

no force or effect after June 30, 1972.

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate April 28, 1971.

Passed the House April 28, 1971.

Approved by the Governor April 30, 1971.

Filed in Office of Secretary of State April 30, 1971.

CHAPTER 43

[Engrossed House Bill No. 493]

REVENUE AND TAXATION--

LEASEHOLD ESTATES

AN ACT Relating to revenue and taxation; amending section 84.40.030, chapter 15, Laws of 1961 and RCW 84.40.030; providing for both prospective and retroactive application; and declaring an emergency.

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

Section 1. Section 84.40.030, chapter 15, Laws of 1961 and RCW 84.40.030 are each amended to read as follows:

All property shall be assessed fifty percent of its true and fair value in money. In determining the true and fair value of real or personal property, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation; nor shall he adopt as a criterion of value the price for which the said property would sell at auction, or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such price as he believes the same to be fairly worth in money at the time such assessment is made. The true cash value of property shall be that value at which the property would be taken in payment of a just debt from a solvent debtor. In assessing any tract or lot of real property, the value of the land, exclusive of improvements, shall be determined; also, the value of all improvements and structures thereon and the aggregate value of the property, including all structures and other improvements, excluding the value of crops growing on cultivated lands. In valuing any real property on which there is a coal or other mine, or stone or other quarry, the land shall be valued at such price as such land would sell at a fair, voluntary sale for cash; any improvements thereon shall be separately valued and assessed as hereinabove provided; and any personal

property connected therewith shall be listed, valued and assessed separately as other personal property is assessed under general law. Taxable leasehold estates shall be valued at such price as they would bring at a fair, voluntary sale for cash. Notwithstanding any other provisions of this section or of any other statute, when the value of any taxable leasehold estate created prior to January 1, 1971 is being determined for assessment years prior to the assessment year 1973, there shall be deducted from what would otherwise be the value thereof the present worth of the rentals and other consideration which may be required of the lessee by the lessor for the unexpired term thereof: PROVIDED, That the foregoing provisions of this sentence shall not apply to any extension or renewal, made after December 31, 1970 of the term of any such estate, or to any such estate after the date, if any, provided for in the agreement for rental renegotiation.

NEW SECTION. Sec. 2. This 1971 amendatory act shall apply both prospectively and retroactively.

NEW SECTION. Sec. 3. The county assessor and the county board of equalization in each county shall make any corrections in any assessments heretofore or hereafter made of such estates in their respective counties which may be necessary in order to make the assessments conform with the provisions of this 1971 amendatory act. All such corrections shall be made by the county assessors and the county board of equalization in accordance with the procedures set forth in RCW 84.56.400.

NEW SECTION. Sec. 4. The legislative council in conjunction with the department of revenue shall review methods and procedures for the assessment and valuation of taxable leasehold estates and shall present recommendations with respect thereto to the legislature, not later than the next regular session.

NEW SECTION. Sec. 5. A state agency, municipal corporation, or political subdivision (hereinafter referred to as "public lessor") which has entered into, prior to the effective date of this act, as lessor, a lease of real or personal property (including any permit, concession agreement or other type of agreement essentially comparable to a lease) may agree to a modification of the provisions of such lease in order to allow, in whole or in part, the absorption by the public lessor of any property tax imposed upon the leasehold interest, if the lessee agrees to a suitable modification of the provisions of such lease with respect to the duration or other terms of such lease for the benefit of the public lessor; and for the purpose of allowing such modifications with respect to the duration of the lease a public lessor is authorized, if it finds it to be beneficial to itself, to extend the term of such lease for a period not to exceed five years beyond any otherwise applicable statutory

limitation.

NEW SECTION. Sec. 6. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 7. This 1971 amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 29, 1971.

Passed the Senate April 28, 1971.

Approved by the Governor April 30, 1971.

Filed in Office of Secretary of State April 30, 1971.

CHAPTER 44

[House Bill No. 728]

REVENUE AND TAXATION--

EXEMPT PROPERTY TRANSFERRED TO
PRIVATE OWNERSHIP

AN ACT Relating to taxation and revenue; adding new sections to chapter 15, Laws of 1961 and to chapter 84.40 RCW; and declaring an emergency.

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

NEW SECTION. Section 1. Sections 2 through 6 of this act are added to chapter 15, Laws of 1961 and to chapter 84.40 RCW.

NEW SECTION. Sec. 2. Real property, previously exempt from taxation, shall be assessed and taxed as herein provided when transferred to private ownership by any exempt organization including the United States of America, the state or any political subdivision thereof by sale or exchange or by a contract under conditions provided for in RCW 84.40.230.

NEW SECTION. Sec. 3. Property transferred to private ownership as herein provided, which no longer retains its exempt status shall be subject to a pro rata portion of the taxes allocable to the remaining portion of the year after the date of execution of the instrument of sale, contract or exchange.

NEW SECTION. Sec. 4. The assessor shall list the property and assess it with reference to its value on the date of the execution of the instrument of sale, contract, or exchange unless such property has been previously listed and assessed. He shall extend the taxes on the tax roll using the rate of percent applicable as if the property had been assessed in the previous year.