

home dated prior to August 1, 1984, and submitted to the department prior to January 1, 1988, the depreciation base of the nursing home shall not exceed the fair market value of the assets at the date of purchase as determined by the department of general administration through an appraisal procedure.

(c) Where depreciable assets are acquired from a related organization, the contractor's depreciation base shall not exceed the base the related organization had or would have had under a contract with the department.

(d) Where the depreciable asset is a donation or distribution between related organizations, the base shall be the lesser of (i) fair market value, less salvage value, or (ii) the depreciation base the related organization had or would have had for the asset under a contract with the department.

Passed the Senate March 7, 1988.

Passed the House March 5, 1988.

Approved by the Governor March 23, 1988.

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## CHAPTER 222

[Substitute House Bill No. 1754]

### TAX ADMINISTRATION REVISIONS

AN ACT Relating to tax administration; amending RCW 36.95.080, 82.03.070, 82.03-.120, 82.03.140, 82.03.150, 82.03.160, 82.03.170, 84.08.130, 84.08.060, 84.36.385, 84.38.030, 84.38.100, 84.38.120, 84.40.030, 84.40.040, 84.40.060, 84.40.130, 84.40.320, 84.48.010, 84.48-.014, 84.48.042, 84.48.075, 84.48.080, 84.52.020, 84.52.070, 84.52.080, 84.56.020, 84.69.050, 84.69.060, and 84.69.140; adding a new section to chapter 84.40 RCW; adding new sections to chapter 84.48 RCW; repealing RCW 84.52.090, 84.56.390, and 84.56.400; and providing an effective date.

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

Sec. 1. Section 8, chapter 155, Laws of 1971 ex. sess. as amended by section 1, chapter 52, Laws of 1981 and RCW 36.95.080 are each amended to read as follows:

The board shall, on or before the first day of July of any given year, ascertain and prepare a list of all persons believed to own television sets within the district and deliver a copy of such list to the county ((assessor)) treasurer.

Sec. 2. Section 36, chapter 26, Laws of 1967 ex. sess. and RCW 82-.03.070 are each amended to read as follows:

The board may appoint, discharge and fix the compensation of an executive ((secretary)) director, tax referees, a clerk, and such other clerical, professional and technical assistants as may be necessary. Tax referees shall not be subject to chapter 41.06 RCW.

Sec. 3. Section 41, chapter 26, Laws of 1967 ex. sess. and RCW 82-.03.120 are each amended to read as follows:

The board shall maintain at its principal office a (~~journal which shall contain all official actions of the board, with the exception of findings and decisions, together with the vote of each member on such actions~~) copy of its final findings and decisions. The (~~journal~~) findings and decisions shall be available for public inspection at the principal office of the board at all reasonable times.

Sec. 4. Section 43, chapter 26, Laws of 1967 ex. sess. as amended by section 8, chapter 46, Laws of 1982 1st ex. sess. and RCW 82.03.140 are each amended to read as follows:

In all appeals over which the board has jurisdiction under RCW 82.03.130, a party taking an appeal may elect either a formal or an informal hearing, such election to be made according to rules of practice and procedure to be promulgated by the board: PROVIDED, That nothing shall prevent the assessor or taxpayer, as a party to an appeal pursuant to RCW 84.08.130, within twenty days from the date of the receipt of the notice of appeal, from filing with the clerk of the board notice of intention that the hearing be a formal one: PROVIDED, HOWEVER, That nothing herein shall be construed to modify the provisions of RCW 82.03.190: AND PROVIDED FURTHER, That upon an appeal under RCW 82.03.130(5), the director of revenue may, within ten days from the date of its receipt of the notice of appeal, file with the clerk of the board notice of its intention that the hearing be held pursuant to chapter 34.04 RCW. In the event that appeals are taken from the same decision, order, or determination, as the case may be, by different parties and only one of such parties elects a formal hearing, a formal hearing shall be granted.

Sec. 5. Section 44, chapter 26, Laws of 1967 ex. sess. and RCW 82.03.150 are each amended to read as follows:

In all appeals involving an informal hearing, the board or its tax referees shall have all powers relating to administration of oaths, issuance of subpoenas, and taking of depositions as are granted to agencies by chapter 34.04 RCW. The board, or its tax referees, shall also have all powers granted the department of revenue pursuant to RCW 82.32.110. In the case of appeals within the scope of RCW 82.03.130(2) the board or any member thereof may obtain such assistance, including the making of field investigations, from the staff of the director of revenue as the board or any member thereof may deem necessary or appropriate.

Sec. 6. Section 45, chapter 26, Laws of 1967 ex. sess. and RCW 82.03.160 are each amended to read as follows:

In all appeals involving a formal hearing the board or its tax referees shall have all powers relating to administration of oaths, issuance of subpoenas, and taking of depositions as are granted to agencies in chapter 34.04 RCW; and the board, and each member thereof, or its tax referees, shall be subject to all duties imposed upon, and shall have all powers granted to,

an agency by those provisions of chapter 34.04 RCW relating to contested cases. The board, or its tax referees, shall also have all powers granted the department of revenue pursuant to RCW 82.32.110. In the case of appeals within the scope of RCW 82.03.130(2), the board, or any member thereof, may obtain such assistance, including the making of field investigations, from the staff of the director of revenue as the board, or any member thereof, may deem necessary or appropriate: PROVIDED, HOWEVER, That any communication, oral or written, from the staff of the director to the board or its tax referees shall be presented only in open hearing.

Sec. 7. Section 46, chapter 26, Laws of 1967 ex. sess. and RCW 82-.03.170 are each amended to read as follows:

All proceedings, including both formal and informal hearings, before the board or any of its members or tax referees shall be conducted in accordance with such rules of practice and procedure as the board may prescribe. The board shall publish such rules and arrange for the reasonable distribution thereof.

Sec. 8. Section 84.08.130, chapter 15, Laws of 1961 as last amended by section 1, chapter 290, Laws of 1977 ex. sess. and RCW 84.08.130 are each amended to read as follows:

Any taxpayer or taxing unit feeling aggrieved by the action of any county board of equalization may appeal to the board of tax appeals by filing with the county auditor a notice of appeal in duplicate within thirty days after the ~~((action))~~ mailing of the decision 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 board of tax appeals; and in like manner any county assessor may appeal to the board of tax appeals from any action of any county board of equalization. The petitioner shall provide a copy of the notice of appeal to all named parties. Appeals which are not filed as provided in this section shall be continued or dismissed. The board of tax appeals shall require the board appealed from to ~~((certify the minutes of its proceedings resulting))~~ file a true and correct copy of its decision 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.

Sec. 9. Section 84.08.060, chapter 15, Laws of 1961 as last amended by section 11, chapter 46, Laws of 1982 1st ex. sess. and RCW 84.08.060 are each amended to read as follows:

The department of revenue shall ~~have~~ power to direct and to order any county board of equalization to raise or lower the valuation of any taxable property, or to add any property to the assessment list, or to perform or complete any other duty required by statute. The department of revenue may require any such board of equalization to reconvene after its adjournment for the purpose of performing any order or requirement made by the

department of revenue and may make such orders as it shall determine to be just and necessary. The department may require any county board of equalization to reconvene at any time for the purpose of performing or completing any duty or taking any action it might lawfully have performed or taken at any of its previous (~~regular July, November or April~~) meetings. No board may be reconvened later than three years after the date of adjournment of its regularly convened session. If such board of equalization shall fail or refuse forthwith to comply with any such order or requirement of the department of revenue, the department of revenue shall have power to take any other appropriate action, or 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 department of revenue shall raise the valuation of any property or add property to the assessment list, it shall give notice either for the same time and in the same manner as is now required in like cases of county boards of equalization, or if it shall deem such method of giving notice impracticable it shall give notice by publication thereof in a newspaper of general circulation within the county in which the property affected is situated once each week for two consecutive weeks, and the department of revenue shall not proceed to raise such valuation or add such property to the assessment list until a period of five days shall have elapsed subsequent to the date of the last publication of such notice: PROVIDED FURTHER, That appeals to the board of tax appeals by any taxpayer or taxing unit concerning any action of the county board of equalization shall not raise the valuation of the property to an amount greater than the larger of either the valuation of the property by the county assessor or the valuation of the property assigned by the county board of equalization. Such notice shall give the legal description of each tract of land involved, or a general description in case of personal property; the tax record-owner thereof; the assessed value thereof determined by the county board of equalization in case the property is on the assessment roll; and the assessed value thereof as determined by the department of revenue and shall state that the department of revenue proposes to increase the assessed valuation of such property to the amount stated and to add such property to the assessment list at the assessed valuation stated. The necessary expense incurred by the department of revenue in making such reassessment and/or adding such property to the assessment list shall be borne by the county or township in which the property as reassessed and/or so added to the assessment list is situated and shall be paid out of the proper funds of such county upon the order of the department of revenue.

Sec. 10. Section 3, chapter 182, Laws of 1974 ex. sess. as last amended by section 6, chapter 11, Laws of 1983 1st ex. sess. and RCW 84.36.385 are each amended to read as follows:

A claim for exemption under RCW 84.36.381 as now or hereafter amended, shall be made and filed (~~(between January 2 and July 1)~~) at any time during the year for exemption from taxes payable the following year and thereafter and solely upon forms as prescribed and furnished by the department of revenue.

A person granted an exemption under RCW 84.36.381 shall inform the county assessor of any change in status affecting the person's entitlement to the exemption on forms prescribed and furnished by the department of revenue.

If the assessor finds that the applicant does not meet the qualifications as set forth in RCW 84.36.381, as now or hereafter amended, the claim or exemption shall be denied but such denial shall be subject to appeal under the provisions of RCW 84.48.010(5). If the applicant had received exemption in prior years based on erroneous information, the taxes shall be collected subject to penalties as provided in RCW 84.40.130 for a period of not to exceed three years.

The department and each local assessor is hereby directed to publicize the qualifications and manner of making claims under RCW 84.36.381 through 84.36.389, through communications media, including such paid advertisements or notices as it deems appropriate. Notice of the qualifications, method of making applications, the penalties for not reporting a change in status, and availability of further information shall be included on or with property tax statements and revaluation notices for all residential property including mobile homes, except rental properties.

Sec. 11. Section 28, chapter 291, Laws of 1975 1st ex. sess. as last amended by section 21, chapter 220, Laws of 1984 and RCW 84.38.030 are each amended to read as follows:

A claimant may defer payment of special assessments and/or real property taxes on his property that is receiving an exemption under RCW 84.36.381 through 84.36.389 on up to eighty percent of the amount of his equity value in said property if the following conditions are met:

(1) The claimant must have owned, at the time of filing, the residence on which the special assessment and/or real property taxes have been imposed. For purposes of this subsection, a residence owned by a marital community or owned by cotenants shall be deemed to be owned by each spouse or cotenant. A claimant who has only a share ownership in cooperative housing, a life estate, a lease for life, or a revocable trust does not satisfy the ownership requirement.

(2) The claimant must have and keep in force fire and casualty insurance in sufficient amount to protect the interest of the state in the claimant's equity value; PROVIDED, That if the claimant fails to keep fire and casualty insurance in force to the extent of the state's interest in the claimant's equity value, the amount deferred shall not exceed one hundred percent of the claimant's equity value in the land or lot only.

(3) In the case of special assessment deferral, the claimant must have opted for payment of such special assessments on the installment method if such method was available.

Sec. 12. Section 35, chapter 291, Laws of 1975 1st ex. sess. as last amended by section 23, chapter 220, Laws of 1984 and RCW 84.38.100 are each amended to read as follows:

Whenever a person's special assessment and/or real property tax obligation is deferred under the provisions of this chapter, ((it)) the amount deferred and required to be paid pursuant to RCW 84.38.120 shall become a lien in favor of the state upon his or her property and shall have priority as provided in chapters 35.50 and 84.60 RCW: PROVIDED, That the interest of a mortgage or purchase contract holder who is required to cosign a declaration of deferral under RCW 84.38.090, shall have priority to said deferred lien. This lien may accumulate up to eighty percent of the amount of the claimant's equity value in said property and shall bear interest at the rate of eight percent per year from the time it could have been paid before delinquency until said obligation is paid: PROVIDED, That when taxes are deferred as provided in RCW 84.64.030 or 84.64.050, the amount shall bear interest at the rate of eight percent per year from the date the declaration is filed until the obligation is paid. In the case of a mobile home, the department of licensing shall show the state's lien on the certificate of ownership for the mobile home. In the case of all other property, the department of revenue shall file a notice of the deferral with the county recorder or auditor.

Sec. 13. Section 37, chapter 291, Laws of 1975 1st ex. sess. as amended by section 25, chapter 220, Laws of 1984 and RCW 84.38.120 are each amended to read as follows:

After receipt of the notification from the county assessor of the amount of deferred special assessments and/or real property taxes the department shall pay, from amounts appropriated for that purpose, to the treasurers of such municipal corporations said amounts, equivalent to the amount of special assessments and/or real property taxes deferred, to be distributed to the local improvement or taxing districts which levied the taxes so deferred: PROVIDED, That when taxes are deferred as provided in RCW 84.64.030 or 84.64.050, the department shall pay to the treasurer of the county the amount equivalent to all taxes, foreclosure costs, interest, and penalties accrued to the date the declaration to defer is filed.

Sec. 14. Section 2, chapter 155, Laws of 1980 and RCW 84.40.030 are each amended to read as follows:

All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

Taxable leasehold estates shall be valued at such price as they would bring at a fair, voluntary sale for cash without any deductions for any indebtedness owed including rentals to be paid. 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.

The true and fair value of real property for taxation purposes (including property upon which there is a coal or other mine, or stone or other quarry) shall be based upon the following criteria:

(1) Any sales of the property being appraised or similar (~~property~~) properties with respect to sales made within the past five years. The appraisal shall take into consideration political restrictions such as zoning as well as physical and environmental influences. The appraisal shall also take into account, (a) in the use of sales by real estate contract as similar sales, the extent, if any, to which the stated selling price has been increased by reason of the down payment, interest rate, or other financing terms; and (b) the extent to which the sale of a similar property actually represents the general effective market demand for property of such type, in the geographical area in which such property is located. Sales involving deed releases or similar seller-developer financing arrangements shall not be used as sales of similar property.

(2) In addition to sales as defined in subsection (1), consideration may be given to cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income that would be derived from prudent use of the property. In the case of property of a complex nature, or being used under terms of a franchise from a public agency, or operating as a public utility, or property not having a record of sale within five years and not having a significant number of sales of similar property in the general area, the provisions of this subsection (2) shall be the dominant factors in valuation. When provisions of this subsection (2) are relied upon for establishing values the property owner shall be advised upon request of the factors used in arriving at such value.

(3) In valuing any tract or parcel of real property, the value of the land, exclusive of structures thereon shall be determined; also the value of structures thereon, but the valuation shall not exceed the value of the total property as it exists. In valuing agricultural land, growing crops shall be excluded.

~~((4) In valuing any building with an unconventional heating, cooling, domestic water heating or electrical system before December 31, 1987, the value placed on the building shall not exceed the value which would be placed on the building if it had a conventional system:))~~

Sec. 15. Section 84.40.040, chapter 15, Laws of 1961 as last amended by section 5, chapter 46, Laws of 1982 1st ex. sess. and RCW 84.40.040 are each amended to read as follows:

The assessor shall begin the preliminary work for each assessment not later than the first day of December of each year in all counties in the state. ~~((He))~~ The assessor shall also complete the duties of listing and placing valuations on all property by May 31st of each year, except that the listing and valuation of construction under RCW 36.21.040 through 36.21.080 shall be completed by August 31st of each year, and in the following manner, to wit:

~~((He))~~ The assessor shall actually determine as nearly as practicable the true and fair value of each tract or lot of land listed for taxation and of each improvement located thereon and shall enter one hundred percent of the value of such land and of the total value of such improvements, together with the total of such one hundred percent valuations, opposite each description of property on ~~((his))~~ the assessment list and tax roll.

~~((He))~~ The assessor shall make an alphabetical list of the names of all persons in ~~((his))~~ the county liable to assessment of personal property, and require each person to make a correct list and statement of such property according to the standard form prescribed by the department of revenue, which statement and list shall include, if required by the form, the year of acquisition and total original cost of personal property in each category of the prescribed form, and shall be signed and verified under penalty of perjury by the person listing the property; PROVIDED, That the assessor may list and value improvements on publicly owned land in the same manner as real property is listed and valued, including conformance with the revaluation program required under chapter 84.41 RCW. Such list and statement shall be filed on or before the last day of ~~((March, but the assessor, upon written request filed on or before such date and for good cause shown therein, shall allow a reasonable extension of time for filing))~~ April. The assessor shall on or before the 1st day of January of each year mail a notice to all such persons at their last known address that such statement and list is required, such notice to be accompanied by the form on which the statement or list is to be made: PROVIDED, That the notice mailed by the assessor to each taxpayer each year shall, if practicable, include the statement and list of personal property of the taxpayer for the preceding year. Upon receipt of such statement and list the assessor shall thereupon determine the true and fair value of the property included in such statement and enter one hundred percent of the same ~~((in))~~ on the assessment ~~((books))~~ roll opposite

the name of the party assessed; and in making such entry in ~~((his))~~ the assessment list, ((he)) the assessor shall give the name and post office address of the party listing the property, and if the party resides in a city the assessor shall give the street and number or other brief description of ~~((his))~~ the party's residence or place of business. The assessor may, after giving written notice of ~~((his))~~ the action to the person to be assessed, add to the assessment list any taxable property which ~~((, in his judgment,))~~ should be included in such list.

Sec. 16. Section 84.40.060, chapter 15, Laws of 1961 as amended by section 37, chapter 149, Laws of 1967 ex. sess. and RCW 84.40.060 are each amended to read as follows:

Upon receipt of the verified statement of personal property, the assessor shall assess the value of such property ~~((and enter fifty percent of the same in his books))~~; PROVIDED, If any property is listed or assessed on or after the 31st day of May, the same shall be legal and binding as if listed and assessed before that time; PROVIDED, FURTHER, That any statement of taxable property which is not signed by the person listing the property and which is not verified under penalty of perjury shall not be accepted by the assessor nor shall it be considered in any way to constitute compliance, or an attempt at compliance, with the listing requirements of this chapter.

Sec. 17. Section 84.40.130, chapter 15, Laws of 1961 as amended by section 38, chapter 149, Laws of 1967 ex. sess. and RCW 84.40.130 are each amended to read as follows:

(1) If any person or corporation shall fail or refuse to deliver to the assessor, on or before the date specified in RCW 84.40.040, a list of the taxable personal property which ~~((he))~~ is required to ~~((list))~~ be listed under this chapter, unless it is shown that such failure is due to reasonable cause and not due to wilful neglect, there shall be added to the amount of tax assessed against ~~((him or it))~~ the taxpayer on account of such personal property five percent of the amount of such tax, not to exceed fifty dollars per calendar day, if the failure is for not more than one month, with an additional five percent for each additional month or fraction thereof during which such failure continues not exceeding twenty-five percent in the aggregate. Such penalty shall be collected in the same manner as the tax to which it is added.

(2) If any person or corporation shall wilfully give a false or fraudulent list, schedule or statement required by this chapter, or shall, with intent to defraud, fail or refuse to deliver any list, schedule or statement required by this chapter, such person or corporation shall be liable for the additional tax properly due or, in the case of wilful failure or refusal to deliver such list, schedule or statement, the total tax properly due; and in addition such person or corporation shall be liable for a penalty of one hundred percent of such additional tax or total tax as the case may be. Such penalty shall be in

lieu of the penalty provided for in subsection (1) of this section. A person or corporation giving a false list, schedule or statement shall not be subject to this penalty if it is shown that the misrepresentations contained therein are entirely attributable to reasonable cause. The taxes and penalties provided for in this subsection shall be recovered in an action in the name of the state of Washington on the complaint of the county assessor or the ~~((board of county commissioners;))~~ county legislative authority and shall, when collected, be paid into the county treasury to the credit of the current expense fund. The provisions of this subsection shall be additional and supplementary to any other provisions of law relating to recovery of property taxes.

Sec. 18. Section 84.40.320, chapter 15, Laws of 1961 as last amended by section 195, chapter 278, Laws of 1975 1st ex. sess. and RCW 84.40.320 are each amended to read as follows:

The assessor shall add up and note the amount of each column in ~~((his))~~ the detail and assessment lists~~((, which he shall have bound in book form))~~ in such manner~~((, to be))~~ as prescribed or approved by the state department of revenue, as will provide a convenient and permanent record of assessment. ~~((He))~~ The assessor shall also make, under proper headings, a ~~((tabular statement showing the footings of the several columns upon each page, and shall add and set down under the respective headings the total amounts of each column, which he shall attach to the highest numbered assessment book;))~~ certification of the assessment rolls and on the ~~((first Monday))~~ 15th day of July ~~((he))~~ shall file the same~~((, properly indexed;))~~ with the clerk of the county board of equalization for the purpose of equalization by the said board. Such ~~((returns))~~ certificate shall be verified by ~~((his))~~ an affidavit, substantially in the following form:

State of Washington, . . . . . County, ss.

I, . . . . ., Assessor . . . . ., do solemnly swear that the ~~((books No. 1 to No. . . . ., to the last of which this is attached;))~~ assessment rolls and this certificate contain a correct and full list of all the real and personal property ~~((for personal property, as the case may be))~~ subject to taxation in ~~(( . . . . . ))~~ this county for the assessment year 19 . . ., so far as I have been able to ascertain the same; and that the assessed value set down in the proper column, opposite the several kinds and descriptions of property, is in each case, except as otherwise provided by law, one hundred percent of the true and fair value of such property, to the best of my knowledge and belief, and that the ~~((footings of the several columns in said books, and the tabular statement returned herewith;))~~ assessment rolls and this certificate are correct, as I verily believe.

. . . . ., Assessor.

Subscribed and sworn to before me this . . . . . day of . . . . ., 19 . . .

(L. S.) . . . . ., Auditor of . . . . . county.

PROVIDED, That the failure of the assessor to ~~((attach his))~~ complete the certificate shall in nowise invalidate the assessment. After the same has been duly equalized by the county ~~((and state))~~ board of equalization, the same shall be delivered to the county assessor ~~((; who shall then extend the amount as levied by the state and county boards upon the said detail and assessment lists as by law provided))~~.

NEW SECTION. Sec. 19. A new section is added to chapter 84.40 RCW to read as follows:

The owner or person responsible for payment of taxes on any property may petition the county board of equalization for a change in the assessed valuation placed upon such property by the county assessor. Such petition must be made on forms prescribed or approved by the department of revenue and any petition not conforming to those requirements or not properly completed shall not be considered by the board. The petition must be filed with the board on or before July 1st of the year of the assessment or within thirty days after the date an assessment or value change notice has been mailed, whichever is later.

Sec. 20. Section 1, chapter 13, Laws of 1979 and RCW 84.48.010 are each amended to read as follows:

Prior to July ~~((1st))~~ 15th, the county legislative authority shall form a board for the equalization of the assessment of the property of the county. The members of said board ~~((may))~~ shall receive ~~((up to fifty dollars per day))~~ a per diem amount as set by the county legislative authority for each day of actual attendance of the meeting of the board of equalization to be paid out of the current expense fund of the county: PROVIDED, That when the county legislative authority constitute the board they shall ~~((not))~~ only receive ~~((the per diem allowance))~~ their compensation as members of the county legislative authority. The board of equalization shall meet in open session for this purpose annually on the ~~((first Monday in))~~ 15th day of July and, having each taken an oath fairly and impartially to perform their duties as members of such board, they shall examine and compare the returns of the assessment of the property of the county and proceed to equalize the same, so that each tract or lot of real property and each article or class of personal property shall be entered on the assessment list at its true and fair value, according to the measure of value used by the county assessor in such assessment year, which is presumed to be correct pursuant to RCW 84.40-.0301, and subject to the following rules:

First. They shall raise the valuation of each tract or lot or item of real property which ~~((in their opinion))~~ is returned below its true and fair value to such price or sum as ~~((they believe))~~ to be the true and fair value thereof, after at least five days' notice shall have been given in writing to the owner or agent.

Second. They shall reduce the valuation of each tract or lot or item which ~~((in their opinion))~~ is returned above its true and fair value to such price or sum as ~~((they believe))~~ to be the true and fair value thereof.

Third. They shall raise the valuation of each class of personal property which ~~((in their opinion))~~ is returned below its true and fair value to such price or sum as ~~((they believe))~~ to be the true and fair value thereof, and they shall raise the aggregate value of the personal property of each individual whenever ~~((they believe that such))~~ the aggregate value is less than the true valuation of the taxable personal property possessed by such individual, to such sum or amount as ~~((they believe))~~ to be the true value thereof, after at least five days' notice shall have been given in writing to the owner or agent thereof.

Fourth. They shall ~~((, upon complaint in writing of any party aggrieved;))~~ reduce the valuation of each class of personal property enumerated on the detail and assessment list of the current year, which ~~((in their opinion))~~ is returned above its true and fair value, to such price or sum as ~~((they believe))~~ to be the true and fair value thereof; and ~~((, upon like complaint;))~~ they shall reduce the aggregate valuation of the personal property of such individual who ~~((, in their opinion;))~~ has been assessed at too large a sum ~~((;))~~ to such sum or amount as ~~((they believe))~~ was the true and fair value of ~~((his))~~ the personal property.

Fifth. The board may review all claims for either real or personal property tax exemption as determined by the county assessor, and shall consider any taxpayer appeals from the decision of the assessor thereon to determine (1) if the taxpayer is entitled to an exemption, and (2) if so, the amount thereof.

The clerk of the board shall keep an accurate journal or record of the proceedings and orders of said board ~~((in a book kept for that purpose;))~~ showing the facts and evidence upon which their action is based, and the said record shall be published the same as other proceedings of county legislative authority, and shall make a true record of the changes of the descriptions and assessed values ordered by the county board of equalization. The assessor shall correct the real and personal assessment rolls in accordance with the changes made by the said county board of equalization, and ~~((he))~~ the assessor shall make duplicate abstracts of such corrected values, one copy of which shall be retained in ~~((his))~~ the office, and one copy forwarded to the ~~((state board of equalization))~~ department of revenue on or before the ~~((fifth))~~ eighteenth day of August next following the meeting of the county board of equalization.

The county board of equalization shall meet on the ~~((first Monday in))~~ 15th day of July and may continue in session and adjourn from time to time during a period not to exceed four weeks, but shall remain in session not less than three days: PROVIDED, That ~~((, in addition to the several times fixed by statute, any county board of equalization may be reconvened for~~

special or general purposes, but not later than three years after the date of adjournment of its regularly convened session by order of the department of revenue: ~~PROVIDED, FURTHER, That~~) the county board of equalization with the approval of the county legislative authority may convene at any time when petitions filed exceed twenty-five, or ten percent of the number of appeals filed in the preceding year, whichever is greater.

No taxes, except special taxes, shall be extended upon the tax rolls until the property valuations are equalized by the ~~((state board of equalization))~~ department of revenue for the purpose of raising the state revenue.

County legislative authorities as such shall at no time have any authority to change the valuation of the property of any person or to release or commute in whole or in part the taxes due on the property of any person.

Sec. 21. Section 3, chapter 55, Laws of 1970 ex. sess. and RCW 84.48.014 are each amended to read as follows:

The board of equalization of each county shall consist of not less than three nor more than seven members including alternates. Such members shall be appointed by a majority of the ~~((board of county commissioners or like other))~~ members of the county ((governmental)) legislative authority, and shall be selected ~~((for their knowledge of the values of property in the county))~~ based upon the qualifications established by rule by the department of revenue and shall not be a holder of any elective office nor be an employee of any elected official: **PROVIDED, HOWEVER,** The county ~~((commissioners))~~ legislative authority may ~~((themselves))~~ itself constitute the board at ~~((their))~~ its discretion. Any member who does not attend the school required by RCW 84.48.042 within one year of appointment or reappointment shall be barred from serving as a member of the board of equalization unless this requirement is waived for the member by the department for just cause.

Sec. 22. Section 11, chapter 55, Laws of 1970 ex. sess. and RCW 84.48.042 are each amended to read as follows:

The department of revenue shall establish a school for the training of members of the several boards of equalization throughout the state. Sessions of such schools shall, so far as practicable, be held in each district of the ~~((county commissioners'))~~ Washington state association of counties. Every member of the board of equalization of each county ~~((may))~~ shall attend such school within one year following appointment or reappointment.

Sec. 23. Section 3, chapter 284, Laws of 1977 ex. sess. as amended by section 7, chapter 46, Laws of 1982 1st ex. sess. and RCW 84.48.075 are each amended to read as follows:

(1) The department of revenue shall annually, prior to the first Monday in ~~((August))~~ September, determine and submit to each assessor a preliminary indicated ratio for each county: **PROVIDED,** That the department shall establish rules and regulations pertinent to the determination of the

indicated ratio, the indicated real property ratio and the indicated personal property ratio: PROVIDED FURTHER, That these rules and regulations may provide that data, as is necessary for said determination, which is available from the county assessor of any county and which has been audited as to its validity by the department, shall be utilized by the department in determining the indicated ratio.

(2) To such extent as is reasonable, the department may define use classes of property for the purposes of determination of the indicated ratio. Such use classes may be defined with respect to property use and may include agricultural, open space, timber and forest lands.

(3) The department shall review each county's preliminary ratio with the assessor, a landowner, or an owner of an intercounty public utility or private car company of that county, if requested by the assessor, a landowner, or an owner of an intercounty public utility or private car company of that county, respectively, between the first and third Mondays of (~~August~~) September. Prior to equalization of assessments pursuant to RCW 84.48.080 and after the third Monday of (~~August~~) September, the department shall certify to each county assessor the real and personal property ratio for that county.

(4) The department of revenue shall also examine procedures used by the assessor to assess real and personal property in the county, including calculations, use of prescribed value schedules, and efforts to locate all taxable property in the county. If any examination by the department discloses other than market value is being listed on the county assessment rolls of the county by the assessor and, after due notification by the department, is not corrected, the department of revenue shall, in accordance with rules adopted by the department, adjust the ratio of that type of property, which adjustment shall be used for determining the county's indicated ratio.

Sec. 24. Section 84.48.080, chapter 15, Laws of 1961 as last amended by section 1, chapter 28, Laws of 1982 1st ex. sess. and RCW 84.48.080 are each amended to read as follows:

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

First. The department shall classify all property, real and personal, and shall raise and lower the valuation of any class of property in any county to a value that shall be equal, so far as possible, to the true and fair value of such class as of January 1st of the current year for the purpose of ascertaining the just amount of tax due from each county for state purposes.

Such classification may be on the basis of types of property, geographical areas, or both.

Second. The department shall keep a full record of its proceedings and the same shall be published annually by the department.

The department shall levy the state taxes authorized by law: **PROVIDED**, That the amount levied in any one year for general state purposes shall not exceed the lawful dollar rate on the dollar of the assessed value of the property of the entire state, which assessed value shall be one hundred percent of the true and fair value of such property in money. The department shall apportion the amount of tax for state purposes levied by the department, among the several counties, in proportion to the valuation of the taxable property of the county for the year as equalized by the department: **PROVIDED**, That for purposes of this apportionment, the department shall recompute the previous year's levy and the apportionment thereof to correct for changes and errors in taxable values reported to the department after October 1 of the preceding year and shall adjust the apportioned amount of the current year's state levy for each county by the difference between the apportioned amounts established by the original and revised levy computations for the previous year. For purposes of this section, changes in taxable values mean a final adjustment made by a county board of equalization, the state board of tax appeals, or a court of competent jurisdiction and shall include additions of omitted property, other additions or deletions from the assessment or tax rolls, or a change in the indicated ratio of a county. Errors in taxable values mean errors corrected by a final reviewing body.

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

After the completion of the duties hereinabove prescribed, the director of the department shall certify the record of the proceedings of the department under this section, the tax levies made for state purposes and the apportionment thereof among the counties, and the certification shall be available for public inspection.

**NEW SECTION.** Sec. 25. A new section is added to chapter 84.48 RCW to read as follows:

The county assessor or treasurer may cancel or correct assessments on the assessment or tax rolls which are erroneous due to manifest errors in description, double assessments, clerical errors in extending the rolls, and such manifest errors in the listing of the property which do not involve a revaluation of property, such as the assessment of property exempted by law from taxation or the failure to deduct the exemption allowed by law to the head of a family. When the county assessor cancels or corrects an assessment, the assessor shall send a notice to the taxpayer advising the taxpayer that the action of the county assessor is not final and shall be considered by

the county board of equalization, and that such notice shall constitute legal notice of such fact. When the county assessor or treasurer cancels or corrects an assessment, a record of such action shall be prepared and filed with the county board of equalization, setting forth therein the facts relating to the error.

The county board of equalization shall consider only such matters as appear in the record filed with it by the county assessor or treasurer and shall correct only such matters as are set forth in the record, but it shall have no power to change or alter the assessment of any person, or change the aggregate value of the taxable property of the county, except insofar as it is necessary to correct the errors mentioned in this section. If the county board of equalization finds that the action of the assessor was not correct, it shall issue a supplementary roll including such corrections as are necessary, and the assessment and levy shall have the same force and effect as if made in the first instance, and the county treasurer shall proceed to collect the taxes due on the supplementary roll. The board shall make findings of the facts upon which it bases its decision on all matters submitted to it, and when so made the assessment and levy shall have the same force as if made in the first instance, and the county treasurer shall proceed to collect the taxes due on the rolls as modified.

The county board of equalization shall convene on a day fixed by the board for the purpose of considering such matters as appear in the record filed by the county assessor or treasurer.

NEW SECTION. Sec. 26. A new section is added to chapter 84.48 RCW to read as follows:

The department of revenue shall make such rules consistent with this chapter as shall be necessary or desirable to permit its effective administration. The rules may provide for changes of venue for the various boards of equalization.

Sec. 27. Section 84.52.020, chapter 15, Laws of 1961 as last amended by section 33, chapter 118, Laws of 1975-'76 2nd ex. sess. and RCW 84.52.020 are each amended to read as follows:

It shall be the duty of the city council or other governing body of cities of the first class, except cities having a population of three hundred thousand or more, the city councils or other governing bodies of cities of the second or third class, the board of directors of school districts of the first class, the superintendent of each educational service district for each constituent second class school district, commissioners of port districts, commissioners of metropolitan park districts, and of all officials or boards of taxing districts within or coextensive with any county required by law to certify to (~~boards of county commissioners~~) the county legislative authority, for the purpose of levying district taxes, budgets or estimates of the amounts to be raised by taxation on the assessed valuation of the property in the city or district, through their chairman and clerk, or secretary, to

make and file such certified budget or estimates with the clerk of the ~~((board of county commissioners))~~ county legislative authority on or before the ~~((Wednesday next following the first Monday in October in each year))~~ fifteenth day of November.

Sec. 28. Section 84.52.070, chapter 15, Laws of 1961 and RCW 84.52.070 are each amended to read as follows:

It shall be the duty of the ~~((board of county commissioners))~~ county legislative authority of each county, on or before the ~~((second Monday in October))~~ thirtieth day of November in each year, to certify to the county assessor of the county the amount of taxes levied upon the property in the county for county purposes, and the respective amounts of taxes levied by the board for each taxing district, within or coextensive with the county, for district purposes, and it shall be the duty of city councils of cities of the first class having a population of three hundred thousand or more, and of city councils of cities of the fourth class, or towns, and of all officials or boards of taxing districts within or coextensive with the county, authorized by law to levy taxes directly and not through the ~~((board of county commissioners))~~ county legislative authority, on or before the ~~((second Monday in October))~~ thirtieth day of November in each year, to certify to the county assessor of the county the amount of taxes levied upon the property within the city or district for city or district purposes. If a levy amount is not certified to the county assessor by the thirtieth day of November, the county assessor shall use no more than the certified levy amount for the previous year for the taxing district: PROVIDED, That this shall not apply to the state levy or when the assessor has not certified assessed values as required by RCW 84.48.130 at least twelve working days prior to November 30th.

Sec. 29. Section 84.52.080, chapter 15, Laws of 1961 as last amended by section 2, chapter 184, Laws of 1985 and RCW 84.52.080 are each amended to read as follows:

(1) The county assessor shall extend the taxes upon the tax rolls in the form herein prescribed. The rate percent necessary to raise the amounts of taxes levied for state and county purposes, and for purposes of taxing districts coextensive with the county, shall be computed upon the assessed value of the property of the county; the rate percent necessary to raise the amount of taxes levied for any taxing district within the county shall be computed upon the assessed value of the property of the district; all taxes assessed against any property shall be added together and extended on the rolls in a column headed consolidated or total tax. In extending any tax, whenever it amounts to a fractional part of a cent greater than five mills it shall be made one cent, and whenever it amounts to five mills or less than five mills it shall be dropped. The amount of all taxes shall be entered in the proper columns, as shown by entering the rate percent necessary to raise the consolidated or total tax and the total tax assessed against the property.

(2) For the purpose of computing the rate necessary to raise the amount of any excess levy in a taxing district which has classified or designated forest land under chapter 84.33 RCW, other than the state, the county assessor shall add the district's timber assessed value, as defined in RCW 84.33.035, to the assessed value of the property: PROVIDED, That for school districts maintenance and operations levies only one-half of the district's timber assessed value or eighty percent of the timber roll of such district in calendar year 1983 as determined under chapter 84.33 RCW, whichever is greater, shall be added.

(3) Upon the completion of such tax extension, it shall be the duty of the county assessor to make in each assessment book, tax roll or list a certificate in the following form:

I, . . . . ., assessor of . . . . . county, state of Washington, do hereby certify that the foregoing is a correct list of taxes levied on the real and personal property in the county of . . . . . for the year one thousand nine hundred and . . . . .

Witness my hand this . . . . . day of . . . . ., 19. . .

. . . . ., County Assessor

(4) The county assessor shall deliver said tax rolls to the county treasurer (~~on or before the fifteenth day of December~~), taking ((his)) receipt therefor, and at the same time the county assessor shall provide the county auditor with an abstract of the tax rolls showing the total amount of taxes collectible in each of the taxing districts.

Sec. 30. Section 84.56.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 211, Laws of 1987 and RCW 84.56.020 are each amended to read as follows:

The county treasurer shall be the receiver and collector of all taxes extended upon the tax rolls of the county, whether levied for state, county, school, bridge, road, municipal or other purposes, and also of all fines, forfeitures or penalties received by any person or officer for the use of his or her county. All taxes upon real and personal property made payable by the provisions of this title shall be due and payable to the treasurer as aforesaid on or before the thirtieth day of April and shall be delinquent after that date: PROVIDED, That each tax statement shall include a notice that checks for payment of taxes may be made payable to "Treasurer of . . . . . County" or other appropriate office, but tax statements shall not include any suggestion that checks may be made payable to the name of the individual holding the office of treasurer nor any other individual: PROVIDED FURTHER, That when the total amount of tax on personal property or on any lot, block or tract of real property payable by one person is ((ten)) thirty dollars or more, and if one-half of such tax be paid on or before the said thirtieth day of April, the remainder of such tax shall be due and payable on or before the thirty-first day of October following and shall

be delinquent after that date: PROVIDED FURTHER, That when the total amount of tax on any lot, block or tract of real property payable by one person is ~~((ten))~~ thirty dollars or more, and if one-half of such tax be paid after the thirtieth day of April but before the thirty-first day of October, together with the applicable interest and penalty on the full amount of such tax, the remainder of such tax shall be due and payable on or before the thirty-first day of October following and shall be delinquent after that date.

Delinquent taxes under this section are subject to interest at the rate of twelve percent per annum computed on a monthly basis from the date of delinquency until paid. Interest shall be calculated at the rate in effect at the time of payment of the tax, regardless of when the taxes were first delinquent. In addition, delinquent taxes under this section are subject to penalties as follows:

(1) A penalty of three percent shall be assessed on the amount of tax delinquent on May 31st of the year in which the tax is due.

(2) An additional penalty of eight percent shall be assessed on the total amount of tax delinquent on November 30th of the year in which the tax is due.

(3) Penalties under this section shall not be assessed on taxes that were first delinquent prior to 1982.

For purposes of this chapter, "interest" means both interest and penalties.

All collections of interest on delinquent taxes shall be credited to the county current expense fund; but the cost of foreclosure and sale of real property, and the fees and costs of distraint and sale of personal property, for delinquent taxes, shall, when collected, be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint or sale; and shall be used by the county treasurer as a revolving fund to defray the cost of further foreclosure, distraint and sale for delinquent taxes without regard to budget limitations.

Sec. 31. Section 84.69.050, chapter 15, Laws of 1961 as amended by section 1, chapter 5, Laws of 1973 2nd ex. sess. and RCW 84.69.050 are each amended to read as follows:

The part of the refund representing amounts paid to the state shall be paid from the county general fund and the ~~((state auditor))~~ department of revenue shall, upon the next succeeding settlement with the county, certify this amount refunded to the county: PROVIDED, That when a ~~((state-wide))~~ refund of tax funds pursuant to state levies is required, the ~~((state auditor and))~~ department of revenue shall authorize adjustment procedures whereby counties may deduct from property tax remittances to the state the amount required to cover the state's portion of the refunds.

Sec. 32. Section 84.69.060, chapter 15, Laws of 1961 as amended by section 2, chapter 5, Laws of 1973 2nd ex. sess. and RCW 84.69.060 are each amended to read as follows:

Refunds ordered under this chapter with respect to county (~~and~~), state, and taxing district taxes shall be paid by checks drawn upon the appropriate fund by the county treasurer: PROVIDED, That in making refunds (~~on a county or district wide basis~~), the county treasurer may make an adjustment on the next property tax payment due for the amount of the refund unless the taxpayer requests immediate refund.

Sec. 33. Section 84.69.140, chapter 15, Laws of 1961 and RCW 84.69.140 are each amended to read as follows:

In any action in which recovery of taxes is allowed by the court, the plaintiff is entitled to interest on the taxes for which recovery is allowed at a rate (~~of five percent per annum~~) as determined under RCW 84.69.100 from the date of collection of the tax to the date of entry of judgment, and such accrued interest shall be included in the judgment. (~~This section shall not apply to taxes paid before June 12, 1957.~~)

NEW SECTION. Sec. 34. The following acts or parts of acts are each repealed:

- (1) Section 84.52.090, chapter 15, Laws of 1961 and RCW 84.52.090;
- (2) Section 84.56.390, chapter 15, Laws of 1961, section 1, chapter 93, Laws of 1965 and RCW 84.56.390; and
- (3) Section 84.56.400, chapter 15, Laws of 1961, section 2, chapter 93, Laws of 1965, section 13, chapter 55, Laws of 1970 ex. sess., section 1, chapter 160, Laws of 1975 1st ex. sess. and RCW 84.56.400.

NEW SECTION. Sec. 35. Sections 15, 17, 19, 20, 21, 28, and 30 of this act shall take effect January 1, 1989.

Passed the House February 16, 1988.

Passed the Senate March 9, 1988.

Approved by the Governor March 23, 1988.

Filed in Office of Secretary of State March 23, 1988.

## CHAPTER 223

[Substitute House Bill No. 1845]

### FIREARMS—FORFEITURE—CONCEALED PISTOL LICENSES

AN ACT Relating to the forfeiture of handguns and concealed pistol licenses; amending RCW 9.41.070, 63.32.010, and 63.40.010; reenacting and amending RCW 9.41.098; and prescribing penalties.

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

Sec. 1. Section 7, chapter 172, Laws of 1935 as last amended by section 3, chapter 428, Laws of 1985 and RCW 9.41.070 are each amended to read as follows: