
SENATE BILL 6663

State of Washington

60th Legislature

2008 Regular Session

By Senators Schoesler, Pridemore, Roach, Zarelli, Holmquist, Keiser,
and Kohl-Welles

Read first time 01/21/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to improving the administration of department of
2 revenue tax programs by correcting and clarifying statutes;
3 eliminating, repealing, and decodifying obsolete or otherwise
4 unnecessary statutes and statutory language; amending RCW 82.14.030,
5 82.14.045, 82.14.048, 82.14.360, 82.19.010, 82.24.020, 82.24.026,
6 82.24.027, 82.24.028, 82.29A.080, 84.09.030, and 84.48.080; creating
7 new sections; decodifying RCW 82.29A.900 and 82.29A.910; and repealing
8 RCW 82.29A.150.

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

PART I

LOCAL SALES AND USE TAXES

12 **Sec. 101.** RCW 82.14.030 and 1989 c 384 s 6 are each amended to
13 read as follows:

14 (1) The governing body of any county or city, while not required by
15 legislative mandate to do so, may, by resolution or ordinance for the
16 purposes authorized by this chapter, (~~fix and~~) impose a sales and use
17 tax in accordance with the terms of this chapter. Such tax shall be
18 collected from those persons who are taxable by the state (~~pursuant~~

1 ~~to~~) under chapters 82.08 and 82.12 RCW, upon the occurrence of any
2 taxable event within the county or city as the case may be(~~(~~
3 ~~PROVIDED, That~~)). Except as provided in RCW 82.14.230, this sales and
4 use tax shall not apply to natural or manufactured gas. The rate of
5 such tax imposed by a county shall be five-tenths of one percent of the
6 selling price (in the case of a sales tax) or value of the article used
7 (in the case of a use tax). The rate of such tax imposed by a city
8 shall not exceed five-tenths of one percent of the selling price (in
9 the case of a sales tax) or value of the article used (in the case of
10 a use tax)(~~(~~~~PROVIDED, HOWEVER, That~~~~)~~~~).~~ However, in the event a
11 county (~~shall~~) imposes a sales and use tax under this subsection, the
12 rate of such tax imposed under this subsection by any city therein
13 shall not exceed four hundred and twenty-five one-thousandths of one
14 percent.

15 (2) (~~Subject to the enactment into law of the 1982 amendment to~~
16 ~~RCW 82.02.020 by section 5, chapter 49, Laws of 1982 1st ex. sess.,)~~
17 In addition to the tax authorized in subsection (1) of this section,
18 the governing body of any county or city may by resolution or ordinance
19 impose an additional sales and use tax in accordance with the terms of
20 this chapter. Such additional tax shall be collected upon the same
21 taxable events upon which the tax imposed under subsection (1) of this
22 section is (~~levied~~) imposed. The rate of such additional tax imposed
23 by a county shall be up to five-tenths of one percent of the selling
24 price (in the case of a sales tax) or value of the article used (in the
25 case of a use tax). The rate of such additional tax imposed by a city
26 shall be up to five-tenths of one percent of the selling price (in the
27 case of a sales tax) or value of the article used (in the case of a use
28 tax)(~~(~~~~PROVIDED HOWEVER, That~~~~)~~~~).~~ However, in the event a county
29 (~~shall~~) imposes a sales and use tax under the authority of this
30 subsection at a rate equal to or greater than the rate imposed under
31 the authority of this subsection by a city within the county, the
32 county shall receive fifteen percent of the city tax(~~(~~~~PROVIDED~~
33 ~~FURTHER, That~~)). In the event that the county (~~shall~~) imposes a
34 sales and use tax under the authority of this subsection at a rate
35 which is less than the rate imposed under this subsection by a city
36 within the county, the county shall receive that amount of revenues
37 from the city tax equal to fifteen percent of the rate of tax imposed
38 by the county the authority of under this subsection. The authority to

1 impose a tax under this subsection is intended in part to compensate
2 local government for any losses from the phase-out of the property tax
3 on business inventories.

4 **Sec. 102.** RCW 82.14.045 and 2001 c 89 s 3 are each amended to read
5 as follows:

6 (1) The legislative body of any city pursuant to RCW 35.92.060, of
7 any county which has created an unincorporated transportation benefit
8 area pursuant to RCW 36.57.100 and 36.57.110, of any public
9 transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090,
10 of any county transportation authority established pursuant to chapter
11 36.57 RCW, and of any metropolitan municipal corporation within a
12 county with a population of one million or more pursuant to chapter
13 35.58 RCW, may, by resolution or ordinance for the sole purpose of
14 providing funds for the operation, maintenance, or capital needs of
15 public transportation systems or public transportation limited to
16 persons with special needs under RCW 36.57.130 and 36.57A.180, and in
17 lieu of the excise taxes authorized by RCW 35.95.040, submit an
18 authorizing proposition to the voters or include such authorization in
19 a proposition to perform the function of public transportation or
20 public transportation limited to persons with special needs under RCW
21 36.57.130 and 36.57A.180, and if approved by a majority of persons
22 voting thereon, ~~((fix and))~~ impose a sales and use tax in accordance
23 with the terms of this chapter ~~((: PROVIDED, That no such legislative
24 body shall impose such a sales and use tax without submitting such an
25 authorizing proposition to the voters and obtaining the approval of a
26 majority of persons voting thereon: PROVIDED FURTHER, That))~~. Where
27 ~~((such a))~~ an authorizing proposition is submitted by a county on
28 behalf of an unincorporated transportation benefit area, it shall be
29 voted upon by the voters residing within the boundaries of such
30 unincorporated transportation benefit area and, if approved, the sales
31 and use tax shall be imposed only within such area. Notwithstanding
32 any provisions of this section to the contrary, any county in which a
33 county public transportation plan has been adopted pursuant to RCW
34 36.57.070 and the voters of such county have authorized the imposition
35 of a sales and use tax pursuant to the provisions of section 10,
36 chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be
37 authorized to fix and impose a sales and use tax as provided in this

1 section at not to exceed the rate so authorized without additional
2 approval of the voters of such county as otherwise required by this
3 section.

4 The tax authorized (~~((pursuant to))~~) by this section shall be in
5 addition to the tax authorized by RCW 82.14.030 and shall be collected
6 from those persons who are taxable by the state (~~((pursuant to))~~) under
7 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event
8 within such city, public transportation benefit area, county, or
9 metropolitan municipal corporation as the case may be. The rate of
10 such tax shall be one-tenth, two-tenths, three-tenths, four-tenths,
11 five-tenths, six-tenths, seven-tenths, eight-tenths, or nine-tenths of
12 one percent of the selling price (in the case of a sales tax) or value
13 of the article used (in the case of a use tax). The rate of such tax
14 shall not exceed the rate authorized by the voters unless such increase
15 shall be similarly approved.

16 (2)(a) In the event a metropolitan municipal corporation (~~((shall))~~)
17 imposes a sales and use tax pursuant to this chapter no city, county
18 which has created an unincorporated transportation benefit area, public
19 transportation benefit area authority, or county transportation
20 authority wholly within such metropolitan municipal corporation shall
21 be empowered to (~~((levy))~~) impose and/or collect taxes (~~((pursuant to))~~)
22 under RCW (~~((35.58.273-7))~~) 35.95.040(~~((7, and/or 82.14.045))~~) or this
23 section, but nothing herein shall prevent such city or county from
24 imposing sales and use taxes pursuant to any other authorization.

25 (b) In the event a county transportation authority (~~((shall))~~)
26 imposes a sales and use tax (~~((pursuant to))~~) under this section, no
27 city, county which has created an unincorporated transportation benefit
28 area, public transportation benefit area, or metropolitan municipal
29 corporation, located within the territory of the authority, shall be
30 empowered to (~~((levy))~~) impose or collect taxes (~~((pursuant to))~~) under RCW
31 (~~((35.58.273-7))~~) 35.95.040(~~((7))~~) or (~~((82.14.045))~~) this section.

32 (c) In the event a public transportation benefit area (~~((shall))~~)
33 imposes a sales and use tax (~~((pursuant to))~~) under this section, no
34 city, county which has created an unincorporated transportation benefit
35 area, or metropolitan municipal corporation, located wholly or partly
36 within the territory of the public transportation benefit area, shall
37 be empowered to (~~((levy))~~) impose or collect taxes (~~((pursuant to))~~) under
38 RCW (~~((35.58.273-7))~~) 35.95.040(~~((7))~~) or (~~((82.14.045))~~) this section.

1 ~~((3) Any local sales and use tax revenue collected pursuant to~~
2 ~~this section by any city or by any county for transportation purposes~~
3 ~~pursuant to RCW 36.57.100 and 36.57.110 shall not be counted as locally~~
4 ~~generated tax revenues for the purposes of apportionment and~~
5 ~~distribution, in the manner prescribed by chapter 82.44 RCW, of the~~
6 ~~proceeds of the motor vehicle excise tax authorized pursuant to RCW~~
7 ~~35.58.273, except that the local sales and use tax revenue collected~~
8 ~~under this section by a city with a population greater than sixty~~
9 ~~thousand that as of January 1, 1998, owns and operates a municipal~~
10 ~~public transportation system shall be counted as locally generated tax~~
11 ~~revenues for the purposes of apportionment and distribution, in the~~
12 ~~manner prescribed by chapter 82.44 RCW, of the proceeds of the motor~~
13 ~~vehicle excise tax authorized under RCW 35.58.273 as follows:~~

14 ~~(a) For fiscal year 2000, revenues collected under this section~~
15 ~~shall be counted as locally generated tax revenues for up to 25 percent~~
16 ~~of the tax collected under RCW 35.58.273;~~

17 ~~(b) For fiscal year 2001, revenues collected under this section~~
18 ~~shall be counted as locally generated tax revenues for up to 50 percent~~
19 ~~of the tax collected under RCW 35.58.273;~~

20 ~~(c) For fiscal year 2002, revenues collected under this section~~
21 ~~shall be counted as locally generated tax revenues for up to 75 percent~~
22 ~~of the tax collected under RCW 35.58.273; and~~

23 ~~(d) For fiscal year 2003 and thereafter, revenues collected under~~
24 ~~this section shall be counted as locally generated tax revenues for up~~
25 ~~to 100 percent of the tax collected under RCW 35.58.273.))~~

26 **Sec. 103.** RCW 82.14.048 and 1999 c 165 s 12 are each amended to
27 read as follows:

28 (1) The governing board of a public facilities district under
29 chapter 36.100 or 35.57 RCW may submit an authorizing proposition to
30 the voters of the district, and if the proposition is approved by a
31 majority of persons voting, ~~((fix and))~~ impose a sales and use tax in
32 accordance with the terms of this chapter.

33 (2) The tax authorized in this section shall be in addition to any
34 other taxes authorized by law and shall be collected from those persons
35 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
36 the occurrence of any taxable event within the public facilities

1 district. The rate of tax shall not exceed two-tenths of one percent
2 of the selling price in the case of a sales tax, or value of the
3 article used, in the case of a use tax.

4 (3) Moneys received from any tax imposed under the authority of
5 this section shall be used for the purpose of providing funds for the
6 costs associated with the financing, design, acquisition, construction,
7 equipping, operating, maintaining, remodeling, repairing, and
8 reequipping of its public facilities.

9 ~~((No tax may be collected under this section by a public facilities
10 district under chapter 35.57 RCW before August 1, 2000, and no tax in
11 excess of one-tenth of one percent may be collected under this section
12 by a public facilities district under chapter 36.100 RCW before August
13 1, 2000.))~~

14 **Sec. 104.** RCW 82.14.360 and 2000 c 103 s 10 are each amended to
15 read as follows:

16 (1) The legislative authority of a county with a population of one
17 million or more may impose a special stadium sales and use tax upon the
18 retail sale or use within the county by restaurants, taverns, and bars
19 of food and beverages that are taxable by the state under chapters
20 82.08 and 82.12 RCW. The rate of the tax shall not exceed five-tenths
21 of one percent of the selling price in the case of a sales tax, or
22 value of the article used in the case of a use tax. The tax
23 ~~((imposed))~~ authorized under this subsection is in addition to any
24 other taxes authorized by law and shall not be credited against any
25 other tax imposed upon the same taxable event. As used in this
26 section, "restaurant" does not include grocery stores, mini-markets, or
27 convenience stores.

28 (2) The legislative authority of a county with a population of one
29 million or more may impose a special stadium sales and use tax upon
30 retail car rentals within the county that are taxable by the state
31 under chapters 82.08 and 82.12 RCW. The rate of the tax shall not
32 exceed two percent of the selling price in the case of a sales tax, or
33 rental value of the vehicle in the case of a use tax. The tax imposed
34 under this subsection is in addition to any other taxes authorized by
35 law and shall not be credited against any other tax imposed upon the
36 same taxable event.

1 (3) The revenue from the taxes imposed under the authority of this
2 section shall be used for the purpose of principal and interest
3 payments on bonds, issued by the county, to acquire, construct, own,
4 remodel, maintain, equip, reequip, repair, and operate a baseball
5 stadium. Revenues from the taxes authorized in this section may be
6 used for design and other preconstruction costs of the baseball stadium
7 until bonds are issued for the baseball stadium. The county shall
8 issue bonds, in an amount determined to be necessary by the public
9 facilities district, for the district to acquire, construct, own, and
10 equip the baseball stadium. The county shall have no obligation to
11 issue bonds in an amount greater than that which would be supported by
12 the tax revenues under this section, RCW 82.14.0485, and 36.38.010(4)
13 (a) and (b). If the revenue from the taxes imposed under the authority
14 of this section exceeds the amount needed for such principal and
15 interest payments in any year, the excess shall be used solely:

16 (a) For early retirement of the bonds issued for the baseball
17 stadium; and

18 (b) If the revenue from the taxes imposed under this section
19 exceeds the amount needed for the purposes in (a) of this subsection in
20 any year, the excess shall be placed in a contingency fund which may
21 only be used to pay unanticipated capital costs on the baseball
22 stadium, excluding any cost overruns on initial construction.

23 ~~(4) ((The taxes authorized under this section shall not be~~
24 ~~collected after June 30, 1997, unless the county executive has~~
25 ~~certified to the department of revenue that a professional major league~~
26 ~~baseball team has made a binding and legally enforceable contractual~~
27 ~~commitment to:~~

28 ~~(a) Play at least ninety percent of its home games in the stadium~~
29 ~~for a period of time not shorter than the term of the bonds issued to~~
30 ~~finance the initial construction of the stadium;~~

31 ~~(b) Contribute forty five million dollars toward the reasonably~~
32 ~~necessary preconstruction costs including, but not limited to~~
33 ~~architectural, engineering, environmental, and legal services, and the~~
34 ~~cost of construction of the stadium, or to any associated public~~
35 ~~purpose separate from bond financed property, including without~~
36 ~~limitation land acquisition, parking facilities, equipment,~~
37 ~~infrastructure, or other similar costs associated with the project,~~
38 ~~which contribution shall be made during a term not to exceed the term~~

1 of the bonds issued to finance the initial construction of the stadium.
2 If all or part of the contribution is made after the date of issuance
3 of the bonds, the team shall contribute an additional amount equal to
4 the accruing interest on the deferred portion of the contribution,
5 calculated at the interest rate on the bonds maturing in the year in
6 which the deferred contribution is made. No part of the contribution
7 may be made without the consent of the county until a public facilities
8 district is created under chapter 36.100 RCW to acquire, construct,
9 own, remodel, maintain, equip, reequip, repair, and operate a baseball
10 stadium. To the extent possible, contributions shall be structured in
11 a manner that would allow for the issuance of bonds to construct the
12 stadium that are exempt from federal income taxes; and

13 (c) Share a portion of the profits generated by the baseball team
14 from the operation of the professional franchise for a period of time
15 equal to the term of the bonds issued to finance the initial
16 construction of the stadium, after offsetting any losses incurred by
17 the baseball team after the effective date of chapter 14, Laws of 1995
18 1st sp. sess. Such profits and the portion to be shared shall be
19 defined by agreement between the public facilities district and the
20 baseball team. The shared profits shall be used to retire the bonds
21 issued to finance the initial construction of the stadium. If the
22 bonds are retired before the expiration of their term, the shared
23 profits shall be paid to the public facilities district.

24 (5) No tax may be collected under this section before January 1,
25 1996. Before collecting the taxes under this section or issuing bonds
26 for a baseball stadium, the county shall create a public facilities
27 district under chapter 36.100 RCW to acquire, construct, own, remodel,
28 maintain, equip, reequip, repair, and operate a baseball stadium.

29 (6) The county shall assemble such real property as the district
30 determines to be necessary as a site for the baseball stadium.
31 Property which is necessary for this purpose that is owned by the
32 county on October 17, 1995, shall be contributed to the district, and
33 property which is necessary for this purpose that is acquired by the
34 county on or after October 17, 1995, shall be conveyed to the district.

35 (7)) The proceeds of any bonds issued for the baseball stadium
36 shall be provided to the district.

37 ((+8)) (5) As used in this section, "baseball stadium" means
38 "baseball stadium" as defined in RCW 82.14.0485.

1 ~~((+9))~~ (6) The taxes imposed under this section shall expire when
2 the bonds issued for the construction of the baseball stadium are
3 retired, but not later than twenty years after the taxes are first
4 collected.

5 **PART II**
6 **LITTER TAX**

7 **Sec. 201.** RCW 82.19.010 and 1998 c 257 s 7 are each amended to
8 read as follows:

9 (1) In addition to any other taxes, there is hereby levied and
10 there shall be collected by the department of revenue from every person
11 for the privilege of engaging within this state in business as a
12 manufacturer, as a wholesaler, or as a retailer, a litter tax equal to
13 the value of products listed in RCW 82.19.020, including byproducts,
14 manufactured within this state, multiplied by fifteen one-thousandths
15 of one percent in the case of manufacturers, and equal to the gross
16 proceeds of sales of the products listed in RCW 82.19.020 that are sold
17 within this state multiplied by fifteen one-thousandths of one percent
18 in the case of wholesalers and retailers.

19 ~~(2) ((Beginning January 1999, and in January of every odd-numbered~~
20 ~~year thereafter, the department shall submit to the appropriate~~
21 ~~committees of the senate and the house of representatives a report on~~
22 ~~compliance with the litter tax. The report shall address:~~

23 ~~(a) The litter tax reported voluntarily and litter tax assessed~~
24 ~~through enforcement; and~~

25 ~~(b) Total litter tax revenues reported on an industry basis.~~

26 ~~(3) Beginning January 1999,))~~ The frequency and time of collection
27 of the tax will ((be changed to)) coincide with the reporting periods
28 by payers of their business and occupation tax.

29 **PART III**
30 **CIGARETTE TAX**

31 **Sec. 301.** RCW 82.24.020 and 2003 c 114 s 1 are each amended to
32 read as follows:

33 (1) There is levied and there shall be collected as provided in
34 this chapter, a tax upon the sale, use, consumption, handling,

1 possession, or distribution of all cigarettes, in an amount equal to
2 (~~the rate of eleven and one half mills~~) one and fifteen one-
3 hundredths cents per cigarette.

4 (2) An additional tax is imposed upon the sale, use, consumption,
5 handling, possession, or distribution of all cigarettes, in an amount
6 equal to (~~the rate of~~) five (~~and one fourth mills~~) hundred twenty-
7 five one-thousandths of a cent per cigarette. All revenues collected
8 during any month from this additional tax shall be deposited in the
9 violence reduction and drug enforcement account under RCW 69.50.520 by
10 the twenty-fifth day of the following month.

11 (3) An additional tax is imposed upon the sale, use, consumption,
12 handling, possession, or distribution of all cigarettes, in an amount
13 equal to (~~the rate of ten mills per cigarette through June 30, 1994,~~
14 ~~eleven and one fourth mills per cigarette for the period July 1, 1994,~~
15 ~~through June 30, 1995, twenty mills per cigarette for the period July~~
16 ~~1, 1995, through June 30, 1996, and twenty and one half mills~~) two and
17 five one-hundredths cents per cigarette (~~thereafter~~). All revenues
18 collected during any month from this additional tax shall be deposited
19 in the health services account created under RCW 43.72.900 by the
20 twenty-fifth day of the following month.

21 (4) Wholesalers subject to the payment of this tax may, if they
22 wish, absorb (~~one half mill~~) five one-hundredths cents per cigarette
23 of the tax and not pass it on to purchasers without being in violation
24 of this section or any other act relating to the sale or taxation of
25 cigarettes.

26 (5) For purposes of this chapter, "possession" shall mean both (a)
27 physical possession by the purchaser and, (b) when cigarettes are being
28 transported to or held for the purchaser or his or her designee by a
29 person other than the purchaser, constructive possession by the
30 purchaser or his or her designee, which constructive possession shall
31 be deemed to occur at the location of the cigarettes being so
32 transported or held.

33 **Sec. 302.** RCW 82.24.026 and 2005 c 514 s 1102 are each amended to
34 read as follows:

35 (1) In addition to the tax imposed upon the sale, use, consumption,
36 handling, possession, or distribution of cigarettes set forth in RCW

1 82.24.020, there is imposed a tax in an amount equal to (~~the rate of~~
2 ~~thirty mills~~) three cents per cigarette.

3 (2) The revenue collected under this section shall be deposited as
4 follows:

5 (a) 21.7 percent shall be deposited into the health services
6 account.

7 (b) 2.8 percent shall be deposited into the general fund.

8 (c) 2.3 percent shall be deposited into the violence reduction and
9 drug enforcement account under RCW 69.50.520.

10 (d) 1.7 percent shall be deposited into the water quality account
11 under RCW 70.146.030.

12 (e) The remainder shall be deposited into the education legacy
13 trust account.

14 **Sec. 303.** RCW 82.24.027 and 1999 c 309 s 925 are each amended to
15 read as follows:

16 (1) There is hereby levied and there shall be collected by the
17 department of revenue from the persons mentioned in and in the manner
18 provided by this chapter, an additional tax upon the sale, use,
19 consumption, handling, possession, or distribution of cigarettes in an
20 amount equal to (~~the rate of four mills~~) four-tenths of a cent per
21 cigarette.

22 (2) The moneys collected under this section shall be deposited as
23 follows:

24 (a) (~~For the period ending July 1, 1999, in the water quality~~
25 ~~account under RCW 70.146.030;~~

26 ~~(b) For the period beginning July 1, 1999, through June 30, 2001,~~
27 ~~fifty percent into the violence reduction and drug enforcement account~~
28 ~~under RCW 69.50.520 and fifty percent into the salmon recovery account;~~

29 ~~(c))~~ For the period beginning July 1, 2001, through June 30, 2021,
30 into the water quality account under RCW 70.146.030; and

31 (~~(d))~~ (b) For the period beginning July 1, 2021, in the general
32 fund.

33 **Sec. 304.** RCW 82.24.028 and 2002 c 2 s 3 are each amended to read
34 as follows:

35 In addition to the tax imposed upon the sale, use, consumption,
36 handling, possession, or distribution of cigarettes set forth in RCW

1 82.24.020, there is imposed a tax in an amount equal to (~~the rate of~~
2 ~~thirty mills~~) three cents per cigarette (~~effective January 1, 2002~~).
3 All revenues collected during any month from this additional tax shall
4 be deposited in the health services account created under RCW 43.72.900
5 by the twenty-fifth day of the following month.

6 **PART IV**
7 **LEASEHOLD EXCISE TAX**

8 **Sec. 401.** RCW 82.29A.080 and 2002 c 371 s 925 are each amended to
9 read as follows:

10 The counties and cities shall contract, prior to the effective date
11 of an ordinance imposing a leasehold excise tax, with the department of
12 revenue for administration and collection. The department of revenue
13 shall deduct a percentage amount, as provided by such contract, not to
14 exceed two percent of the taxes collected, for administration and
15 collection expenses incurred by the department. The remainder of any
16 portion of any tax authorized by RCW 82.29A.040, which is collected by
17 the department of revenue (~~shall~~), must be (~~deposited by the state~~
18 ~~department of revenue~~) remitted to the state treasurer who shall
19 deposit the funds in the local leasehold excise tax account hereby
20 created in the state treasury. Moneys in the local leasehold excise
21 tax account may be spent only for distribution to counties and cities
22 imposing a leasehold excise tax.

23 (~~During the 2001-2003 fiscal biennium, the legislature may~~
24 ~~transfer from the local leasehold excise tax account to the state~~
25 ~~general fund such amounts as reflect the interest earnings of the~~
26 ~~account.~~)

27 NEW SECTION. **Sec. 402.** RCW 82.29A.150 (Cancellation of taxes
28 levied for collection in 1976) and 1975-'76 2nd ex.s. c 61 s 17 are
29 each repealed.

30 NEW SECTION. **Sec. 403.** RCW 82.29A.900 and 82.29A.910 are
31 decodified.

32 **PART V**

PROPERTY TAX

Sec. 501. RCW 84.09.030 and 2007 c 285 s 3 are each amended to read as follows:

(1)(a) Except as ~~((follows))~~ provided in (b) of this subsection (1), for the purposes of property taxation and the levy of property taxes, the boundaries of counties, cities, and all other taxing districts ~~((, for purposes of property taxation and the levy of property taxes,))~~ shall be the established official boundaries of such districts existing on the first day of August of the year in which the property tax levy is made.

~~((The official boundaries of a newly incorporated taxing district shall be established at a different date in the year in which the incorporation occurred as follows:~~

~~(1) Boundaries for a newly incorporated city shall be established on the last day of March of the year in which the initial property tax levy is made, and the boundaries of a road district, library district, or fire protection district or districts, that include any portion of the area that was incorporated within its boundaries shall be altered as of this date to exclude this area, if the budget for the newly incorporated city is filed pursuant to RCW 84.52.020 and the levy request of the newly incorporated city is made pursuant to RCW 84.52.070. Whenever a proposed city incorporation is on the March special election ballot, the county auditor shall submit the legal description of the proposed city to the department of revenue on or before the first day of March;~~

~~(2)) (b) The boundaries for a newly incorporated port district or regional fire protection service authority shall be established on the first day of October if the boundaries of the newly incorporated port district or regional fire protection service authority are coterminous with the boundaries of another taxing district or districts, as they existed on the first day of ((March)) August of that year((;~~

~~(3) Boundaries of any other newly incorporated taxing district shall be established on the first day of June of the year in which the property tax levy is made if the taxing district has boundaries coterminous with the boundaries of another taxing district, as they existed on the first day of March of that year;~~

~~(4) Boundaries for a newly incorporated water sewer district shall~~

1 ~~be established on the fifteenth of June of the year in which the~~
2 ~~proposition under RCW 57.04.050 authorizing a water district excess~~
3 ~~levy is approved.~~

4 ~~The boundaries of a taxing district shall be established on the~~
5 ~~first day of June if territory has been added to, or removed from, the~~
6 ~~taxing district after the first day of March of that year with~~
7 ~~boundaries coterminous with the boundaries of another taxing district~~
8 ~~as they existed on the first day of March of that year. However, the~~
9 ~~boundaries of a road district, library district, or fire protection~~
10 ~~district or districts, that include any portion of the area that was~~
11 ~~annexed to a city or town within its boundaries shall be altered as of~~
12 ~~this date to exclude this area)).~~

13 (2) In any case where any instrument setting forth the official
14 boundaries of any newly established taxing district, or setting forth
15 any change in ((such)) the boundaries, is required by law to be filed
16 in the office of the county auditor or other county official, ((said))
17 the instrument shall be filed in triplicate. The officer with whom
18 ((such)) the instrument is filed shall transmit two copies of the
19 instrument to the county assessor.

20 (3) No property tax levy shall be made for any taxing district
21 whose boundaries are not established as of the dates provided in this
22 section.

23 **Sec. 502.** RCW 84.48.080 and 2001 c 185 s 12 are each amended to
24 read as follows:

25 (1) Annually during the months of September and October, the
26 department of revenue shall examine and compare the returns of the
27 assessment of the property in the several counties of the state, and
28 the assessment of the property of railroad and other companies assessed
29 by the department, and proceed to equalize the same, so that each
30 county in the state shall pay its due and just proportion of the taxes
31 for state purposes for such assessment year, according to the ratio the
32 valuation of the property in each county bears to the total valuation
33 of all property in the state.

34 (a) The department shall classify all property, real and personal,
35 and shall raise and lower the valuation of any class of property in any
36 county to a value that shall be equal, so far as possible, to the true
37 and fair value of such class as of January 1st of the current year for

1 the purpose of ascertaining the just amount of tax due from each county
2 for state purposes. In equalizing personal property as of January 1st
3 of the current year, the department shall use valuation data with
4 respect to personal property from the three years immediately preceding
5 the current assessment year in a manner it deems appropriate. Such
6 classification may be on the basis of types of property, geographical
7 areas, or both. For purposes of this section, for each county that has
8 not provided the department with an assessment return by December 1st,
9 the department shall proceed, using facts and information and in a
10 manner it deems appropriate, to estimate the value of each class of
11 property in the county.

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

14 (2) The department shall levy the state taxes authorized by law.
15 The amount levied in any one year for general state purposes shall not
16 exceed the lawful dollar rate on the dollar of the assessed value of
17 the property of the entire state, which assessed value shall be one
18 hundred percent of the true and fair value of the property in money.
19 The department shall apportion the amount of tax for state purposes
20 levied by the department, among the several counties, in proportion to
21 the valuation of the taxable property of the county for the year as
22 equalized by the department: PROVIDED, That for purposes of this
23 apportionment, the department shall recompute the previous year's levy
24 and the apportionment thereof to correct for changes and errors in
25 taxable values reported to the department after October 1 of the
26 preceding year and shall adjust the apportioned amount of the current
27 year's state levy for each county by the difference between the
28 apportioned amounts established by the original and revised levy
29 computations for the previous year. For purposes of this section,
30 changes in taxable values mean a final adjustment made by a county
31 board of equalization, the state board of tax appeals, or a court of
32 competent jurisdiction and shall include additions of omitted property,
33 other additions or deletions from the assessment or tax rolls, any
34 assessment return provided by a county to the department subsequent to
35 December 1st, or a change in the indicated ratio of a county. Errors
36 in taxable values mean errors corrected by a final reviewing body.

37 ~~((In addition to computing a levy under this subsection that is~~
38 ~~reduced under RCW 84.55.012, the department shall compute a~~

1 ~~hypothetical levy without regard to the reduction under RCW 84.55.012.~~
2 ~~This hypothetical levy shall also be apportioned among the several~~
3 ~~counties in proportion to the valuation of the taxable property of the~~
4 ~~county for the year, as equalized by the department, in the same manner~~
5 ~~as the actual levy and shall be used by the county assessors for the~~
6 ~~purpose of recomputing and establishing a consolidated levy under RCW~~
7 ~~84.52.010.)~~)

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

12 (4) After the completion of the duties prescribed in this section,
13 the director of the department shall certify the record of the
14 proceedings of the department under this section, the tax levies made
15 for state purposes and the apportionment thereof among the counties,
16 and the certification shall be available for public inspection.

17 **PART VI**
18 **MISCELLANEOUS**

19 NEW SECTION. **Sec. 601.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 602.** This act does not affect any existing
24 right acquired or liability or obligation incurred under the sections
25 amended or repealed in this act or under any rule or order adopted
26 under those sections, nor does it affect any proceeding instituted
27 under those sections.

28 NEW SECTION. **Sec. 603.** Part headings used in this act are not any
29 part of the law.

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