

CHAPTER 123.

[H. B. 290.]

TAXATION OF PROPERTIES OF TRANSPORTATION COMPANIES.

AN ACT relating to the assessment and taxation of the property of railroad companies, motor vehicle transportation companies, airplane companies, electric light and power companies, telegraph companies, telephone companies, gas companies, pipeline companies, water companies, heating companies, toll bridge companies, steamboat companies, and logging railroad companies; providing penalties for the violation thereof; repealing sections 35 to 50, inclusive, of chapter 130, Laws of the Extraordinary Session of 1925, and all other acts and parts of acts in conflict therewith; and declaring that this act shall take effect immediately.

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

Definitions.

SECTION 1. For the purposes of this act and unless otherwise required by the context:

"Commission"

(1) The term "commission" without other designation means the Tax Commission of the State of Washington.

"Railroad company."

(2) The term "railroad company" shall mean and include any person owning or operating a railroad, street railway, suburban railroad or interurban railroad in this state, whether its line of railroad be maintained at the surface, or above or below the surface of the earth, or by whatever power its vehicles are transported; or owning any station, depot, terminal or bridge for railroad purposes, as owner, lessee or otherwise.

"Motor vehicle transportation company."

(3) The term "motor vehicle transportation company" shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the conveyance and transportation of persons and/or property by motor propelled vehicles over any public street and/or high-

way in this state, between fixed termini or over a regular route, and engaged in the business of transporting persons and/or property for compensation as owner, lessee or otherwise.

(4) The term "airplane company" shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the conveyance and transportation of persons and/or property by aircraft, and engaged in the business of transporting persons and/or property for compensation, as owner, lessee or otherwise.

"Airplane company."

(5) The term "electric light and power company" shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the generation, transmission or distribution of electricity in this state, and engaged in the business of furnishing, transmitting, distributing or generating electrical energy for light, heat or power for compensation as owner, lessee or otherwise.

"Electric light and power company."

(6) The term "telegraph company" shall mean and include any person owning, controlling, operating or managing any telegraph or cable line in this state, with appliances for the transmission of messages, and engaged in the business of furnishing telegraph service for compensation, as owner, lessee or otherwise.

"Telegraph company."

(7) The term "telephone company" shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the transmission of communication by telephone in this state through owned or controlled exchanges and or switchboards and engaged in the business of furnishing telephonic communication for compensation as owner, lessee or otherwise.

"Telephone company."

“Gas  
company.”

(8) The term “gas company” shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the manufacture, transportation, or distribution of natural or manufactured gas in this state, and engaged for compensation in the business of furnishing gas for light, heat, power or other use, as owner, lessee or otherwise.

“Pipe line  
company.”

(9) The term “pipe line company” shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the conveyance or transportation of oils, natural or manufactured gas and/or other substances, except water, by pipe line in this state, and engaged in such business for compensation, as owner, lessee or otherwise.

“Water  
company.”

(10) The term “water company” shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the supply, storage, distribution, diversion or carriage of water in this state, and engaged in the business of furnishing water for power, irrigation, manufacturing, domestic or other uses for compensation, as owner, lessee or otherwise.

“Heating  
company.”

(11) The term “heating company” shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the generation and/or distribution of steam or hot water for heat, power, manufacturing or other purposes in this state, and engaged principally in business of furnishing, distributing, supplying or generating steam or hot water for heat, power, manufacturing or other purposes for compensation, as owner, lessee or otherwise.

(12) The term "toll bridge company" shall mean and include any person owning, controlling, operating, or managing real or personal property, used for or in connection with or to facilitate the conveyance or transportation of persons and/or property over a bridge or bridge approach over any stream, river or body of water within, or partly within this state, and operated as a toll bridge for compensation, as owner, lessee, or otherwise.

"Toll bridge company."

(13) The term "steamboat company" shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the conveyance and transportation of persons and/or property by vessel or ferry, upon the waters within the state, including the rivers and lakes and Puget Sound, between fixed termini or over a regular route, and engaged in the business of transporting persons and/or property for compensation as owner, lessee or otherwise.

"Steamboat company."

(14) The term "logging railroad company" shall mean and include any person owning, controlling, operating or managing real or personal property, used or to be used for or in connection with or to facilitate the conveyance and transportation of forest products by rail in this state, and engaged in the business of transporting forest products either as private carrier or carrier for hire.

"Logging railroad company."

(15) The term "person" shall mean and include any individual, firm, copartnership, joint venture, association, corporation, trust, or any other group acting as a unit, whether mutual, co-operative or otherwise, and/or trustees or receivers appointed by any court.

"Person."

(16) The term "company" shall mean and include any railroad company, motor vehicle transportation company, airplane company, electric light and power company, telegraph company, telephone com-

"Company."

pany, gas company, pipe line company, water company, heating company, toll bridge company, steamboat company, or logging railroad company; and the term "companies" shall mean and include all of such companies.

"Operating property."

(17) The term "operating property" shall mean and include all property, real and personal, owned by any company, or held by it as occupant, lessee or otherwise, including all franchises and lands, buildings, rights-of-way, water powers, motor vehicles, wagons, horses, aircraft, aerdromes, hangars, office furniture, water mains, gas mains, pipe lines, pumping stations, tanks, tank farms, holders, reservoirs, telephone lines, telegraph lines, transmission and distribution lines, dams, generating plants, poles, wires, cables, conduits, switch boards, devices, appliances, instruments, equipment, machinery, vessels, ferries, landing slips, docks, roadbeds, tracks, terminals, rolling stock equipment, appurtenances and all other property of a like or different kind, situate within the State of Washington, used by the company in the conduct of its operations; and, in case of personal property used partly within and partly without the state, it shall mean and include a proportion of such personal property to be determined as in this act provided.

"Non-operating property."

(18) The term "non-operating property" shall mean all physical property owned by any company, other than that used during the preceding calendar year in the conduct of its operations. It shall include all lands and/or buildings wholly used by any person other than the owning company. In cases where lands and/or buildings are used partially by the owning company in the conduct of its operations and partially by any other person not assessable under this act under lease, sub-lease, or other form of tenancy, the operating and non-operating property of the company whose property is assessed

hereunder shall be determined by the commission in such manner as will, in its judgment, secure the separate valuation of such operating and non-operating property upon a fair and equitable basis. The amount of operating revenue received from tenants or occupants of property of the owning company shall not be considered material in determining the classification of such property.

(19) Property used but not owned by an operating company shall, whether such use be exclusive or jointly with others, be deemed the sole operating property of the owning company.

Property of  
owning  
company.

SEC. 2. In all matters relating to assessment and taxation the commission shall have jurisdiction to determine what is operating property and what is non-operating property.

Commission  
may  
determine  
type of  
property.

SEC. 3. Each company doing business in this state shall, beginning with the year 1936, and annually thereafter, on or before the 15th day of March, make and file with the commission an annual report, in such manner, upon such form, and giving such information as the commission may direct. At the time of making such report each company shall also be required to furnish to the commission the annual reports of the board of directors, or other officers to the stockholders of the company, duplicate copies of the annual reports made to the interstate commerce commission and to the department of public works of this state and duplicate copies of such other reports as the commission may direct.

Every  
company  
must file  
annual  
report.

SEC. 4. The commission shall have access to all books, papers, documents, statements and accounts on file or of record in any of the departments of the state; and it shall have the power to issue subpoenas, signed by a member of the commission and served in a like manner as a subpoena issued from courts of record, to compel witnesses to appear and give

Access to all  
records  
of state.

Power to  
subpoena.

evidence and to produce books and papers. Any member of the commission, or the secretary thereof, or any employee officially designated by the commission is authorized to administer oaths to witnesses.

May compel witnesses to attend hearing.

The attendance of any witness may be compelled by attachment issued out of any superior court upon application to said court by any member of the commission, upon a proper showing that such witness has been duly served with a subpoena and has refused to appear before the said commission. In case of the refusal of a witness to produce books, papers, documents, or accounts, or to give evidence on matters material to the hearing, the commission or any member thereof may institute proceedings in the proper superior court to compel such witness to testify or to produce such books or papers, and to punish him for such failure or refusal. All process issued by the commission shall be served by the sheriff of the proper county or by a duly authorized agent of the commission and such service, if made by the sheriff, shall be certified by him to the commission without any compensation therefor. Persons appearing before the commission in obedience to a subpoena shall receive the same compensation as witnesses in the superior court, to be audited by the state auditor on the certificate of the commission. The records, books, accounts and papers of each company shall be subject to visitation, investigation or examination by the commission, or any employee thereof officially designated by the commission. All real and/or personal property of any company shall be subject to visitation, investigation, examination and/or listing at any and all times by the commission, or any commissioner, or any person officially designated by the commission.

Witness fees.

Companies subject to inspection.

Depositions may be taken.

SEC. 5. The commission, in any matter material to the valuation, assessment or taxation of the operating property of any company, may cause the depo-

sition of witnesses residing without the state or absent therefrom, to be taken upon notice to the company interested in like manner as the depositions of witnesses are taken in civil actions in the superior court.

SEC. 6. If any company, or any of its officers or agents shall refuse or neglect to make any report required by this act, or by the commission, or shall refuse to permit an inspection and examination of its records, books, accounts, papers or property requested by the commission, or shall refuse or neglect to appear before the commission in obedience to a subpoena, the commission shall inform itself to the best of its ability of the matters required to be known, in order to discharge its duties with respect to valuation and assessment of the property of such company, and the commission shall add to the value so ascertained twenty-five per centum as a penalty for such failure or refusal and such company shall be estopped to question or impeach the assessment of the commission in any hearing or proceeding thereafter.

Penalty for companies' failure to report.

SEC. 7. The commission shall, beginning with the year 1936, and annually thereafter, make an assessment of the operating property of all companies; and between the fifteenth day of March and the first day of July of each of said years shall prepare an assessment roll upon which it shall enter and assess the true cash value of all the operating property of each of such companies as of the first day of March of the year in which the assessment is made. For the purpose of determining the true cash value of such property the commission may inspect the property belonging to said companies and may take into consideration any information or knowledge obtained by it from such examination and inspection of such property, or of the books, records and accounts of such companies, the statements filed

Annual assessment of operating property.

Determining value.



as required by this act, the reports, statements or returns of such companies filed in the office of any board, office or commission of this state or any county thereof, the earnings and earning power of such companies, the franchises owned or used by such companies, the assessed valuation of any and all property of such companies, whether operating or non-operating property, and whether situated within or outside the state, and any other facts, evidence or information that may be obtainable bearing upon the value of the operating property: *Provided*, That in no event shall any statement or report required from any company by this act be conclusive upon the commission in determining the amount, character and true cash value of the operating property of such company.

Real  
property.

SEC. 8. In making the assessment of the operating property of any railroad or logging railroad company and in the apportionment of the values and the taxation thereof, all land occupied and claimed exclusively as the right-of-way for railroads, with all the tracks and substructures and superstructures which support the same, together with all side tracks, second tracks, turn-outs, station houses, depots, round houses, machine shops, or other buildings belonging to the company, used in the operation thereof, without separating the same into land and improvements, shall be assessed as real property. And the rolling stock and other movable property belonging to any railroad or logging railroad company shall be considered as personal property and taxed as such: *Provided*, That all of the operating property of street railway companies shall be assessed and taxed as personal property.

Personal  
property.

All of the operating property of airplane companies, telegraph companies, pipe line companies, water companies and toll bridge companies; the rolling stock of motor vehicle transportation com-

panies and floating equipment of steamboat companies, and all of the operating property other than lands and buildings of electric light and power companies, telephone companies, gas companies and heating companies shall be assessed and taxed as personal property.

SEC. 9. In determining the value of the operating property within this state of any company, the properties of which lie partly within and partly without this state, the commission may, among other things, take into consideration the value of the whole system as a unit, and for such purpose may determine, in so far as the same is reasonably ascertainable, the salvage value, the actual cost new, the cost of reproduction new less depreciation and plus appreciation, the par value, actual value and market value of the company's outstanding stocks and bonds during one or more preceding years, the past, present and prospective gross and net earnings of the whole system as a unit.

Interstate properties; method of determining value.

In apportioning such system value to the state, the commission shall consider relative cost, relative reproduction cost, relative future prospects and relative track mileage and the distribution of terminal properties within and without the state and such other matters and things as the commission may deem pertinent.

Apportionment of value to state.

The commission may also take into consideration the actual cost, cost of reproduction new, and cost of reproduction new less depreciation, earning capacity and future prospects of the property, located within the state and all other matters and things deemed pertinent by the commission.

Other considerations.

SEC. 10. For the purpose of determining the system value of the operating property of any such company, the commission shall deduct from the actual cash value of the total assets of such com-

Deduction of cash value.

pany, the actual cash value of all non-operating property owned by such company. For such purpose the commission may require of the assessors of the various counties within this state a detailed list of such company's properties assessed by them, together with the assessable or assessed value thereof: *Provided*, That such assessed or assessable value shall be advisory only and not conclusive on the commission as to the value thereof.

Representative of title.

SEC. 11. Every person, company or companies operating any property in this state as defined in this act shall be the representative of every title and interest in the property as owner, lessee or otherwise, and notice to such person shall be notice to all interests in the property for the purpose of assessment and taxation. The assessment and taxation of the property of the company in the name of the owner, lessee or operating company shall be deemed and held an assessment and taxation of all the title and interest in such property of every kind and nature.

General description and value of property on tax rolls.

SEC. 12. Upon the assessment roll shall be placed after the name of each company a general description of the operating property of the company, which shall be considered sufficient if described in the language of subdivision (17) of section 1, as applied to said company, following which shall be entered the actual cash value of the operating property as determined by the commission. No assessment shall be invalidated by reason of a mistake in the name of the company assessed, or the omission of the name of the owner or by the entry as owner of a name other than that of the true owner. When the commission shall have prepared the assessment roll and entered thereon the actual cash value of the operating property of the company, as herein required, it shall notify the company by mail of the

valuation determined by it and entered upon said roll.

SEC. 13. At any time between the first day of August and the first day of September, following the making of the assessment, every company assessed under the provision of this act shall be entitled on its own motion, presented to the commission on or before the thirty-first day of July, to a hearing and to present evidence before the commission, relating to the value of the operating property of such company and to the value of other taxable property in the counties in which the operating property of such company is situate. Upon request in writing for such hearing, the commission shall appoint a time and place therefor, within the period aforesaid, the hearing to be conducted in such manner as the commission shall direct. Hearings provided for in this section may be held at such times and in such places throughout the state as the commission may deem proper or necessary, may be adjourned from time to time and from place to place and may be conducted by the commission or by such member or members thereof as may be duly delegated to act for it. Testimony taken before less than the entire commission shall be reported and a transcript thereof filed with the commission prior to its decision.

Companies  
entitled to  
hearing.

SEC. 14. The assessment rolls of companies assessed under the provisions of this act shall be reviewed, examined and corrected by the state board of equalization at its annual meeting held in September for the purpose of equalizing the assessed valuation of the taxable property of the state and said state board of equalization may correct the valuation in such manner as may in its judgment make the valuation thereof just and relatively equal with the valuation of the general property of the state.

Assessment  
rolls re-  
viewed by  
equalization  
board.

May correct  
valuation.

Shall not increase value.

The said state board of equalization shall not increase the valuation of any property on such assessment roll, without giving to the company at least five days' written notice by registered letter to appear and show cause, if any there be, why such valuation shall not be increased. Upon determination by the state board of equalization of the true and correct actual cash value of the property appearing on such rolls it shall apportion such value to the respective counties entitled thereto, as hereinafter provided, and shall determine the equalized assessed valuation of such property in each such county and in the several taxing districts therein, by applying to such actual apportioned value the same ratio as the ratio of assessed to actual value of the general property in such county.

Shall equalize value.

Apportionment to counties.

SEC. 15. The actual cash value of the operating property of such company, as fixed and determined by the state board of equalization, as herein provided, shall be apportioned by the commission to the respective counties and to the taxing districts thereof wherein such property is located in the following manner:

Method of determination.

Total value operating property.

(a) Property of steam, interurban and logging railroad companies, telegraph companies and pipe line companies—upon the basis of that proportion of the value of the total operating property within the state which the mileage of track, as classified by the commission, (in case of such railroads), mileage of wire (in the case of telegraph companies) and mileage of pipe line (in the case of pipe line companies) within such county or taxing district bears to the total mileage thereof within the state, at the end of the calendar year last past. For the purpose of such apportionment the commission may classify railroad track.

Relative value of operating property.

(b) Property of street railway companies, telephone companies, electric light and power com-

panies, gas companies, water companies, heating companies and toll bridge companies—upon the basis of relative value of the operating property within such county and taxing district to the value of the total operating property within the state to be determined by such factors as the commission shall deem proper.

(c) Rolling stock of motor vehicle transportation companies—upon the basis of that proportion of the value which the mileage of all transportation units operated within such county or taxing district bears to the total mileage of all transportation units operated within the state during the calendar year last past.

Total  
mileage.

All other property of motor vehicle transportation companies—upon the basis set forth in subdivision (b) hereof.

(d) Planes or other aircraft of airplane companies and vessels and ferries of steamboat companies—upon the basis of such factor or factors of allocation, to be determined by the commission, as will secure a substantially fair and equitable division between counties and/or other taxing districts.

Factors of  
allocation.

All other property of airplane companies and steamboat companies—upon the basis set forth in subdivision (b) hereof.

The basis of apportionment with reference to steamboat companies and airplane companies prescribed in the foregoing subdivisions shall not be deemed exclusive and the tax commission in apportioning values of steamboat companies and airplane companies under this section may also take into consideration such other information, facts, circumstances or allocation factors with reference to steamboat companies and airplane companies as will enable it to make a substantially just and correct valuation of the operating property of such steamboat

May take  
into consid-  
eration  
other facts.

companies and airplane companies within the state and within each county thereof.

Value shall be entered on county tax rolls.

SEC. 16. When the state board of equalization shall have determined the equalized assessed value of the operating property of each company in each of the respective counties and in the taxing districts thereof, as hereinabove provided, the commission shall certify such equalized assessed value to the county assessor of the proper county. The county assessor shall enter the company's real operating property upon the real property tax rolls and the company's personal operating property upon the personal property tax rolls of his county, together with the values so apportioned, and the same shall be and constitute the assessed valuation of the operating property of the company in such county and the taxing districts therein for that year, upon which taxes shall be levied and collected in the same manner as on the general property of such county.

Property not assessed as operating property.

SEC. 17. All property of any company not assessed as operating property under the provisions of this act shall be assessed by the assessor of the county wherein the same may be located or situate the same as the general property of the county.

Power to make rules.

SEC. 18. The commission shall have the power to make such rules and regulations, not inconsistent herewith, as may be convenient and necessary to enforce and carry out the provisions of this act.

Partial invalidity.

SEC. 19. The invalidity of any portion of this act shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

Conflicting statutes repealed.

SEC. 20. Sections 35 to 50, inclusive, chapter 130, Laws Extraordinary Session of 1925, and all acts and parts of acts in conflict herewith are hereby repealed, but the repeal herein provided for shall

not be construed to invalidate or abate any proceedings for the collection of taxes levied under the provisions of the sections repealed nor shall the enactment of this act in any manner affect proceedings for the collection of taxes heretofore levied against any company under the provisions of other statutes.

Taxes  
already  
levied not  
affected.

SEC. 21. This act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Effective  
immediately.

Passed the House March 5, 1935.

Passed the Senate March 12, 1935.

Approved by the Governor March 20, 1935.

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## CHAPTER 124.

[H. B. 378.]

### WILD GAME.

AN ACT relating to game, regulating the issuance of certain licenses and prescribing the powers and duties of the director of game in connection therewith, and amending section 38 of chapter 178 of the Laws of the Extraordinary Session of 1925 as amended by section 6, of chapter 258 of the Laws of 1927 and as amended by section 38, chapter 3, Laws of 1933 (initiative measure number 62) and repealing section 41 of chapter 178 of the Laws of the Extraordinary Session of 1925 as amended by section 41, of chapter 3, Laws of 1933 (initiative measure number 62) and declaring an emergency.

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

SECTION 1. That section 38 of chapter 178 of the Laws of the Extraordinary Session of 1925, as amended by section 6, of chapter 258 of the Laws of 1927 as amended by section 38, of chapter 3, Laws of 1933 (initiative measure number 62) be amended to read as follows:

Amends § 38,  
ch. 3, Laws  
of 1933.

Section 38. It shall be unlawful for any person to hunt, trap or fish for game animals, fur-bearing

License  
necessary.