

CHAPTER 280.

[H. B. 273.]

TAX COMMISSION.

AN ACT relating to revenue and taxation and the administration of the state government, prescribing and limiting the powers and duties of certain state and county officers, creating and establishing certain offices and departments, ratifying and confirming all previous acts of the tax commission of Washington created by chapter 18, Laws of 1925, and other state and county officers, and declaring that this act shall take effect immediately.

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

Tax commission established.

SECTION 1. There is hereby created and established a state commission, to be known and designated as the "tax commission of the State of Washington" and in this act referred to as the tax commission.

Appointment and removal.

The tax commission shall be composed of three members possessing special knowledge of the subject of taxation, who shall be appointed by the governor with the consent of the Senate and be subject to removal in the manner provided by sections 10988-10989-10990 Remington's Compiled Statutes.

Term.

The members of the first commission to be appointed after the taking effect of this act, shall be appointed for the terms beginning April 1, 1925, and expiring as follows: One commissioner for the term expiring January 31, 1927; one commissioner for the term expiring January 31, 1929; and one commissioner for the term expiring January 31, 1931. Each of the first commissioners appointed shall hold office until his successor is appointed and qualified.

Vacancy.

Upon the expiration of the terms of the three commissioners first to be appointed as aforesaid, each succeeding commissioner shall be appointed and hold office for the term of six years and until his successor

shall have been appointed and qualified. In case of a vacancy, it shall be filled by appointment by the governor for the unexpired portion of the term in which said vacancy occurs. The office of the commission shall be at the state capital. Office.

SEC. 2. Each commissioner shall devote his entire time to the duties of his office and no commissioner shall hold any other public office. Before entering upon the duties of his office, each of said commissioners shall enter into a surety bond executed by a surety company authorized to do business in this state, payable to the State of Washington, to be approved by the governor, in the penal sum of five thousand dollars (\$5,000.00), conditioned upon the faithful performance of his duties, and shall take and subscribe to the oath of office prescribed for elective state officers, which oath and bond shall be filed with the secretary of state. Each member of the tax commission shall receive a salary of six thousand (\$6,000.00) dollars per annum, payable monthly. May not hold other public office.
Bond.
Oath.
Salary.

SEC. 3. The first members of the tax commission appointed under this act, after having qualified, shall within thirty days meet at the state capital and organize. The governor shall designate the chairman of the commission. A majority of the members of said commission shall constitute a quorum. The commission may hold sessions or conduct hearings and investigations at other places in the state than the capital when deemed necessary. The commission may by order refer to one of its members or its employees the duty of making investigations and/or taking testimony and of reporting thereon to the commission, but no determination shall be made except by a majority vote of the tax commission. First meeting.
Chairman.
Quorum.
Meetings away from capital.
Investigations.

The tax commission shall keep full and correct minutes of its transactions and proceedings, which Records.

Seal.

Records certified.

May administer oaths.

shall at all times be open to public inspection. The tax commission shall adopt and procure a seal and all process or certificates issued by it shall be attested under such seal. Copies of the records of said commission shall be certified by the secretary and attested with the seal of said commission. Any member of the tax commission, or any employee thereof, officially designated by said commission, shall have the power to administer oaths in all matters pertaining to or concerning the proceedings or the official duties of the tax commission.

Employees.

SEC. 4. The tax commission shall have power to appoint, discharge, and fix the compensation of a secretary and such other assistants and employees as may be necessary to perform the duties required of it by law, and to incur such expense and make such expenditures as may be necessary for the performance of its duties, all within the limits of the appropriations for the commission.

Powers and duties.

SEC. 5. The tax commission shall have the power and it shall be its duty from the time hereinafter specified:

First—To exercise all powers and perform all duties now vested in and required to be performed by the director of taxation and examination, except those relating to banking and savings and loan associations and those required by chapter XIII, title XVI, Remington's Compiled Statutes and the division of municipal corporations.

Second—To secure, tabulate, and keep records of valuations of all classes of property throughout the state, and for that purpose, to have access to all records and files of state offices and departments and county and municipal offices and to require all public officers and employees whose duties make it possible to ascertain valuations, including valuations of property of public service corporations for rate making

purposes to file reports with the commission, giving such information as to such valuation and the source thereof.

Third—To exercise general supervision and control over the administration of the assessment and tax laws of the state, over township and county assessors, and county and township boards of equalization, and over boards of county commissioners, in the performance of their duties relating to taxation and to do and perform any act or give any order or direction to any county or township board of equalization or to any county or township assessor as to the valuation of any property, or class or classes of property in any county, township, city or town, which, in the commission's judgment may seem just and necessary, to the end that all taxable property in this state shall be listed upon the assessment rolls and valued and assessed according to the provisions of law, and equalized between persons, firms, companies and corporations, and between the different counties of this state, and between the different taxing units and townships, so that equality of taxation shall be secured according to the provisions of law.

Fourth—To examine and test the work of county and township assessors at any time, and to have and possess all rights and powers of such assessors for the examination of persons, and property, and for the discovery of property subject to taxation, and if it shall ascertain that any taxable property is omitted from the assessment list, or not assessed or valued according to law, it shall bring the same to the attention of the assessor of the proper county or township in writing, and if such assessor shall neglect or refuse to comply with the request of the tax commission to place such property on the assessment list, or to correct such incorrect assessment or valuation the tax commission shall have the power

to prepare a supplement to such assessment list, which supplement shall include all property required by the tax commission to be placed on the assessment list and all corrections required to be made. Such supplement shall be filed with the assessor's assessment list and shall thereafter constitute an integral part thereof to the exclusion of all portions of the original assessment list inconsistent therewith, and shall be submitted therewith to the county board of equalization.

Fifth—The tax commission shall have power to direct and to order any county or township board of equalization to raise or lower the valuation of any taxable property and to add such property to the assessment list. The tax commission may require any such board of equalization to reconvene after its adjournment for the purpose of performing any order or requirement made by the tax commission and may make such orders as it shall determine to be just and necessary. If such board of equalization shall fail or refuse forthwith to comply with any such order or requirement of the tax commission, the tax commission shall have power to make such correction or change in the assessment list, and such corrections and changes shall be a part of the record of the proceedings of the said board of equalization. *Provided*, That in all cases where the tax commission shall raise the valuation of any property or add property to the assessment list, it shall give notice for the same time and in the same manner as is now required in like cases of county boards of equalization.

Sixth—To investigate the tax laws of this and other states, and the possible taxable resources of this state for the purpose of recommending to the legislature methods by which a more just and equitable system of taxation may be developed.

Seventh—To make such rules and regulations as may be necessary to carry out the powers herein granted, and for conducting hearings and other proceedings before it.

SEC. 6. Any taxpayer or taxing unit feeling aggrieved by the action of any county or township board of equalization may appeal to the tax commission by filing with the county auditor a notice of appeal in duplicate within ten days after the action of such board of equalization, which notice shall specify the actions complained of, and said auditor shall forthwith transmit one of said notices to the tax commission. The tax commission shall require the board appealed from to certify the minutes of its proceedings resulting in such action and all evidence taken in connection therewith, and may receive further evidence, and shall make such order as in its judgment is just and proper.

Appeals to
commission
from county
board of
equalization.

Transcript.

SEC. 7. Any party or parties feeling aggrieved by any order of the tax commission shall have a right of appeal to the superior court of the county in which any property affected is located, or at the election of the appellant, to the superior court of Thurston county, Washington. Such appeal shall be informal and summary. Notice thereof shall be filed with the clerk of the superior court to which such appeal is taken, and a copy thereof shall be served by registered mail or personally upon some member of the tax commission or the secretary thereof within twenty (20) days after the decision appealed from, and the appellant shall file an appeal bond in the sum of two hundred (\$200.00) dollars signed by one or more sureties, conditioned that the appellant will pay all taxable costs in the event of the affirmance of the decision appealed from. Said bond shall be filed with the clerk of the superior court to which said appeal is taken within five (5) days

Appeal from
commission
to superior
court.

Notice.

Bond.

after the filing of notice of appeal, and shall be approved by him.

SEC. 8. Any taxpayer feeling aggrieved by the levy or levies of any taxing district except levies authorized by a vote of the people of the district may appeal therefrom to the tax commission as hereinafter provided. Such taxpayer, upon the execution of a bond, with two or more sufficient sureties to be approved by the county auditor, payable to the State of Washington, in the penal sum of two hundred dollars (\$200.00) and conditioned that if the petitioner shall fail in his appeal for a reduction of said levy or levies he will pay the taxable costs of the hearings hereinafter provided, not exceeding the amount of such bond, may file a written complaint with the county auditor wherein such taxing district is located not later than ten days after the making and entering of such levy or levies, setting forth in such form and detail as the tax commission shall by general rule prescribe, his objections to such levy or levies. Upon the filing of such complaint, the county auditor shall immediately transmit a certified copy thereof, together with a copy of the budget or estimates of such taxing district as finally adopted, including estimated revenues and such other information as the tax commission shall by rule require, to the tax commission. The tax commission shall fix a date for a hearing on said complaint at the earliest convenient time after receipt of said record, which hearing shall be held in the county in which said taxing district is located, and notice of such hearing shall be given to the officials of such taxing district, charged with determining the amount of its levies, and to the taxpayer on said complaint by registered mail at least five days prior to the date of said hearing. At such hearings all interested parties may be heard and the tax commission shall receive all competent evidence. After

Appeal to
tax commis-
sion from
levy.

Bond.

File com-
plaint with
county
auditor.

Complaint
and budget
certified to
commission.

Hearing.

such hearing, the tax commission shall either affirm or decrease the levy or levies complained of, in accordance with the evidence, and shall thereupon certify its action with respect thereto to the county auditor, who, in turn, shall certify it to the taxing district or districts affected, and the action of the tax commission with respect to such levy or levies shall be final and conclusive.

Decision.

Finality.

SEC. 9. This act shall not affect any right accrued or established, or any action or proceeding had or commenced in any civil or criminal cause, before this act takes effect, but such actions or proceedings may be prosecuted and continued by the tax commission or the department of efficiency, as the case may be, having jurisdiction of the subject matter to which such litigation or such proceedings pertain.

No present right of action affected.

SEC. 10. All books, papers, maps, charts, plans, records, data, files, and all other equipment and property belonging to the state equalization committee and the department of taxation and examination in the possession of any officers or employees thereof, or any other state officers or employees, together with pending business in any way pertaining to the powers and duties of such department or board, except those having to do with banks and savings and loan associations and the division of municipal corporations which shall be delivered to the state auditor, and those required by chapter XIII, title XVI, of Remington's Compiled Statutes, shall be delivered, transferred and surrendered to the tax commission upon its organization.

Transfer of equipment.

SEC. 11. From and after the date of the formal organization of the tax commission as hereinbefore provided, and as evidenced by the filing by said commission with the governor, of a written notice of such organization, the department of taxation and examination and the state equalization com-

Department of taxation and examination and state equalization committee abolished.

mittee shall be and hereby are abolished, and all powers and duties of said department of taxation and examination, except those relating to banking and savings and loan associations, and those required by chapter XIII, title XVI, of Remington's Compiled Statutes and the division of municipal corporations shall be, and hereby are, vested in and required to be performed by said tax commission, and the powers and duties of the said department of taxation and examination relating to banking and savings and loan associations and those required by chapter XIII, title XVI, of Remington's Compiled Statutes, shall be, and hereby are, vested in and required to be performed by the department of efficiency and the division of municipal corporations which shall be vested in and required to be performed by the state auditor and all the powers and duties of the state equalization committee shall be, and hereby are, vested in and required to be performed by a state board of equalization, to consist of the members of the tax commission.

Public officers and employees must obey orders of commission.

Procedure to compel compliance.

SEC. 12. It shall be the duty of every public officer to comply with any lawful order, rule or regulation of the tax commission made under the provisions of this act and whenever it shall appear to the tax commission that any public officer or employee whose duties relate to the assessment or equalization of assessments of property for taxation has failed to comply with the provisions of this act or with any other law relating to such duties or the rules of the commission made in pursuance thereof, the commission after a hearing on the facts may issue its order directing such public officer or employee to comply with such provisions of law or of its rules, and if such public officer or employee for a period of ten days after service on him of the commission's order shall neglect or refuse to comply therewith, the commission may apply to a judge of

the superior court or court commissioner of the county in which said public officer or employee holds office for an order returnable within five days from the date thereof to compel such public officer or employee to comply with such provisions of law or of the commission's order, or to show cause why he should not be compelled so to do, and any order issued by the judge pursuant thereto shall be final. The remedy herein provided shall be cumulative and shall not exclude the tax commission from exercising any power or rights herein granted.

Cumulative
act.

SEC. 13. This act is intended, and shall be construed, to be a continuation and reenactment of each and every provision of said chapter 18 of the Laws of 1925. Each and all of the acts of the tax commission of the State of Washington, appointed under and by virtue of chapter 18 of the Laws of 1925, and of all other state and county officers, heretofore performed, or attempted to be performed, under and by virtue of said chapter 18, Laws of 1925, and all acts of said tax commission performed, or attempted to be performed, by virtue of any other laws of the State of Washington, are hereby validated, ratified and confirmed as fully, and to the same extent as though this act had been in full force, effect, and operation since February 16, 1925.

Re-enact-
ment of ch.
18, L. of 1925.

SEC. 14. If any section or provision of this act be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Partial
invalidity.

SEC. 15. This act is necessary for the support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the House February 17, 1927.

Passed the Senate March 3, 1927.

Approved by the Governor March 19, 1927.