

FORMATTING NOTE:

In initiatives, legislative bills and other proposed measures, language that is to be deleted from current statutes is represented by a "strikethrough" character and language that is to be added is underlined. Because these special characters cannot be formatted in all Internet browsers, a different set of symbols is used for presenting these proposals on-line. The symbols are as follows:

- Text that is surrounded by (({- text here -})) is text that will be DELETED FROM the existing statute if the proposed measure is approved.
- Text that is surrounded by {+ text here +} is text that will be ADDED TO the existing statute if the proposed measure is approved.
- {+ NEW SECTION+} (found at the beginning of a section or paragraph) indicates that ALL of the text in that section will become law if the proposed measure is approved.

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INITIATIVE MEASURE NO. 681

LEAGUE OF WASHINGTON TAXPAYERS (LWT)

INITIATIVE TO THE PEOPLE

"PROPERTY TAX REFORM AND REDUCTION"

Proposed Ballot Title:" Shall property assessments,valuations and taxing procedures be revised to reduce property taxes,and stablize accelerating increases in future years? (20 word limit)

Summary Statement: This Initiative revises property tax codes and becomes effective January 1,1998. Property assessments and valuations, for all classes of real estate in the State of Washington (privately owned residential and commercial,developed or undeveloped,(including new construction) shall be returned ,for assessments,valuation and tax purposes to the levy date of January 1,1989.The 106 percent tax lid rate eliminated;the new tax rate limited to 80 percent of the assessed valuations.

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

{+ NEW SECTION +}. Sec.1.A new section is added to chapter 84.40 RCW to read as follows:

Property taxes for all classes of real estate in Washington state, such as privately owned residential and commercial, developed or undeveloped,including new construction, shall be returned to,assessed and valued for tax purposes as of the levy rate of January 1,1989. This levy rate shall comply with the 80 percent change of the true and fair market value of the property from the existing 100 percent levy rate.These revisions shall become effective at the beginning of the tax year 1998.The 106 percent levy lid tax law shall become null and vod as of the enactment date of the Initiative and shall no longer be applicalbe after January 1, 1998.

{+ NEW SECTION. +} Sec.2. A new section is added to chapter 84.40 RCW

to read as follows:

In no event shall the assessed value of any property exceed eighty percent of the true and fair market value of the property. In valuing any tract or parcel of real property the value of the land, exclusive of structures, shall be determined at the 1989 assessed value, and shall not be valued at any accelerated rate. The value shall not exceed the value of the total property as it exists. All such assessments shall be done by an on-site inspection every four years. All counties of the state of Washington shall abide by the four-year assessment stipulation. In valuing agricultural land, growing crops shall be excluded. Assessments shall be based upon capital land and improvements as dictated by the assessed values of the tax year 1989.

{+ NEW SECTION. +} Sec.3. A new section is added to the chapter 84.52 RCW to read as follows:

Any local taxing district wishing to increase revenue shall do so by obtaining 60 percent approval of the ballots cast at the next general election. This section applies to property taxes only.

Sec.4. RCW 84.40.030 and 1994 c 124 s 20 are amended to read as follows:

All property shall be valued at ({- one-hundred -}){+ eighty +} percent of its true and fair value in money and assessed on the same basis. Taxable leasehold estates shall be valued at {+ eighty percent of +} such price as they would bring at a fair, voluntary sale for cash without any deductions for any indebtedness owed including rentals paid. 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 on the following criteria:

(1) Any sales of the property being appraised or similar properties with respect to sales made within the past five years. The appraisal shall be consistent with the comprehensive land use plan, development regulations under chapter 36.70A RCW, zoning, and any other governmental policies or practices in effect at the time of appraisal that affect the use of the property, as well as physical and environmental influences. The appraisal shall take into account: (a) In the use of sales by real estate contract as similar cases, 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 the sales as defined in subsection (1) {+ of this section +}, consideration must be given to cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income that would be from prudent use of the property. In 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) are relied upon for establishing values the property owner shall be advised upon request of the factors used in arriving at such case.

(3){+ In addition to sales as defined in subsection (1) of this section and costs as determined under subsection (2) of this section, the assessed value of all classes of real estate must be reduced by the local assessor in the event of substantial damage, such as arson, destruction due to natural disaster, or any other factors causing a significant decline in true and fair market value, such as direct government action. The appraisal shall also take into consideration any reduction in property values or highest and best use that are the result of direct government action, including, but not limited to, rezoning of the property, critical areas or wetland designations, wildlife, habitat, stream buffer zones, eagle buffer zones, greenbelt separators, airport flight path zones, and riparian zones. If notified by a real property owner or by state, county, or local government authority of a change in the permitted use of the parcel or real estate, the county assessor shall review the impact of the change in permitted use on the highest and best use of the property and shall relist, revalue, reassess, and lower the tax on that property accordingly. +}

(4) In valuing any tract or parcel or 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.

{+ NEW SECTION. +} Sec.5.A new section is added to chapter 84.40 RCW to read as follows:

If an individual taxpayer believes that his or her levied tax or assessment is not fair or equitable, the county assessor's office shall provide either or both a comparable assessment and tax information to that taxpayer for use in the taxpayer's appeal, if the taxpayer requests the information.

{+ NEW SECTION. +} Sec.6.A new section is added to chapter 84.40 RCW to read as follows:

All real property in the state of Washington, personal and business, shall be assessed, valued, and taxed using the same criteria.

{+ NEW SECTION. +} Sec.7. A new section is added to chapter 84.52 RCW to read as follows:

No changes in the tax rates, assessments, valuations, taxes, percentages, or criteria shall be enacted by any governmental body until such changes are submitted to, voted upon, and approved by at least sixty percent of the voters voting in a duly called general election.

Sec.8. RCW 35.61.210 and 1990 c 234 s 3 are amended to read as follows:

The Board of Park Commissioners may submit to the voters of the affected park district, levy tax proposals at the next general election. These taxes shall be approved by a sixty percent majority vote and shall be enacted on the first day of January following the

the general election wherein they are approved. Any excess levy proposals shall comply with the afore-stipulated requirements. No levy proposals shall be submitted to or authorized in a {+ specially +} called election, and this Initiative shall not allow for a stipulated tax amount per thousand dollars of assessed valuation, in any election other than a general election.

The manner of submitting any levy proposal, of certifying same, and of giving or publishing notice thereof, shall be as provided by the law or the submission of proposals by cities or towns.

The board shall include in its general tax levy for each year a sufficient sum to pay the interest on all outstanding bonds and may include a sufficient amount to create a sinking fund for the redemption of all outstanding bonds. The levy shall be certified to the proper county officials for collection the same as other general taxes and when collected, the general tax shall be placed in a separate fund in the office of the county treasurer to be known as the "metropolitan park district fund" and paid out in warrants.

Sec. 9. RCW 36.69.145 and 1994 c 156 s 3 are amended to read as follows:

A Park and recreation district may submit to the voters of the affected Oarj District, levy tax proposals at the next general election. These taxes shall be approved by a sixty percent majority vote and shall be enacted on the first day of January following the general election wherein they are approved. Any proposal shall require a 60 per centum number of voters from the preceding general election. Ballot proposals shall conform with RCW 29.30.111. In the event a park and recreation district is levying property taxes, which in combination with property taxes levied by other taxing districts subject to the one percent limitation provided for in Article 7, section 2 of our state Constitution result in taxes in excess of the limitation provided in RCW 84.52.043, the park and recreation district property tax levy shall be reduced or eliminated before the property tax levies of other taxing districts are reduced.

Sec. 10. RCW 67.38.130 and 1984 c 123 s 4 are each amended to read as follows:

The governing body of cultural arts, stadium, and convention district may submit to the voters of the affected district, ad valorem tax proposals at the next general election. These proposals shall be approved by a sixty percent majority vote and shall be enacted on the first day of January following the general election wherein they are approved. Any proposal shall furthermore require a 60 per centum number of voters from the preceding general election. Ballot proposals shall conform with RCW 29.30.111.

In the event a cultural arts, stadium and convention district is levying property taxes, which in combination with property taxes levied by other taxing districts subject to the one percent limitation provided for in Article VII, section 2, or our state Constitution result in taxes in excess of the limitation provided for in RCW 84.52.043, the cultural arts, stadium and convention district property tax levy shall be reduced or eliminated before the property tax levies of other taxing districts are reduced: PROVIDED, That no cultural arts, stadium, and convention district may pledge anticipated revenues derived from the property tax herein authorized as security for payments of bonds issued pursuant to subsection (1) of this section: PROVIDED, FURTHER, That such limitation shall not apply to

property taxes approved pursuant to subsections (2) and (3) of this section.

(2) An annual excess valorem property tax for general district purposes when submitted and approved by 60 percent of the votes cast in a general election and in a manner prescribed by section 2, Article VII of the Constitution and by RCW 84.52.052.A 60 per centum number of voters from the preceeding election shall be required to validate this proposal.

(3) Multi-year excess ad valorem property tax levies used to retire general obligation bond issues shall be submitted and approved by 60 per cent of the votes cast in a general election and in a manner prescribed by section 2, Article VII of the Constitution and by RCW 84.52..056.A 60 per centum number of voters from the preceeding election shall be required to validate this proposal.

The district shall include in its regular property tax levy for each year a sum sufficient to pay the interest and principle on all outstanding general obligation bonds issued, and may include a sum sufficient to create a sinking fund for the redemption of all outstanding bonds, however, both the property tax levy for interest and principal payments on obligation bonds, and the sinking fund shall be submitted to the voters of the affected district and shall be required to receive 60 percent of the ballots cast in a general election at which a 60 per centum number of voters from the preceeding general election shall be required to validate the proposed levy. RCW 67.44.110 shall be amended to reflect these changes.

Sec. 11. RCW 70.44.060 and 1990 c 234 s 2 are each amended to read as follows:

All public hospital districts shall no longer have the sweeping powers as authorized under RCW 70.44.060 and 1990 c 234 s 2. The authorization of all public hospital districts shall be limited to the powers that are submitted to and approved by the voters in the affected district. Such approval shall require a 60 percent majority vote at a general election and all authorities so approved by the voters shall be enacted the first day of January following the election.

Sec. 12. RCW 84.08.115 and 1991 c 218 s 2 are amended to read as follows:

(1) The department shall prepare a clear and succinct explanation of the property tax system, including but not limited to:

(a) The standard of true and fair value as the basis of the property tax.

(b) How the assessed value for particular parcels is determined.

(c) The procedures and timing of the assessment process.

(d) How district levy rates are determined (including the one hundred six percent limit).

(e) How the composite tax rate is determined.

(f) How the amount of the tax is calculated.

(g) How a taxpayer may appeal an assessment, and what issues are appropriate as a basis for the appeal.

(h) A summary of tax exemption and relief programs, along with the eligibility standards and application processes.

(2) Each county assessor shall provide copies of the explanation to taxpayers upon request, free of charge. Each revaluation notice shall include information regarding the availability of the explanation.

Sec.13. RCW 84.40.037 and 1991 sp.s. c 29 s 4 are amended to read:

(1) Computer software, except embedded software shall be valued in the first year of taxation at {+ eighty +} percent of the acquisition cost of the software and in the second year at fifty percent of the acquisition cost. Computer software, other than embedded software, shall have no value for purposes of property taxation after the second year.

(2) Embedded software is a part of the computer system or other machinery or equipment in which it is housed and shall be valued in the same manner as the machinery or equipment.

(30) All software and embedded software referred to in this section shall be defined as personal business software and personal business embedded software and shall not include personal private software or personal embedded software.

Sec.14. RCW 84.40.040 and 1998 c 222 s 15 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. The assessor shall also complete the duties of listing and placing valuations on all real property by May 31st of each year, except that the listing and valuation of construction shall be completed by August 31st of each year, and in the following manner, to wit:

The assessor shall actually determine as nearly as practicable the true and fair value, based upon the assessment and valuation procedures and tax rates of 1989, of each tract or lot of land listed for taxation and each improvement located thereon and shall enter {+ eighty +} percent of the value of such land and of the total value of such improvements, together with the total of such valuations, opposite each description on the assessment list and tax roll.

The assessor shall make an alphabetical list of names of all persons in the county liable to assessment of personal business 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 business property in each category of the prescribed form, and shall be signed and verified under penalty of perjury by the person listing the personal business property: PROVIDED, That the assessor may list and value improvements on publicly owned land in the same manner as personal business property is listed and valued, including conformance with revaluation program required under chapter 84.41 RCW. Such list and statement shall be filed on or before the last day of April. The assessor shall on or before the 1st day of January mail a notice to all persons at their last known address that such statement and list is required, such notice to be accompanied by the form in which the statement or list is made: PROVIDED, That the notice mailed by the assessor to each taxpayer each year shall, if practicable, include the statement and list of the personal business 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 of the property included in such statement and enter {+ eighty +} percent of the same on the assessment roll opposite the name of the party assessed; and in making such entry in the assessment list, 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 the party's residence or place of business. The assessor may, after giving written notice of the action to the person to be assessed, add to the assessment list any taxable property which should be included in such list.

Sec.15. RCW 84.40.320 and 1988 c 222 s 18 are each amended to read as follows:

The assessor shall add up and note the amount of each column in the detail and assessment lists in such manner as prescribed or approved by the state department of revenue, as will provide a convenient and permanent record of assessment. The assessor shall also make, under proper headings, a certification of the assessment rolls and on the 15th day of July shall file the same with the clerk of the county board of equalization for the purpose of equalization by the said board. Such certificate shall be verified by affidavit, substantially in the following form:

State of Washington, County, ss.
I,, Assessor, do solemnly swear that the assessment rolls and this certificate contain a correct and full list of all real and personal business property subject to taxation in this county for the year 19....., so far as I have been able to ascertain 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 the law, {+ eighty +} percent of the true and fair value of such property, to the best of my knowledge and belief, and that the assessment rolls and this certificate are correct, as I verily believe.

....., Assessor.
Subscribed and sworn to before me thisday of, 19.....
(L. S.), Auditor ofcounty.
PROVIDED, That failure of the assessor to complete the certificate shall in nowise invalidate the assessment. After the same has been duly equalized by the county board of equalization, the same shall be delivered to the county assessor.

Sec.16. RCW 84.52.052 and 1996 c 230 s 1615 are amended to read as follows:

The limitations imposed by RCW 84.52.050 through 84.52.056 and RCW 84.52.043 shall not prevent the levy of additional taxes by any taxing district except school districts in which a larger levy is necessary in order to prevent impairment ----- of the obligation of contracts. Such levies shall be submitted to the voters of the affected district and be approved by 60 percent of the ballots cast at a general election and become effective the first day of January following said election. As used in this section, the term "taxing district" means any county, metropolitan park district, park and recreation service area, park and recreation district, water sewer district, solid waste disposal district, public facilities district, flood control zone district, county rail district, service district, public hospital district, road district, rural county library district, island library district, rural partial-county library district, intercounty rural library district, fire protection

district, cemetery district, city, town, transportation benefit district, emergency medical service district with a population density of less than one thousand per square mile, or cultural arts, stadium, and convention district.

Any such taxing district may levy taxes at a rate in excess of the rate specified in RCW 84.52.050 through 84.52.056 and 84.52.043, or 84.55.050, when submitted to the voters of the affected district and approved by 60 percent of the ballots cast by the voters of such taxing district in the manner set forth in Article VII, SECTION (a) of the Constitution of this state at a general election to be held in the year the levy is made, and such levy shall become effective the first day of January following said election.

No special election shall be called by any county legislative authority, or council, board of commissioners, or other governing body of any such taxing district for a vote on any proposed levy. The levy shall be submitted to the taxpayers at a general election after having been given notice thereof by publication in the manner provided by law for giving notices of general elections, at which election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

Sec.17. RCW 84.52.063 and 1973 1st ex.s. c 195 s 105 are each amended to read as follows:

A rural library district may submit to the voters of a library district a levy proposal for approval at the next general election. The levy shall be approved by a 60 percent majority of the ballots cast and shall be enacted the first day of January following said election. The levy amount shall be assessed against the assessed value multiplied by an assessed valuation to {+ eighty +} percent of the true and fair value of the taxable property in the rural library district, as determined by the department of revenue's indicated county ratio: should the county assessor deem it necessary to make levy adjustments to avoid conflict with the applicable RCW code, he shall so be authorized

Sec.18. RCW 84.52.065 and 1991 sp.s c 31 s 16 are each amended to read as follows:

In each year the state shall levy for collection in the following year for the support of common schools of the state a tax of three dollars and sixty cents per thousand of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

As used in this section, "the support of common schools" includes the payment of the principal and interest on bonds issued for capital construction projects for the common schools.

Sec 19. RCW 84.52.069 and 1995 c 318 s 9 are each amended to read as follows:

(1) As used in this section, "taxing district" means a county, emergency medical service district, city or town, public hospital district, urban emergency medical service district, or fire protection district. (2)

A taxing district may submit a property tax levy to the voters of the affected district and such a levy shall be required to receive a majority of 60 percent approval of the ballots cast in a general election. The levy shall be authorized for three consecutive years and

shall be enacted the first day of January following said election. Votes cast in the general election for this proposition shall constitute three-fifths of a number equal to sixty percent of the total number of voters voting in such taxing district in the last general election.

(3) Any tax imposed under this section shall be used only for the provision of emergency medical care or emergency medical services, including related personnel costs, training for such personnel, and related equipment, supplies, vehicles and structures needed for the provision of emergency care or emergency services.

(4) If a county has received voter approval in a general election for a tax to support the services(s) in the county, no other taxing district may submit a levy to provide the same service(s). No county wide proposal may be placed on the ballot without the approval of the legislative authority of each city exceeding fifty thousand population within the county: AND PROVIDED FURTHER, That this section and RCW 36.32.480 shall not prohibit any city or town from submitting an annual excess levy proposal to the voters at a general election to fund emergency medical services. Such a levy shall require a 60 percent approval of the ballots cast and shall be enacted the first day of January following said election. AND PROVIDED FURTHER, That if a county proposes to impose tax levies under this section, no other ballot proposition authorizing tax levies under this section by another taxing district in the county may be placed before the voters at the same general election at which the county ballot proposition is placed: AND FURTHER, That any taxing district emergency medical service levy that is authorized subsequent to a county emergency medical service levy, shall expire concurrently with the county emergency medical service levy.

(5) the limitations in RCW 84.52.043 shall not apply to the tax levy authorized in this section.

Sec. 20. RCW 84.55.045 and 1982 1st ex.s. c 3 s 2 are each amended to read as follows:

A levy by or for a port sistrict shall be submitted to the voters of the affected district at a general election, and shall be required to receive a 60 percent majority of the ballots cast for approval to being enacted the first day of January following said election.

{+ NEW SECTION +}. Sec. 21. The department of revenue shall adopt rules to implement this act.

NEW SECTION. 22. The following acts or parts of acts are each repealed:

(1) RCW 84.55.010 and 1979 ex.s. c 218 s 2, 1973 1st ex.s. c 67 s 1, & 1971 ex.s. c 288 s 20;

(2) RCW 84.55.020 and 1971 ex.s. c 288 s 21;

(3) RCW 84.55.030 and 1973 1st ex.s. c 195 s 107 & 1971 ex.s. c 288 s 22 and

(4) RCW 84.55.060 and 1979 ex.s. c 218 s 6.

{+ NEW SECTION +}. Sec. 23. This act applies for taxes levied in 1998 for collection in 1999 of real property and personal business property taxes.

{+ NEW SECTION +}. Sec 24. There shall be no minimum or maximum percentage increases based on the increases or decreases of inflation

as may be determined or published by the Consumer Price Index, or by any taxing district within the state of Washington, or any governmental body in the state of Washington, applicable for property assessment, valuation or taxes.

{+ NEW SECTION +}.25. 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.

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LEAGUE OF WASHINGTON TAXPAYERS (LWT)

INITIATIVE TO THE PEOPLE

"PROPERTY TAX REFORM AND REDUCTION"

AN ACT Relating to property taxes; amending RCW 84.40.030, 35.61.210, 36.69.145, 67.38.130, 70.44.060, 84.08.115, 84.40.037, 84.40.040, 84.40.320, 84.52.052, 84.52.063, 84.52.065, 84.52.069, and 84.55.045; adding new sections to chapter 84.40 RCW; adding new sections to chapter 84.52 RCW; creating new sections; and repealing RCW 84.55.010, 84.55.020, and 84.55.030, and 84.55.060.