52nd Legislature

1992 Regular Session

By Representatives Heavey, Horn, Rasmussen, G. Cole, G. Fisher, Haugen, Phillips, Cantwell, Valle, Roland, Jacobsen, Nelson, Scott, Mitchell, Wood, Paris, Pruitt, Morris, May, Winsley, Bray and Wineberry

Read first time 06/27/91. Referred to Committee on Revenue.

1 AN ACT Relating to improving property tax equity; creating new
2 sections; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that residential
5 property tax assessments have increased dramatically in recent years.
6 The legislature also finds that industrial and commercial property
7 values have not increased at the same rate. The resulting shift in
8 property burden from commercial and industrial property to residential
9 property threatens the ability of homeowners to remain in their homes
10 and prevents potential homeowners from purchasing homes. The
11 legislature recognizes that residential property is not purchased
12 primarily as an investment but provides the fundamental right of
13 shelter and stability for families and communities.

1 The legislature needs to examine the effects of this tax shift and
2 the need for replacing the current uniform assessment rules with a
3 system of assessing residential and nonresidential property as two
4 separate property classes. The legislature finds that it is in the
5 interest of good public policy and taxpayer equity to consider an
6 alternative assessment system.

7 NEW SECTION. **Sec. 2.** (1) The department of revenue shall
8 develop statistics on the following aspects of the property tax system:

9 (a) The relative share of residential property tax valuation and
10 nonresidential valuation by county for the assessment years of 1988,
11 1989, and 1990.

12 (b) The relative share of residential property tax burden and
13 nonresidential property tax burden by county for the assessment years
14 of 1988, 1989, and 1990.

15 (2) Recognizing that the amount of the tax shift will be greater in
16 some counties and less in others, and to minimize the impact on small
17 shift counties the department of revenue will develop alternative
18 proposals for separate assessment levels for residential and
19 nonresidential properties and estimate the tax impact of these
20 alternatives within each county for the state levy.

21 (3) The department of revenue shall study how to allow for a local
22 option by a county government in high shift counties to apply the same
23 factor to all local taxes in addition to the state levy.

24 (4) The department shall use a definition of residential property
25 that includes single family residences, mobile homes, houseboats,
26 multifamily residences, and residentially zoned land.

27 (5) The department shall report its findings to the appropriate
28 committees of the legislature by December 31, 1991.

1 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and shall take
4 effect immediately.