
SENATE BILL 5368

State of Washington 61st Legislature 2009 Regular Session

By Senators Prentice, Parlette, Fraser, Regala, Shin, and Keiser

Read first time 01/21/09. Referred to Committee on Ways & Means.

1 AN ACT Relating to making provisions for all counties to value
2 property annually for property tax purposes; amending RCW 84.41.030,
3 84.41.041, and 82.45.180; adding new sections to chapter 84.41 RCW; and
4 providing expiration dates.

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

6 **Sec. 1.** RCW 84.41.030 and 1996 c 254 s 7 are each amended to read
7 as follows:

8 (1) Each county assessor shall maintain an active and systematic
9 program of revaluation on a continuous basis, and shall establish a
10 revaluation schedule which will result in revaluation of all taxable
11 real property within the county at least once each four years and
12 physical inspection of all taxable real property within the county at
13 least once each six years. Each county assessor may disregard any
14 program of revaluation, if requested by a property owner, and change,
15 as appropriate, the valuation of real property upon the receipt of a
16 notice of decision received under RCW 36.70B.130(~~(, 90.60.160,)~~) or
17 chapter 35.22, 35.63, 35A.63, or 36.70 RCW pertaining to the value of
18 the real property.

1 (2) Not later than January 1, 2014, all taxable real property
2 within a county must be revalued annually and all taxable real property
3 within a county must be physically inspected at least once each six
4 years. This mandate is conditional upon the department of revenue
5 providing the necessary guidance and financial assistance to those
6 counties that are not on an annual revaluation cycle so that they may
7 convert to an annual revaluation cycle including, but not limited to,
8 appropriate data collection methods and coding, neighborhood and market
9 delineation, statistical analysis, valuation guidelines, and training.
10 The department shall assist any county assessor requesting assistance
11 in the valuation of industrial property estimated to exceed twenty-five
12 million dollars in real and personal property value.

13 **Sec. 2.** RCW 84.41.041 and 2001 c 187 s 21 are each amended to read
14 as follows:

15 Each county assessor shall cause taxable real property to be
16 physically inspected and valued at least once every six years in
17 accordance with RCW 84.41.030, and in accordance with a plan filed with
18 and approved by the department of revenue. Such revaluation plan shall
19 provide that a reasonable portion of all taxable real property within
20 a county shall be revalued and these newly((-))determined values placed
21 on the assessment rolls each year. Until January 1, 2014, the
22 department may approve a plan that provides that all property in the
23 county be revalued every two years. If the revaluation plan provides
24 for physical inspection at least once each four years, during the
25 intervals between each physical inspection of real property, the
26 valuation of such property may be adjusted to its current true and fair
27 value, such adjustments to be based upon appropriate statistical data.
28 If the revaluation plan provides for physical inspection less
29 frequently than once each four years, during the intervals between each
30 physical inspection of real property, the valuation of such property
31 shall be adjusted to its current true and fair value, such adjustments
32 to be made once each year and to be based upon appropriate statistical
33 data.

34 The assessor may require property owners to submit pertinent data
35 respecting taxable property in their control including data respecting
36 any sale or purchase of said property within the past five years, the

1 cost and characteristics of any improvement on the property and other
2 facts necessary for appraisal of the property.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.41 RCW
4 to read as follows:

5 (1) The annual property revaluation grant account is created in the
6 state treasury. Moneys from RCW 82.45.180(4) must be deposited into
7 the account. Moneys in the account may be spent only after
8 appropriation. Moneys in the account may be used only for grants as
9 provided in section 4 of this act.

10 (2) Any funds remaining in the annual property revaluation grant
11 account on July 1, 2014, must be deposited in the city-county
12 assistance account to be included in the distributions pursuant to RCW
13 43.08.290(3).

14 (3) This section expires July 1, 2014.

15 NEW SECTION. **Sec. 4.** A new section is added to chapter 84.41 RCW
16 to read as follows:

17 (1) The department of revenue shall administer a grant program to
18 assist counties with, in priority order: (a) Converting to an annual
19 revaluation system for property tax valuation; (b) replacing computer
20 software used for revaluations in counties where the software was
21 purchased from commercial vendors and will not be supported by the
22 vendor or others after January 1, 2010; or (c) the acquisition of
23 software and integral hardware in counties currently administering an
24 annual revaluation program where the assessor's property records are
25 not stored in an electronic format or where the current software does
26 not have the capacity to store, manage, and process property record
27 components used in the valuation process. A county may use grant money
28 to purchase computer hardware or software, repair or upgrade existing
29 computer hardware or software, or provide necessary training related to
30 computer hardware or software. No county is eligible for grants under
31 this section totaling more than five hundred thousand dollars.

32 (2) This section expires July 1, 2014.

33 **Sec. 5.** RCW 82.45.180 and 2006 c 312 s 1 are each amended to read
34 as follows:

35 (1)(a) For taxes collected by the county under this chapter, the

1 county treasurer shall collect a five-dollar fee on all transactions
2 required by this chapter where the transaction does not require the
3 payment of tax. A total of five dollars shall be collected in the form
4 of a tax and fee, where the calculated tax payment is less than five
5 dollars. Through June 30, 2006, the county treasurer shall place one
6 percent of the taxes collected by the county under this chapter and the
7 treasurer's fee in the county current expense fund to defray costs of
8 collection. After June 30, 2006, the county treasurer shall place one
9 and three-tenths percent of the taxes collected by the county under
10 this chapter and the treasurer's fee in the county current expense fund
11 to defray costs of collection. For taxes collected by the county under
12 this chapter before July 1, 2006, the county treasurer shall pay over
13 to the state treasurer and account to the department of revenue for the
14 proceeds at the same time the county treasurer remits funds to the
15 state under RCW 84.56.280. For taxes collected by the county under
16 this chapter after June 30, 2006, on a monthly basis the county
17 treasurer shall pay over to the state treasurer the month's
18 transmittal. The month's transmittal must be received by the state
19 treasurer by 12:00 p.m. on the last working day of each month. The
20 county treasurer shall account to the department for the month's
21 transmittal by the twentieth day of the month following the month in
22 which the month's transmittal was paid over to the state treasurer.
23 The state treasurer shall deposit the proceeds in the general fund.

24 (b) For purposes of this subsection, the definitions in this
25 subsection apply.

26 (i) "Close of business" means the time when the county treasurer
27 makes his or her daily deposit of proceeds.

28 (ii) "Month's transmittal" means all proceeds deposited by the
29 county through the close of business of the day that is two working
30 days before the last working day of the month. This definition of
31 "month's transmittal" shall not be construed as requiring any change in
32 a county's practices regarding the timing of its daily deposits of
33 proceeds.

34 (iii) "Proceeds" means moneys collected and receipted by the county
35 from the taxes imposed by this chapter, less the county's share of the
36 proceeds used to defray the county's costs of collection allowable in
37 (a) of this subsection.

1 (iv) "Working day" means a calendar day, except Saturdays, Sundays,
2 and all legal holidays as provided in RCW 1.16.050.

3 (2) For taxes collected by the department of revenue under this
4 chapter, the department shall remit the tax to the state treasurer who
5 shall deposit the proceeds of any state tax in the general fund. The
6 state treasurer shall deposit the proceeds of any local taxes imposed
7 under chapter 82.46 RCW in the local real estate excise tax account
8 hereby created in the state treasury. Moneys in the local real estate
9 excise tax account may be spent only for distribution to counties,
10 cities, and towns imposing a tax under chapter 82.46 RCW. Except as
11 provided in RCW 43.08.190, all earnings of investments of balances in
12 the local real estate excise tax account shall be credited to the local
13 real estate excise tax account and distributed to the counties, cities,
14 and towns monthly. Monthly the state treasurer shall make distribution
15 from the local real estate excise tax account to the counties, cities,
16 and towns the amount of tax collected on behalf of each taxing
17 authority. The state treasurer shall make the distribution under this
18 subsection without appropriation.

19 (3)(a) The real estate excise tax electronic technology account is
20 created in the custody of the state treasurer. An appropriation is not
21 required for expenditures and the account is not subject to allotment
22 procedures under chapter 43.88 RCW.

23 (b) Through June 30, 2010, the county treasurer shall collect an
24 additional five-dollar fee on all transactions required by this
25 chapter, regardless of whether the transaction requires the payment of
26 tax. The county treasurer shall remit this fee to the state treasurer
27 at the same time the county treasurer remits funds to the state under
28 subsection (1) of this section. The state treasurer shall place money
29 from this fee in the real estate excise tax electronic technology
30 account. By the twentieth day of the subsequent month, the state
31 treasurer shall distribute to each county treasurer according to the
32 following formula: Three-quarters of the funds available shall be
33 equally distributed among the thirty-nine counties; and the balance
34 shall be ratably distributed among the counties in direct proportion to
35 their population as it relates to the total state's population based on
36 most recent statistics by the office of financial management.

37 (c) When received by the county treasurer, the funds shall be
38 placed in a special real estate excise tax electronic technology fund

1 held by the county treasurer to be used exclusively for the
2 development, implementation, and maintenance of an electronic
3 processing and reporting system for real estate excise tax affidavits.
4 Funds may be expended to make the system compatible with the automated
5 real estate excise tax system developed by the department and
6 compatible with the processes used in the offices of the county
7 assessor and county auditor. Any funds held in the account that are
8 not expended by July 1, 2015, revert to the county capital improvements
9 fund in accordance with RCW 82.46.010.

10 (4) Beginning July 1, 2010, through December 31, 2013, the county
11 treasurer shall continue to collect the additional five-dollar fee in
12 subsection (3) of this section on all transactions required by this
13 chapter, regardless of whether the transaction requires the payment of
14 tax. During this period, the county treasurer shall remit this fee to
15 the state treasurer at the same time the county treasurer remits funds
16 to the state under subsection (1) of this section. The state treasurer
17 shall place money from this fee in the annual property revaluation
18 grant account created in section 3 of this act.

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