



April 2000  
Volume 1, Issue 2

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# Property Tax Review

## Quarterly Snapshot

By Sandra Guilfoil, Assistant Director

We had wonderful comments from many of you on our 'new look' and the quality of the information we shared in our January revitalization of the *The Property Tax Review*. Thanks for your input – keep it coming!

This month our topics include a legislative summary, information on rule review status, class updates, and – at the top of our current list here at Property Tax – our building move! I must warn you that things will be a little crazy the week of May 8-12. Your best bet is call us and leave a voice mail. Most of us won't have desks that week and will be working at home! Please be patient, but keep calling. We *are* out there...somewhere...that week and will be checking our messages.



There are lots of things on the horizon this coming quarter, most importantly, the June WSACA Conference in Yakima. I can't wait to see the sun! You golfers will all be relieved to know that I will not burden you with my technique on the course this year. I have been told it is not my sport!

There should be no lack of agenda items for the conference meetings this year. Budget cuts and higher taxpayer and legislative expectations on the assessment community and the DOR continue to challenge us. With each

efficiency measure or refocus of resources, there is change to manage and expectations to address. DOR has made a number of changes over the last year that will warrant discussion at the meetings and has ideas for several more in the future. I am certain the same is true in each county office as well.

I continue to appreciate WSACA's willingness to share their conference time with us so that we have time to share information and ideas and compile our resources where possible.

Again, my special thanks to David Saavedra and Sheryl Campbell, who are the force behind *The Property Tax Review*. ♦

## The Property Tax Division is Moving!

By David Saavedra, Program Coordinator

Effective May 15, 2000, the Property Tax Division will be located at 1025 E. Union, Suite 200, in downtown Olympia. Our office will be housed with seven other divisions of the Department of Revenue. Directions to the new building from I-5 are to take the downtown, Plum Street exit from the freeway, turn right onto 22<sup>nd</sup>. The new location is on the corner of 22<sup>nd</sup> and Eastside Streets and is the only five-story building in the vicinity.

New phone numbers come with the move. You will find a new Contact List included with this newsletter. Our fax number and mailing address will remain unchanged. ♦

# Valuation Workgroup Working Hard

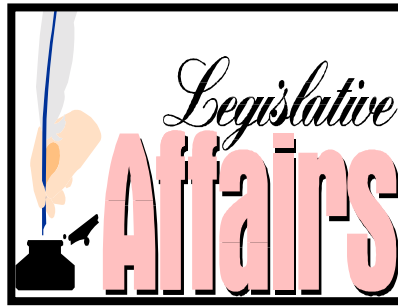
By Mark Maxwell, Real Property Program Manager

The Property Tax Division has begun a review and analysis of the Personal and Industrial Property Valuation Schedules for the wood and paper industries. To do this we have established a workgroup to help us accumulate information.

Annually, the Property Tax Division updates and distributes valuation schedules for personal property and industrial real property to the 39 county assessor offices. Since these schedules constitute a primary valuation tool used by the assessment community, it is imperative that they provide a valid and accurate basis for the estimate of market value. It has been quite some time since the validity and accuracy of these valuation schedules have been reviewed and analyzed.

Workgroup participants from DOR include Neal Cook, Howard Hubler, Mark Maxwell, and Joe Simmonds. The assessment community is represented by David Coffman, Snohomish County; Paul Easter, Grays Harbor County; Jim Denison, Cowlitz County; and John Lifflander, Clark County. Industry representatives are Jack Chapman, Weyerhaeuser Company; John Christensen, Fort James Corporation; John Penney, Simpson Timber Company; and Joseph Duschik, Longview Fibre Company.

The Property Tax Division expresses a hardy "thank you" to the assessment and industry participants for investing their knowledge, experience, and, especially, their time in our continuing effort to improve our property tax system. ♦



## Review of Legislation that Passed in 2000

By Peri Maxey, Technical Programs Manager

What started out to be a short 60-day session of the Legislature turned into "something more." Many property tax bills were considered, including various options to reduce the property tax burden for both homeowners and businesses. The extraordinary session ended with no property tax relief bill. The following list represents bills from this session, signed into law, that impact property tax administration. A complete copy of the text of each bill may be found on the Legislature's home page at [www.leg.wa.gov](http://www.leg.wa.gov) under Bill Information. When looking up the text of a bill, be sure to access the filed marked *pl* for passed legislation. More information will be included in our next newsletter if any further property tax bills are signed into law.

### Engrossed 2<sup>nd</sup> Substitute House Bill 1987 – Effective March 22, 2000

This bill exempts machinery and equipment or structures used more than half of the time for:

- (a) gathering, densifying, processing, handling, storing, transporting, or incorporating straw or straw based products that results in a reduction in field burning of cereal grains and field and turf grass grown for seed, or
- (b) to decrease air emissions resulting from field burning of cereal grains and field and turf grass grown for seed.

### Engrossed 2<sup>nd</sup> Substitute House Bill 2109 – Effective July 1, 2000

This bill amends RCW 35.82.210, which exempts property of an authority from all taxes and special assessments to include tribal housing authorities and intertribal housing authorities.

### Substitute House Bill 2392 – Effective June 8, 2000

This bill creates a 17 member joint task force on local government to complete a thorough study of the delivery of government services, allotment of revenues, and collection and distribution of various fines and forfeitures. Interim study report due to the legislature 1/30/2001 and final report due 1/1/2002

### Substitute House Bill 2398 – Effective

**The extraordinary session ended with no property tax relief bill.**

### June 8, 2000

This is a technical correction bill offered by the Code Reviser. It deletes incorrect references or old language in property tax statutes.

### House Bill 2505 – Effective June 8, 2000

This bill revises the definition of "city" for the multi-unit dwelling property tax exemption to reduce the population requirement from 100,000 to 50,000. Chapter 84.14 RCW

### Substitute House Bill 3032 – Effective June 8, 2000

Allows for the annexation of contiguous property into the Port district if the property is not within any other port district, is in a county with population of at least 90,000 and is located on the I-5 or I-90 corridor. If the area to be annexed has no registered voters, owners of at least 75% of the property value of the annexed area must sign the petition.

### Engrossed House Bill 3068 – Effective January 1, 2001

Exempts all personal property, located on land owned by the United States at Hanford, that is used exclusively in the performance of a privatization contract

to pretreat, treat, vitrify and immobilize tank waste beginning with the 2006 taxes.

This same property is exempt from the state levy beginning with taxes due in 2002.

**Substitute Senate Bill 5924 – Effective June 8, 2000**

Establishes a real estate appraiser commission in place of the real estate appraiser advisory committee through the Department of Licensing. The seven-member commission must include one individual engaged in mass appraisal with ad valorem appraisal management duties. The commission will have rule approval, may make recommendations relating to experience, education, examination and continuing education requirements for state certified appraisers.

**Substitute Senate Bill 6115 – Effective March 27, 2000**

Exempt motor vehicles, travel trailers and campers from property tax. The term motor vehicle includes motor vehicles, trailers and semitrailers that are designed primarily to be used upon public streets, for the convenience or pleasure of the owner, for conveyance, for hire or otherwise of persons or property, including fixed loads and facilities for human habitation. Park model trailers that have substantially lost their identity as a mobile unit by being permanently sited with connections to utilities remain subject to property tax.

**Substitute Senate Bill 6276 – Effective June 8, 2000**

Allows the county legislative authority to create an EMS district in the incorporated areas of the county as well as the unincorporated area if approved by the governing body of the city or town.

**Engrossed Senate Bill 6858 – Effective June 8, 2000**

Allows cities with population over 150,000 that are not in a metropolitan park district, to contract with a nonprofit corporation or public organization for

the overall management and operation of zoo or aquarium facilities.

**Senate Bill 6865 – Effective March 31, 2000**

Sets License Tab fees at \$30 per year for motor vehicles. Repeals numerous excise tax statutes. ♦

**Rules in Progress**

*By Kim Qually, Tax Policy Specialist*

The Department of Revenue recently revised and adopted several rules related to the administration of property tax,



and is in the process of amending still others. Rules already revised have gone through the formal rule making process required under the

Administrative Procedures Act (APA). The APA requires a public meeting and a public hearing prior to formal adoption. The rules slated for revision will be subject to the same requirements.

The following is a listing and outline of the rules that have gone through the entire rule adoption process and will be effective in May 2000. Also listed and outlined are the rules slated for revision that are still going through the rule making process. The revision of rules is a priority with all state agencies due to recently passed Regulatory Reform legislation.

**I. RULES THAT HAVE GONE THROUGH RULE MAKING PROCESS AND WILL BE PERMANENTLY ADOPTED IN MAY 2000:**

On April 5<sup>th</sup> the rule making order, the CR-103, was filed with the Code Reviser. The amended rules will be effective the first week in May.

**Rule regarding the valuation of public timber: WAC 458-12-320**

Timber - ownership - valuation - roads - easements over public lands will be amended to include **PTB 97-1** [Procedure for assessment of state timber sales] and **WAC 458-12-315** [Timber and forest products - valuation]. The amended rule doesn't represent a change in policy or procedure. Both 12-315 and 12-320 were adopted in 1968 and contain very little useful information relevant today. Assessors have been relying on PTB 97-1 (Property Tax Bulletin, and its predecessors) as a guide to assess and value public timber sales. WAC 458-12-315 and PTB 97-1 will be repealed. The amended version of WAC 458-12-320 is effective May 6th.

**Rule regarding exemption for improvements to single family dwellings: WAC 458-16-080**

[Improvements to single family dwellings - definitions - exemption - limitation - appeal rights] has been expanded to include the relevant portions of **WAC 458-16-081** [Exemption - filing - amount - limits] and a more detailed description of the process related to obtaining this exemption. This rule has been in the works for at least 6 years. The difficulty has been drafting language that limits the exemption to single-family residences, includes only improvements that actually increase the dwelling's, and doesn't conflict with other exemptions such as the destroyed property exemption. This rule should provide county administrators with more information and guidance about this exemption than they have had in the past. The previous rules were pretty "bare bones" and didn't lend much in the way of direction. WAC 458-16-081 will be repealed. The amended version of **WAC 458-16-080** is effective May 6<sup>th</sup>.

On April 18<sup>th</sup> the rule making order for the following two rules was filed with the Code Reviser. The amended rules will be effective in mid-May.

**Rules regarding exemption for homes for the aging: WAC 458-16A-010**

[Nonprofit homes for the aging] and **WAC 458-16A-020** [Nonprofit homes for the aging – Initial application and annual renewal] were revised to reflect 1999 changes made by the legislature to the underlying statute, RCW 84.36.041. The updated text of WAC 458-16A-010 contains information about the exemption available to homes for the aging and about how the size of the property tax exemption will be determined. The revised text of WAC 458-16A-020 explains how applications submitted will be processed when such a home is completed or begins operating after the January 1<sup>st</sup> assessment date. This rule also describes the manner in which the size of the exemption will be determined when a home for the aging receives more than one government housing subsidy. An application processing deadline, which has no statutory basis, is also being deleted from this rule. The amended version of WACs 458-16A-010 and 458-16A-020 are effective May 19<sup>th</sup>.

**II. RULES IN PROGRESS:**

**Amendments to rules involving the current use program.**

On March 22, 2000, a public meeting was held to discuss proposed changes to a number of rules involving the current use program:

- WAC 458-30-200** Definitions;
- WAC 458-30-275** Continuing classification upon sale or transfer of ownership of classified land;
- WAC 458-30-285** Withdrawal from classification;
- WAC 458-30-295** Removal of classification;
- WAC 458-30-300** Additional tax – withdrawal or removal from classification;
- WAC 458-30-305** Due date of additional tax, applicable interest, and penalty upon withdrawal or removal;
- WAC 458-30-310** County recording authority – county financial authority; and
- WAC 458-30-325** Transfers between classifications – Application for reclassification.

At this meeting rule the proposed repeal of **WAC 458-30-315** [County financial authority – duties] and **WAC 458-30-350** [Reclassification of lands classified under chapter 84.34 RCW prior to 1973] was also discussed. As a whole these rules explain the terms used in administering the current use program authorized by chapter 84.34 RCW, describe the process for withdrawing or removing land from current use classification, reclassifying land within the program, and the duties of the county auditor and treasurer relating to current use land. Changes to the rules are needed at this time because of 1999 legislative changes to various statutes in chapter 84.34 RCW. The legislative changes added several new exemptions to the list of circumstances or transactions involving current use land upon which no back taxes will be collected when classified land is removed or withdrawn from classification. The revised text of WAC 458-30-310 combines the current text of WACs 458-30-310 and 458-30-315 so that the overlapping duties of the county auditor and treasurer are described in one self-contained rule. As amended WAC 458-30-325 clarifies how land may be moved from one classification to another within either chapter 84.33 or 84.34 RCW. WAC 458-30-350 is to be repealed because it merely reiterates RCW 84.34.150. No one attended the public meeting or submitted any written comments. We plan to file the notice of proposed rule making, the CR-102, by May 3rd and a public hearing will be held on the proposed changes to these rules on or about June 6, 2000.

**New rules on the property tax aspects of removing designated and classified forest land.**

On April 18<sup>th</sup> we filed a pre-proposal statement of inquiry, the CR-101, for two new rules relating the removal of classified and designated forest land under chapter 84.33 RCW. This is the first step in the rule making process. Both rules deal with the property tax aspects of classified and designated forest land. Proposed **WAC 458-70-700** [Classified forest land – removal – change of status – compensating tax] and **WAC 458-30-710** [Designated forest land – removal –

**This Quarter's Reminders**

**May 1**

Assessor must notify applicant for forest land designation prior to this date if request denied. (RCW 84.33.130) Also, open space farm and agriculture land application deemed approved unless assessor has notified owner otherwise. (RCW 84.34.035)

**May 31**

County assessors to have completed listing and placing of valuation on all property no later than this date. However, assessors may add property to list later after written notice to person to be assessed. (RCW 84.40.040)

**June 1**

Penalty of 3 percent will be assessed on the amount of current year's taxes delinquent on June 1. (RCW 84.56.020) Also, may establish newly incorporated taxing district if co-terminus boundaries with established district. (RCW 84.09.030)

**June 30 (On or Before)**

Department of Revenue sets stumpage values for July through December, 2000. (RCW 84.33.0

**July 1**

Last official date to file an appraiser's report with the County Board of Equalization. (RCW 84.40.038)

**July 17 (Because July 15 a weekend, boards convene on business day)**

County Boards of Equalization meet in open session. Minimum three days; maximum six weeks. Under certain circumstances may meet earlier if authorized by county commissioner. (RCW 84.48.010) Budget for fiscal year 2001 adopted by county officials and approved by voters. (RCW 35.01.010)

change of status – compensating tax] outline the reasons for and the process involved in removing forest land from classification or designation under chapter 84.33 RCW. The rules incorporate and clarify information provided in RCWs 84.33.120 and 84.33.140. They are designed to give local officials and taxpayers a better understanding of their rights and responsibilities in the removal process. The rules also outline how compensating property taxes are calculated when forest land is removed from classification or designation. DOR receives many calls each week on the removal of forest land from current use status under chapter 84.33 RCW and these rules are being written to address many of the questions that have been asked over the last several years. A public meeting on the two rules is scheduled for May 23, 2000. A draft copy of the rules will be mailed to the assessors and other interested parties within the next week or so. ♦

Washington’s highest court, but the Legislature fixed the property tax portion of I-695 on licensed vehicles by reinstating their property tax exemption through Substitute Senate Bill 6115 (SSB 6115) signed by the Governor on March 27, 2000.

For purposes of SSB 6115, motor vehicles are defined as, “all motor vehicles, trailers, and semitrailers used, or of the type designed primarily to be used, upon the public streets and highways, for the convenience or pleasure of the owner, or for the conveyance, for hire or otherwise, of persons or property, including fixed loads....”, (Section 1 (a)).

The Department of Revenue interprets fixed loads to mean things such as concrete pumpers, concrete redi-mix, well drilling rigs, cranes, cherry pickers, boom trucks, tommy lifts, or similar mechanical equipment attached to or made a permanent part of a vehicle *designed primarily to be used upon public streets and highways*.

The exemption created by SSB 6115 applies retroactively to the January 1, 2000 assessment date. Counties that have in the past included fixed loads fitting this definition in their personal property assessments are advised to remove them from their January 1, 2000 assessment ♦



## So, you own a fixed load? How is it to be taxed – Property Tax or Licensing Fee?

By Joe Simmonds, Personal Property Program Manager and David Saavedra, Program Coordinator

Fixed load? What’s that? That is the response most of us have (including mine!), and what is the issue regarding fixed loads? The issue came up with the initial passage of Initiative 695 when licensed vehicles lost their exemption from property taxation. Of course, we know that several provisions of I-695 are currently under appeal to

## Upcoming Training Courses

**May 9-10 – Current Use Assessment and Administration**  
Lacey -- \$35

**May 16-17 – Current Use Assessment and Administration**  
Moses Lake -- \$35

**May 23-24 – USPAP Course**  
Spokane -- \$50

**June 6-7 – Current Use Assessment and Administration**  
Moses Lake -- \$35

**June 14 – Basic Legal Description Seminar**  
Spokane -- \$25

For further information, contact Linda Cox, Education Coordinator, at (360) 570-5866 or by E-mail at [LindaC@dor.wa.gov](mailto:LindaC@dor.wa.gov). ♦

## Training News

### Practical Planning Tools Workshop Update

By Shawn Kyes, Revaluation Specialist

The new Practical Planning Tools 2-day workshop was conducted on both sides of the state during the months of February and March. The goal of this course is to get top managers of assessor’s offices together and create a forum that encourages the sharing of ideas on improving services. The ideas come forward and allow assessing managers to take this information back to their offices.

Through group activities; the participants identified, discussed, and developed practical alternatives to the many challenges that assessment officials face. Some of the areas of discussion included: ways to better meet public information requests, mass appraisal techniques, public and government relations, budget

preparation, personnel issues, scheduling and timeliness. ♦

### Legal Description Course

By Pete Levine, Education Specialist

Over 40 students participated in a one-day *Basic Legal Description* course on February 9<sup>th</sup> held in Lacey. The course, facilitated by the Technical Programs Section of the Property Tax Division, was jointly sponsored with the Washington State Association of County Assessors, utilizing an instructor from the Cowlitz County Assessor's Office and attended mostly by assessment staff from western Washington.

The course was developed for those with little or no knowledge of legal descriptions, providing a basic working knowledge and understanding of the most common land descriptions used in the state of Washington. Participants also learned basic legal description history and how to read and write basic legal descriptions. The responses were positive with both novice and experienced students agreeing that the course will enhance their current job performance, which will lead to greater uniformity of property tax assessment. ♦

### Accreditation

By Pete Levine, Education Specialist

Keep those training certificates nearby!

The Accreditation Program will implement several changes beginning May 1, 2000. While the program will remain fundamentally the same, each accredited appraiser will be expected to maintain and track their continuing education for renewal. In addition, it will be the responsibility of each appraiser to



renew their accreditation and to provide documentation with their renewal by submitting copies of their training certificates from course providers – *regardless* of whether or not the training was sponsored by the Department or WSACA.

If you have not seen it, a letter has been sent to each county assessor's office for distribution to all accredited appraisers, detailing the specific changes. If you have additional questions, feel free to contact Pete Levine by phone at (360) 586-2902 or by E-mail at [PeteL@dor.wa.gov](mailto:PeteL@dor.wa.gov). ♦



### Remember....

- Effective May 15, 2000, the
- Property Tax Division will have a
- new physical location at 1025 E
- Union, Suite 200, Olympia, WA.
- Our mailing address will remain P.
- O. Box 47471, Olympia, WA
- 98504-7471. If you get a chance,
- stop by to see our new office!

## Who To Contact - New Phone Numbers

By David Saavedra, Program Coordinator

In order for you to get to know our staff better, know who is responsible for what program, and know who might actually have the answer to your question - not to mention that we are moving and are changing our phone numbers - we are including an updated contact list with this newsletter for your convenience. We will continually update this list as changes occur. Please don't hesitate to call! ♦



**DEPARTMENT OF REVENUE  
PROPERTY TAX DIVISION**

P. O. Box 47471  
Olympia, Washington 98504-7471

DESCRIPTION OF PROGRAM OR SERVICE	CONTACT	PHONE # (360)	INTERNET E-MAIL
Property Tax Admin. Policy	Sandy Guilfoil, Asst. Director	570-5860	SANDYG@dor.wa.gov
Property Tax Program Coordinator	David Saavedra	570-5861	DAVIDS@dor.wa.gov
General Information – Receptionist FAX	Cathy Berry	570-5900 586-7602	
<b>Specific Topics</b>			
Accreditation	Pete Levine	570-5865	PETEL@dor.wa.gov
Appraisal & Audit - Real Property - Personal Property	Mark Maxwell Joe Simmonds	570-5885 570-5880	MARKMAX@dor.wa.gov JOESI@dor.wa.gov
Appraiser Certification (DOL)	Cleotis Borner	753-1062	CBORNER@dol.wa.gov
Appraiser Testing	Linda Cox	570-5866	LINDAC@dor.wa.gov
Boards of Equalization	Kathy Beith	570-5864	KATHYB@dor.wa.gov
Code Area Boundaries & Maps	Steve Yergeau	570-5877	STEVEY@dor.wa.gov
Current Use/Open Space Assessment	Pete Levine	570-5865	PETEL@dor.wa.gov
Education	Pete Levine	570-5865	PETEL@dor.wa.gov
Forest Tax General Information Classified/Designated Timber Land	Steve Vermillion	664-8432	STEVEV@dor.wa.gov
Forms	Pete Levine	570-5865	PETEL@dor.wa.gov
Legislation	Peri Maxey	570-5868	PERIM@dor.wa.gov
Levy Assistance	Kathy Beith	570-5864	KATHYB@dor.wa.gov
Manuals (BOE, WAC, etc.)	Linda Cox	570-5866	LINDAC@dor.wa.gov
Mobile Homes	Joe Simmonds	570-5880	JOESI@dor.wa.gov
Nonprofit/Exempt Organizations	Harold Smith	570-5870	HAROLDS@dor.wa.gov
Personal Property	Neal Cook Joe Simmonds	570-5881 570-5880	NEALC@dor.wa.gov JOESI@dor.wa.gov
PUD Tax	Steve Yergeau	570-5877	STEVEY@dor.wa.gov
RR Leases & Mapping	Steve Yergeau	570-5877	STEVEY@dor.wa.gov
Ratio Study	Deb Mandeville	570-5863	DEBM@dor.wa.gov
Revaluation	Shawn Kyes	570-5862	SHAWNK@dor.wa.gov
Senior Citizens/Disabled Homeowners, Exemption/Deferral	Mary Skalicky	570-5867	MARYS@dor.wa.gov
Taxing Districts Boundaries & Maps	Steve Yergeau	570-5877	STEVEY@dor.wa.gov
Training for County Personnel	Linda Cox Pete Levine	570-5866 570-5865	LINDAC@dor.wa.gov PETEL@dor.wa.gov
Utilities - Valuation of Public Utilities - Certification of Utility Values	Steve Yergeau Ha Haynes	570-5877 570-5879	STEVEY@dor.wa.gov HAH@dor.wa.gov