

CHAPTER 115.

(H. B. No. 36)

CREATING A STATE TAX COMMISSION.

AN ACT creating a State Board of Tax Commissioners, defining its powers and duties.

Be it enacted by the Legislature of the State of Washington:

Governor to
appoint.

SECTION I. There is hereby created a State Board of Tax Commissioners, to be appointed by the Governor, with the advice and consent of the Senate. Immediately upon the taking effect of this act the Governor shall appoint three persons known to him to possess knowledge of the subject of taxation and skill in matters pertaining thereto, and who shall hold office for the term of four years. A Commissioner may be removed by the Governor for any cause which he may deem sufficient, which power of removal shall be absolute, and there shall be no right of review of the same in any court whatsoever.

Vacancies.

(a) All vacancies which may occur on said board while the Legislature is not in session shall be filled by appointment, and shall be submitted to the Senate at the next session following the appointment.

Commission-
ers shall not
hold other
office.

(b) No Commissioner appointed under this act shall hold any other office under the Government of the United States or of this State or of any County or municipal corporation within this State; he shall devote his entire time to the service of the State in performing the duties prescribed in this act.

Bond—ap-
proved by
Governor.

(c) Before entering upon the duties of his office, each of said commissioners shall enter into a bond payable to the State of Washington, with security to be approved by the Governor, in the sum of ten thousand dollars (\$10,000), conditioned for the faithful performance of his duties, and shall take and subscribe to an oath of office that he will support the constitution and faithfully and impartially perform the duties prescribed by this act to the best of his ability, which oath shall be filed with the Secretary of State.

SEC. 2. The commissioners shall have the power, and it shall be their duty: Powers and duties of commissioners.

First: To have and exercise general supervision of the system of taxation throughout the State.

Second: To exercise general supervision over assessors and county boards of equalization and the determination and assessment of the taxable property in the several counties, cities and towns of the State, to the end that all taxable property in this State shall be placed upon the assessment rolls and equalized between persons, corporations and companies in the several counties of this State, and between the different municipalities and counties therein, so that equality of taxation shall be secured according to the provisions of law. Supervision over assessors.

Third: To take charge of and superintend the enforcement of the direct and collateral inheritance law, and the collection of taxes provided for therein. Inheritance tax.

Fourth: To confer with, advise and direct assessors, boards of equalization and county boards of commissioners as to their duties under the law and statutes of the State, and to direct what proceedings, actions or prosecutions shall be instituted to support the law relating to the penalties, liabilities and punishment of public officers, persons, and officers or agents of corporations for failure or neglect to comply with the provisions of the statutes governing the return, assessment and taxation of property, and cause complaint to be made against assessors in the proper county for their removal from office for official misconduct or neglect of duty. In the execution of these powers and duties the said board or any member thereof may call upon county attorneys or the attorney general, who shall assist in the commencement and prosecution for penalties and forfeiture, liabilities and punishments for violations of the laws of the State in respect to the assessment and taxation of property. County attorneys or attorney general to assist.

Fifth: To prescribe all forms of books and blanks to be used in the assessment and collection of taxes, and to change such forms when prescribed by law, and to recommend to the Legislature such changes as may be deemed most economical to the State and counties, and such recommendation shall be accompanied by carefully prepared bill or bills for this end. Books—blanks, etc.

Reports on
assessments.

Sixth: The board shall have power to require county, city and town officers to report information as to assessments of property, equalization of taxes, the expenditure of the public fund for all purposes, and other information which said commission may request.

Reports from
corporations.

Seventh: To require individuals, partnerships, companies, associations and corporations to furnish information as to their capital, funded debts, value of property, earnings, taxes and all other facts called for on these subjects, so that the commission may ascertain the relative burdens borne by all kinds and classes of property within the State.

Witnesses.

Eighth: To summon witnesses to appear and testify on the subject of property earnings, taxes, or upon any matter deemed material to the investigation of the system of taxation, and the expenditure of public funds for State, county, district and municipal purposes.

To visit
various
counties and
investigate
taxation
methods.

Ninth: To visit the counties in the State, unless prevented by the necessary official duties, for the investigation of the methods adopted by the county assessors and county boards of commissioners in the assessment and equalization of taxation of real and personal property; to carefully examine into all cases where evasion of property taxation is alleged, and ascertain where existing laws are defective, or improperly or negligently administered.

Misdemeanor
of witnesses.
Perjury.

Tenth: Any member of the board may administer oaths to witnesses. In case any witness shall fail to obey the summons to appear, or refuse to testify, such person shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not less than fifty dollars nor more than one thousand dollars. Any person who shall testify falsely shall be guilty of and punished for perjury.

Investigation
of complaints.

Eleventh: The board shall thoroughly investigate all complaints which may be made to it of illegal, unjust or excessive taxation, and shall endeavor to ascertain to what extent and in what manner, if at all, the present system is unequal or oppressive.

Duty of
county
assessors.

Twelfth: It shall be the duty of the county assessor, on the completion of his assessment rolls each year, to furnish the tax commission a list of corporations, companies, associations, banks and individuals doing business of a public character whose assessed valuation is three thousand dollars or more, together with the class of property and the valuation placed on same for assessment purposes.

SEC. 3. The board or any member thereof shall examine and test work of county assessors during progress of the assessments, or at any time when it is deemed necessary and convenient. Said board or any member thereof shall have all the rights and powers of the assessor for the examination of persons and property and for the discovery of property subject to taxation. If such board shall ascertain that any property is omitted, or not assessed according to law, it shall bring the same to the attention of the county assessor of the proper county, and if the assessor shall neglect or refuse to correct the assessment to conform to law, the said board shall report the fact in writing to the clerk of the board of county commissioners, who shall lay the same before the board of county commissioners for review and examination in said county at a meeting of said board held for the equalization of taxes. The members of the State Board of Tax Commissioners shall be *ex-officio* members of the State Board of Equalization and the secretary of the State Board of Tax Commissioners shall be the secretary to the State Board of Equalization.

Board to report to clerk of county commissioners—when.

Ex-officio members State board of equalization.

SEC. 4. The State Board of Tax Commissioners shall make diligent investigation concerning the revenue laws and systems of other states and countries, so far as the same may be known by reports and statistics and can be ascertained by correspondence, and with the aid of information thus obtained, together with the experience and observation of our own laws and the operation thereof, recommend to the Governor, in a biennial report at least sixty days before the meeting of the Legislature, such amendments, changes and modification of our revenue laws as seem proper and requisite to remedy injustice and irregularities in taxation, and to facilitate the assessment and collection of public revenue in the most economical manner. All such recommendations shall be accompanied by suitable bill or bills necessary to carry into effect such recommendations. This report shall also show in tabulated form the whole amount of taxes collected in the State for all purposes, classified as State, county and municipal, with the sources thereof, the amount lost, the cause of the loss and such other pertinent statistics, matter and information concerning revenue and taxation as may be deemed of public interest.

Investigation of revenue laws.

Legislative recommendations.

Printed
reports to
Legislature.

SEC. 5. There shall be printed copies of said report, one copy of which shall be sent to each member of the Legislature at least twenty days prior to the assembling thereof.

Organization;
name and
official seal.

SEC. 6. The commissioners shall meet at the State capitol, organize and elect one of their number president. They shall be known collectively as the "State Board of Tax Commissioners," and shall adopt and use an official seal. A majority of said board shall constitute a quorum to transact business. Said board may appoint and remove at pleasure a secretary, who shall draw a salary not to exceed twelve hundred dollars per annum, and may appoint such other clerks as may be necessary, not exceeding two in number at a salary not to exceed seventy-five dollars per month each. The secretary shall keep full and correct minutes of all of the transactions and proceedings of said board, and perform such duties as may be required by the board. The commissioners shall be entitled to receive their necessary traveling expenses while traveling on the business of the board. The said board may hold sessions at any place in this State, when deemed necessary to facilitate the discharge of its duties. The board shall be furnished with an office and supplies at the State capitol, in the same manner as other State officers. Each of said commissioners shall receive an annual salary of three thousand dollars, payable in the same manner as the salaries of other State officers are paid.

Secretary—
salary of

Salaries,
office and
supplies.

Passed the House February 6, 1905.

Passed the Senate March 6, 1905.

Approved by the Governor March 9, 1905.