
HOUSE BILL 3089

State of Washington 61st Legislature 2010 Regular Session

By Representatives Orcutt, McCune, Pearson, Haler, and Kristiansen

Read first time 01/22/10. Referred to Committee on Finance.

1 AN ACT Relating to improving transparency and providing greater
2 information to property taxpayers; amending RCW 84.40.0301, 84.48.010,
3 29A.36.071, 29A.36.210, 84.52.054, 84.55.050, 84.40.045, and 84.56.330;
4 and creating new sections.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the current
7 administrative process for property taxes fails to adequately protect
8 taxpayers. Improving the transparency and fairness of the property tax
9 system will help increase taxpayer confidence that they are being
10 treated fairly. This act is intended to give greater taxpayer
11 protections in the appeals process and provide more information to
12 taxpayers so they can make informed decisions.

13 **Sec. 2.** RCW 84.40.0301 and 1994 c 301 s 35 are each amended to
14 read as follows:

15 Upon review by any court, or appellate body, of a determination of
16 the valuation of property for purposes of taxation, it (~~shall be~~
17 ~~presumed that the determination~~) is the burden of the public official

1 charged with the duty of establishing such value to show it is correct
2 (~~but this presumption shall not be a defense against any correction~~
3 ~~indicated by clear, cogent and convincing evidence~~)).

4 **Sec. 3.** RCW 84.48.010 and 2001 c 187 s 22 are each amended to read
5 as follows:

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

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

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

33 (~~Third-~~) (c) They (~~shall~~) must raise the valuation of each
34 class of personal property which is returned below its true and fair
35 value to such price or sum as to be the true and fair value thereof,
36 and they (~~shall~~) must raise the aggregate value of the personal
37 property of each individual whenever the aggregate value is less than

1 the true valuation of the taxable personal property possessed by such
2 individual, to such sum or amount as to be the true value thereof,
3 after at least five days' notice (~~((shall have been))~~) is given in
4 writing to the owner or agent thereof.

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

12 (~~((Fifth.))~~) (e) The board may review all claims for either real or
13 personal property tax exemption as determined by the county assessor,
14 and shall consider any taxpayer appeals from the decision of the
15 assessor thereon to determine (~~((+1+))~~) (i) if the taxpayer is entitled
16 to an exemption, and (~~((+2+))~~) (ii) if so, the amount thereof.

17 (2) For any real property equalized under this section, the board
18 must determine separate true and fair values for the land and each
19 improvement located thereon if so requested by the owner or person
20 responsible for payment of taxes on the property.

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

35 (4) The county board of equalization (~~((shall))~~) must meet on the
36 15th day of July and may continue in session and adjourn from time to
37 time during a period not to exceed four weeks, but (~~((shall))~~) must
38 remain in session not less than three days(~~((+---PROVIDED, That))~~).

1 However, the county board of equalization with the approval of the
2 county legislative authority may convene at any time when petitions
3 filed exceed twenty-five, or ten percent of the number of appeals filed
4 in the preceding year, whichever is greater.

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

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

12 **Sec. 4.** RCW 29A.36.071 and 2006 c 311 s 9 are each amended to read
13 as follows:

14 (1) Except as provided to the contrary in RCW 82.14.036, 82.46.021,
15 or 82.80.090, the ballot title of any referendum filed on an enactment
16 or portion of an enactment of a local government and any other question
17 submitted to the voters of a local government consists of three
18 elements: (a) An identification of the enacting legislative body and
19 a statement of the subject matter; (b) a concise description of the
20 measure; and (c) a question. If the referendum or question relates to
21 a property tax levy, the ballot title must state that the levy is new
22 or a replacement and include a comparison of the financial impact from
23 a taxing district's prior year levy, if any, and the current ballot, in
24 both dollar and percentage change terms. Ballot questions related to
25 multiple year levies must include an estimate of the financial impact
26 in the first year of the proposed levy as compared to the taxing
27 district's prior year levy, if any, in both dollar and percentage
28 terms. Ballot questions under RCW 84.55.050 must include an estimate
29 of the financial impact in the first year of the levy increase as
30 compared to the taxing district's last levy, in both dollar and
31 percentage terms. For all ballot titles relating to a property tax
32 levy, with the exception of specific levy rate questions posed under
33 RCW 84.55.050, any indicated levy rate must be described as advisory
34 only. The ballot title must conform with the requirements and be
35 displayed substantially as provided under RCW 29A.72.050, except that
36 the concise description must not exceed (~~seventy-five~~) eighty-five
37 words; however, a concise description submitted on behalf of a proposed

1 or existing regional transportation investment district may exceed
2 seventy-five words. If the local governmental unit is a city or a
3 town, the concise statement (~~shall~~) must be prepared by the city or
4 town attorney. If the local governmental unit is a county, the concise
5 statement shall be prepared by the prosecuting attorney of the county.
6 If the unit is a unit of local government other than a city, town, or
7 county, the concise statement (~~shall~~) must be prepared by the
8 prosecuting attorney of the county within which the majority area of
9 the unit is located.

10 (2) A referendum measure on the enactment of a unit of local
11 government shall be advertised in the manner provided for nominees for
12 elective office.

13 (3) Subsection (1) of this section does not apply if another
14 provision of law specifies the ballot title for a specific type of
15 ballot question or proposition.

16 **Sec. 5.** RCW 29A.36.210 and 2004 c 80 s 2 are each amended to read
17 as follows:

18 (1) The ballot proposition authorizing a taxing district to impose
19 the regular property tax levies authorized in RCW 36.69.145, 67.38.130,
20 84.52.069, or 84.52.135 (~~shall~~) must contain in substance the
21 following:

22 "Shall the (insert the name of the taxing district) be
23 authorized to impose regular property tax levies of (insert
24 the maximum rate) or less per thousand dollars of assessed valuation
25 for each of (insert the maximum number of years allowable)
26 consecutive years, an increase of (insert dollar amount), (insert # %),
27 from the previous year's levy?

- 28 Yes
29 No

30 Each voter (~~shall~~) must indicate either "Yes" or "No" on his or
31 her ballot in accordance with the procedures established under this
32 title.

33 (2) The ballot proposition authorizing a taxing district to impose
34 a permanent regular tax levy under RCW 84.52.069 (~~shall~~) must contain
35 the following:

1 "Shall the (insert the name of the taxing district) be
2 authorized to impose a PERMANENT regular property levy of
3 (insert the maximum rate) or less per thousand dollars of assessed
4 valuation, an increase of (insert dollar amount), (insert # %), from
5 the previous year's levy?

6 Yes

7 No

8 (3) In addition to the requirements of subsections (1) and (2) of
9 this section, the ballot proposition must include a comparison of the
10 financial impact from a taxing district's prior year levy, if any, and
11 the current ballot, in both dollar and percentage change terms. Ballot
12 questions related to multiple year levies must include an estimate of
13 the financial impact in the first year of the proposed levy as compared
14 to the taxing district's prior year levy, if any, in both dollar and
15 percentage terms.

16 **Sec. 6.** RCW 84.52.054 and 2007 c 54 s 27 are each amended to read
17 as follows:

18 The additional tax provided for in Article VII, section 2 of the
19 state Constitution, and specifically authorized by RCW 84.52.052,
20 84.52.053, 84.52.0531, and 84.52.130, ~~((shall))~~ must be set forth in
21 terms of dollars on the ballot of the proposition to be submitted to
22 the voters, together with an estimate of the dollar rate of tax levy
23 that will be required to produce the dollar amount~~((and))~~. The
24 ballot proposition must state that the levy is new or a replacement and
25 include a comparison of the financial impact from a taxing district's
26 prior year levy if any, and the current ballot, in both dollar and
27 percentage change terms. Ballot questions related to multiple year
28 levies must include an estimate of the financial impact in the first
29 year of the proposed levy as compared to the taxing district's prior
30 year's levy, if any, in both dollar and percentage terms. The
31 estimated levy rate must be described as advisory only. The county
32 assessor, in spreading this tax upon the rolls, ~~((shall))~~ must
33 determine the eventual dollar rate required to produce the amount of
34 dollars so voted upon, regardless of the estimate of dollar rate of tax
35 levy carried in said proposition. In the case of a school district or
36 fire protection district proposition for a particular period, the
37 dollar amount and the corresponding estimate of the dollar rate of tax

1 levy (~~shall~~) must be set forth for each of the years in that period.
2 The dollar amount for each annual levy in the particular period may be
3 equal or in different amounts.

4 **Sec. 7.** RCW 84.55.050 and 2009 c 551 s 3 are each amended to read
5 as follows:

6 (1) Subject to any otherwise applicable statutory dollar rate
7 limitations, regular property taxes may be levied by or for a taxing
8 district in an amount exceeding the limitations provided for in this
9 chapter if such levy is authorized by a proposition approved by a
10 majority of the voters of the taxing district voting on the proposition
11 at a general election held within the district or at a special election
12 within the taxing district called by the district for the purpose of
13 submitting such proposition to the voters. Any election held pursuant
14 to this section (~~shall~~) must be held not more than twelve months
15 prior to the date on which the proposed levy is to be made, except as
16 provided in subsection (2) of this section. The ballot of the
17 proposition (~~shall~~) must state the dollar rate proposed and shall
18 clearly state the conditions, if any, which are applicable under
19 subsection (4) of this section and must conform with the requirements
20 of RCW 29A.36.071.

21 (2)(a) Subject to statutory dollar limitations, a proposition
22 placed before the voters under this section may authorize annual
23 increases in levies for multiple consecutive years, up to six
24 consecutive years, during which period each year's authorized maximum
25 legal levy (~~shall~~) must be used as the base upon which an increased
26 levy limit for the succeeding year is computed, but the ballot
27 proposition must conform with the requirements of RCW 29A.36.071 and
28 state the dollar rate proposed only for the first year of the
29 consecutive years and must state the limit factor, or a specified index
30 to be used for determining a limit factor, such as the consumer price
31 index, which need not be the same for all years, by which the regular
32 tax levy for the district may be increased in each of the subsequent
33 consecutive years. Elections for this purpose must be held at a
34 primary or general election. The title of each ballot measure must
35 state the limited purposes for which the proposed annual increases
36 during the specified period of up to six consecutive years (~~shall~~)
37 will be used.

1 (b)(i) Except as otherwise provided in this subsection (2)(b),
2 funds raised by a levy under this subsection may not supplant existing
3 funds used for the limited purpose specified in the ballot title. For
4 purposes of this subsection, existing funds means the actual operating
5 expenditures for the calendar year in which the ballot measure is
6 approved by voters. Actual operating expenditures excludes lost
7 federal funds, lost or expired state grants or loans, extraordinary
8 events not likely to reoccur, changes in contract provisions beyond the
9 control of the taxing district receiving the services, and major
10 nonrecurring capital expenditures.

11 (ii) The supplanting limitations in (b)(i) of this subsection do
12 not apply to levies approved by the voters in calendar years 2009,
13 2010, and 2011, in any county with a population of one million five
14 hundred thousand or more. This subsection (2)(b)(ii) only applies to
15 levies approved by the voters after July 26, 2009.

16 (iii) The supplanting limitations in (b)(i) of this subsection do
17 not apply to levies approved by the voters in calendar year 2009 and
18 thereafter in any county with a population less than one million five
19 hundred thousand. This subsection (2)(b)(iii) only applies to levies
20 approved by the voters after July 26, 2009.

21 (3) After a levy authorized pursuant to this section is made, the
22 dollar amount of such levy may not be used for the purpose of computing
23 the limitations for subsequent levies provided for in this chapter,
24 unless the ballot proposition expressly states that the levy made under
25 this section will be used for this purpose.

26 (4) If expressly stated, a proposition placed before the voters
27 under subsection (1) or (2) of this section may:

28 (a) Use the dollar amount of a levy under subsection (1) of this
29 section, or the dollar amount of the final levy under subsection (2) of
30 this section, for the purpose of computing the limitations for
31 subsequent levies provided for in this chapter;

32 (b) Limit the period for which the increased levy is to be made
33 under (a) of this subsection;

34 (c) Limit the purpose for which the increased levy is to be made
35 under (a) of this subsection, but if the limited purpose includes
36 making redemption payments on bonds, the period for which the increased
37 levies are made (~~shall~~) may not exceed nine years;

1 (d) Set the levy or levies at a rate less than the maximum rate
2 allowed for the district; or

3 (e) Include any combination of the conditions in this subsection.

4 (5) Except as otherwise expressly stated in an approved ballot
5 measure under this section, subsequent levies (~~shall~~) must be
6 computed as if:

7 (a) The proposition under this section had not been approved; and

8 (b) The taxing district had made levies at the maximum rates which
9 would otherwise have been allowed under this chapter during the years
10 levies were made under the proposition.

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

13 (1) The assessor (~~shall~~) must give notice of any change in the
14 true and fair value of real property for the tract or lot of land and
15 any improvements thereon no later than thirty days after appraisal(~~+~~
16 PROVIDED, That)). However:

17 (a) No such notice (~~shall~~) may be mailed during the period from
18 January 15 to February 15 of each year(~~+~~—PROVIDED FURTHER, That));
19 and

20 (b) No notice need be sent with respect to changes in valuation of
21 forest land made pursuant to chapter 84.33 RCW.

22 (2) The notice (~~shall~~) must contain a statement of both the prior
23 and the new true and fair value, stating separately land and
24 improvement values, and a brief statement of the procedure for appeal
25 to the board of equalization and the time, date, and place of the
26 meetings of the board.

27 (3) The notice (~~shall~~) must be mailed by the assessor to the
28 taxpayer.

29 (4) The assessor must give notice of the true and fair value of
30 real property each year property is revalued under RCW 84.41.030
31 regardless of whether there has been a change in the value from the
32 prior year.

33 (5) If any taxpayer, as shown by the tax rolls, holds solely a
34 security interest in the real property which is the subject of the
35 notice, pursuant to a mortgage, contract of sale, or deed of trust,
36 such taxpayer (~~shall~~), upon written request of the assessor, must
37 supply, within thirty days of receipt of such request, to the assessor

1 the name and address of the person making payments pursuant to the
2 mortgage, contract of sale, or deed of trust, and thereafter such
3 person (~~shall~~) must also receive a copy of the notice provided for in
4 this section. Willful failure to comply with such request within the
5 time limitation provided for (~~herein shall~~) in this section makes
6 such taxpayer subject to a maximum civil penalty of five thousand
7 dollars. The penalties provided for (~~herein shall be~~) in this
8 section are recoverable in an action by the county prosecutor, and when
9 recovered (~~shall~~) must be deposited in the county current expense
10 fund. The assessor (~~shall~~) must make the request provided for by
11 this section during the month of January.

12 **Sec. 9.** RCW 84.56.330 and 1999 c 233 s 23 are each amended to read
13 as follows:

14 (1) Any person who has a lien by mortgage or otherwise, upon any
15 real property upon which any taxes have not been paid, may pay such
16 taxes, and the interest, penalty and costs thereon; and the receipt of
17 the county treasurer or other collecting official (~~shall~~) constitutes
18 an additional lien upon such land, to the amount therein stated, and
19 the amount so paid and the interest thereon at the rate specified in
20 the mortgage or other instrument (~~shall be~~) is collectible with, or
21 as a part of, and in the same manner as the amount secured by the
22 original lien(~~:-PROVIDED, That~~). However, the person paying such
23 taxes (~~shall~~) must pay the same as mortgagee or other lien holder and
24 (~~shall~~) must procure the receipt of the county treasurer therefor,
25 showing the mortgage or other lien relationship of the person paying
26 such taxes, and the same (~~shall~~) must have been recorded with the
27 county auditor of the county wherein the (~~said~~) real estate is
28 situated, within ten days after the payment of such taxes and the
29 issuance of such receipt. It (~~shall be~~) is the duty of any treasurer
30 issuing such receipt to make notation thereon of the lien relationship
31 claim of the person paying such taxes. It (~~shall be~~) is the duty of
32 the county auditor in such cases to index and record such receipts in
33 the same manner as provided for the recording of liens on real estate,
34 upon the payment to the county auditor of the appropriate recording
35 fees by the person presenting the same for recording(~~:-AND PROVIDED~~
36 ~~FURTHER, That~~). However, in the event the above provision be not
37 complied with, the lien created by any such payment (~~shall be~~) is

1 subordinate to the liens of all mortgages or encumbrances upon such
2 real property, which are senior to the mortgage or other lien of the
3 person so making such payment.

4 (2) The county treasurer must provide a copy of the tax statement
5 to those taxpayers with a notation of a lien relationship claim of the
6 person paying such taxes. When providing the tax statement, the
7 treasurer must clearly mark the statement with the words: "This is not
8 a bill, for your records only."

9 NEW SECTION. Sec. 10. Section 2 of this act applies to court or
10 appellate reviews commenced on or after July 1, 2010.

11 NEW SECTION. Sec. 11. Sections 3 through 9 of this act apply to
12 taxes levied for collection in 2011 and thereafter.

--- END ---