

2012 Legislative Update (continued)

(Continued from page 10)

2ESHB 2048 – Relating to low-income and homeless housing assistance surcharges

RCW 36.22.179 provides for a \$10 surcharge to be collected by the county auditor for certain document recordings, to be used to fund low-income and homeless housing assistance programs. In 2009, HB 2331 was passed, temporarily increasing the surcharge from \$10 to \$30 for the 2009-11 and 2011-13 biennia.

This bill extends the increase through the 2015-2017 biennia and provides an additional temporary increase from \$30 to \$40 beginning 09/01/2012 and continuing through 06/30/2015. The increase expires and the surcharge is reduced to the original \$10 beginning 07/01/2017. The amendment corrected the dates and requires cities and counties receiving more than \$3.5 million in revenue from the surcharges to apply to the Washington State Quality Award program or similar Baldrige assessment organization for an independent assessment of its quality management.

For property tax, the document recording fee increases applies to liens recorded with the county auditor for both deferral programs and the grant assistance program for widows/widowers of veterans.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2048&year=2011>

DOR Contact: Peggy Davis at PeggyD@dor.wa.gov or (360) 534-1410

SHB 2056 – Relating to assisted living facilities

This bill makes technical change only by changing the term “boarding home” to “assisted living facility”. It also accounts for the statutory changes in 2011 by removing provisions related to changes in Interstate Compact on Placement of Children and applies DSHS rules regarding boarding homes to assisted living facilities. The term “boarding home” is changed to “assisted living facility” throughout the boarding home licensing statute and elsewhere in the Revised Code of Washington. Property tax statutes that are amended include RCW 84.36.381 and 84.36.383.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2056&year=2011>

DOR Contact: Peggy Davis at PeggyD@dor.wa.gov or (360) 534-1410

SHB 2149 – Provides amnesty for reporting personal property to the county assessor.

All real and personal property is subject to property tax each year based on its value, unless a specific exemption is provided by law. There are two classes of property. Real property consists of land and the buildings, structures, and improvements that are affixed to land. Personal property consists of all other property, such as machinery, equipment, furniture, and supplies of businesses. Household goods and business inventories are specifically exempt from personal property tax. Personal property is self-reported to each county assessor.

If any person or corporation fails to file a personal property listing by April 30th of each year, they are subject to late filing penalties. Currently no provision exists for waiving the penalties, except “reasonable cause.”

The county legislative authority may authorize the assessor to waive penalties for assessment years 2011 and prior for a person or corporation failing or refusing to deliver to the assessor a list of taxable personal property under certain circumstances. To qualify, on or before July 1, 2012, the taxpayer must file with the assessor a correct list and statement of taxable personal property and a completed application for a penalty waiver. Full payment of the tax must be made to the county by September 1, 2012, of the entire balance due on all tax liabilities for which a penalty waiver is requested. Taxpayers receiving penalty relief may not seek a refund or otherwise challenge the amount of tax liability. Personal property listed by the taxpayer is subject to verification by the assessor and any unreported or misreported property remains subject to taxes, penalties, and interest.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2149&year=2011>

DOR Contact: Pete Levine at PeteL@dor.wa.gov or 360-534-1423

(Continued on page 12)

2012 Legislative Update (continued)

(Continued from page 11)

ESHB 2502 - Modifies an exception to compensating tax for land removed as designated forest land under chapter 84.33 RCW.

For property tax purposes, land designated as forest land is generally assessed at a lower value, which results in lower taxes. When land is removed from designation as forest land, back taxes must be paid absent a statutory exemption. The same is true for the removal of land from the current use program that was previously designated as forest land.

Current law provides an exemption from the payment of back taxes for land in counties with populations greater than 600,000 (King, Pierce, and Snohomish) when removal from designated forest land results from a sale or transfer to a governmental entity, nonprofit historic preservation, or nonprofit nature conservancy corporation for the purpose of conserving open space. A similar exemption applies to timber land classified under the current use program that was once designated as forest land.

This bill expands these exemptions to include any county with a population of at least 245,000 that borders Puget Sound (Thurston and Kitsap).

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2502&year=2011>

DOR Contact: Leslie Mullin at LeslieMu@dor.wa.gov or (360) 534-1424

SHB 2617 - Addresses school district insolvency.

This bill establishes criteria for a school district to be identified as financially insolvent and establishes a process by which a financially insolvent school district may be dissolved and its territory annexed by or transferred to one or more contiguous school districts. The bill also contains provisions relating to property tax levies, including (1) levies for paying the bonded indebtedness of a dissolved school district, (2) extending any pre-existing excess levy of a school district to territory received from a financially insolvent school district, and (3) authorizing replacement or supplemental levies, upon voter approval, by a school district annexing or receiving territory from a financially insolvent school district. Additionally, the bill specifies that for property tax purposes, the boundaries of a school district that annexes or receives territory from a financially insolvent school district must be established on September 1st of the year in which a levy is to be made for the enlarged school district.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2617&year=2011>

DOR Contact: Diann Locke at DiannL@dor.wa.gov or (360) 534-1427

SSB 5381 - Relating to adjusting voting requirements for emergency medical service levies.

This bill changes the voter approval requirement for the uninterrupted renewal of a 6-year or 10-year EMS levy from a super majority with validation requirements to a majority with no validation requirements. A super majority voter approval and validation requirements for a permanent, or initial 6-year or 10-year EMS levy remains.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=5381&year=2011>

DOR Contact: Diann Locke at DiannL@dor.wa.gov or (360) 534-1427

SSB 6277 - Creating authority for counties to exempt from property taxation new and rehabilitated multiple-unit dwellings in certain unincorporated urban centers.

The Legislature previously provided a property tax exemption for property associated with the construction, conversion, or rehabilitation of qualified, multi-unit, residential structures located in a targeted residential area contained in an urban growth center. Cities with a population of 5000 or more are eligible to establish the target areas and smaller cities may participate if they are the largest city or town located in a county that is required to plan under the Growth Management Act.

(Continued on page 13)

2012 Legislative Update (continued)

(Continued from page 12)

This bill extends the multi-unit housing exemption availability to an urban center where the unincorporated population of a county is at least 350,000 and there are at least 1200 students living on campus at an institute of higher education during the academic year, for example, the area surrounding Pacific Lutheran University. For any multi-unit housing located in an unincorporated area of a county, a property owner seeking tax incentives under this chapter must commit to renting or selling at least 20 percent of the multi-family housing units as affordable housing units to low- and moderate-income households.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6277&year=2011>

DOR Contact: Harold Smith at HaroldS@dor.wa.gov or (360) 534-1411

ESSB 6470 – Relating to benefit charges for the enhancement of fire protection services.

To enhance fire protection services, cities and towns may impose a benefit charge on personal property and improvements to real property located in the city or town if the city or town is annexing or, since 2006, has annexed all or part of one or more fire protection districts. A benefit charge must be reasonably proportioned to the measurable benefits to property resulting from the enhancement of services afforded by the city or town. A 60 percent majority voter approval is required to impose the benefit charge. The benefit charge can be in effect no more than 6 years or a lesser number of years approved by the voters, unless subsequently reapproved by the voters. Certain exemptions from the benefit charge are provided. A city or town imposing the benefit charge must contract with the county treasurer for the administration and collection of the benefit charge and reimburse the associated costs incurred by both the county treasurer and county assessor. This bill does not affect the Department.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6470&year=2011>

DOR Contact: Diann Locke at DiannL@dor.wa.gov or (360) 534-1427

SSB 6600 Extending property tax exemptions to property used exclusively by certain non-profit organizations that is leased from an entity that acquired the property from a previously exempt nonprofit organization.

Under current law, property owned by a nonprofit organization or association engaged in youth character building activities is exempt from the property tax when it is exclusively used for their exempt activity. Property owned by churches and wholly used for church purposes is exempt from property tax.

Property leased by a nonprofit organization engaged in youth character building activities is generally not exempt from property tax. Leased property may qualify when it is leased directly from another exempt organization that is engaged in youth character building activities. This bill allows leased property used for youth character building activities to be exempt when the property is owned by a property tax exempt church; or when:

- the property is owned by an entity formed exclusively for the purpose of leasing the property to an organization that will use the property for the exempt purposes;
- the youth character building organization uses the property for the exempt purposes;
- the immediate previous owner of the property had received an exemption for the property; and
- the benefits of the exemption must be passed on to the lessee of the property.

These provisions are in effect for nonprofit youth character building organizations, nonprofit nonsectarian organizations which provide character building, protective or rehabilitative social services for all ages, veterans relief organizations, church camp facilities, and nonprofit organization that issue debt for student loans or that are guarantee agencies.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6600&year=2011>

DOR Contact: Harold Smith at HaroldS@dor.wa.gov or (360) 534-1411 ♦

Faces & Places in Property Tax

Brenda Linke is the new voice you hear when you call Property Tax. Brenda became our Olympia receptionist in June. Brenda comes to us with a variety of administrative skills, where most recently she's been providing office assistance and customer service at WorkSource with the Employment Security Department. Brenda's experiences include working in team environments and with the public, as well as providing MS Office computer skills training. Brenda has quickly proven her skills and become an important member of the Property Tax team. If you call (360) 534-1400, that will be Brenda smiling at the other end of the phone.



Brenda Linke



Michael Dahle

Michael Dahle has accepted our Revaluation Specialist position. Michael will assist counties in all areas of revaluation. He will review counties' revaluation plans, provide technical guidance to ensure compliance with state laws, and be the lead-worker for other team members. Michael has been with the County Performance & Administration Program since 2008, where his knowledge and experience in property appraisal, together with his understanding of software systems, has contributed to the success of conversions by counties to annual revaluation. Michael also enjoys photography and may paddle by you in a kayak if you are by the water's edge. Michael can be reached at (360) 534-1362.

Brianne Barsness joined Property Tax for a Developmental Job Assignment in May of this year. Brianne will be helping us coordinate our education program while Patty Concepcion is participating in a Developmental Job Assignment in Executive. Brianne has worked with the Business Licensing Unit since 2007 and has a reputation for hard work, excellent customer service and a willingness to accept any challenge. She has been on coordinating a very busy training calendar for us. A 2002 graduate of Capital High School, Brianne enjoys spending time with her family and reading in her spare time. Brianne can be contacted at (360) 534-1361.



Patty Concepcion

Patti Concepcion, our education coordinator, is currently on a Developmental Job Assignment in the Executive Division. She is keeping an eye on the top management in the Department for us and helping to keep them organized. However, we made her promise to return to us this Fall.

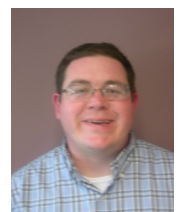


Neal Cook

Neal Cook has accepted a new position at the King County Board of Equalization. As their Manager/Clerk, he will direct an extraordinary board and staff that decides valuation appeals. Neal joined the Department back in January of 1998 as a utilities appraiser. He progressed through several positions to become the Program Manager for Utilities & Valuation Advisory. Neal is an MAI and expert in a wide range of appraisal and property tax subjects. He was a valuable resource to Assessors, practitioners and the Department. He was a mentor to most of us and loves to teach! As the consummate Mariner's fans, Neal and his wife, Sandy, will be heading over to Safeco right

after work.

Joshua Jeffries joined the County Performance & Administration Program on October 1 in Olympia. He will be a member of the Annual Revaluation Team working to help the counties transition to annual revaluation programs. Josh brings diverse appraisal experience, including right of way, mass appraisal, and commercial valuations. He comes to us from the Washington State Department of Transportation and previously worked for the Yakima County Assessor's Office. Josh refers to himself as a numbers guy and holds a math degree from WSU (yes, another Cougar).♦



Josh Jeffries

Property Tax Special Notices

Property Tax Special Notices are generally sent to assessors, treasurers, and those stakeholders that we can identify with a specific interest in the particular topic. Prior to being issued, each Special Notice will go through an internal review process. Special Notices are posted on the Department's website at www.dor.wa.gov under Property Tax Publications. You may also receive a copy of a Special Notice by adding your name to the ListServ. This can be done by going to www.dor.wa.gov, clicking "Find Taxes and Rates," then clicking "Property Tax," and one more click to "Join E-mail Service." A notice will usually provide a contact for more information on the topic.

No new Property Tax Special Notices have been issued in 2012

September 21, 2011

2011 Legislative Updates and Special Session – Levies, Collections & Appeal Issues

In a Q&A format, the notice describes statutory changes made by measures passed by the Legislature in regular/special session earlier in 2011. Measures discussed include: ESHB 1731 – Regional Fire Protection Service Authorities; ESHB 1826 – Property Assessment Appeal Rights; SHB 1854 – Regional Fire Protection Service Authority Annexation; EHB 1969 – Flood Control Zone Districts; SB 5628 – Emergency Medical Services Levy; and SB 5638 – Metropolitan Park Districts and Flood Control Zone Districts.

http://dor.wa.gov/Docs/Pubs/SpecialNotices/2011/SN_11_LeviesCollectionandAppealIssues.pdf

April 8, 2011

Land Containing Historical Sites Classified as Open Space Land – RE-ISSUED

In June 2010, the Department issued a *Special Notice* regarding land containing historical sites classified as open space land. The *Special Notice* included information on how these applications should be processed and how the land underlying the historical structure should be valued. The Department has revised the *Special Notice* to include additional information that provides further clarification on this issue when land is designated as open space in a comprehensive land use plan.

http://dor.wa.gov/Docs/Pubs/SpecialNotices/2010/SN_10_OpenSpaceLand.pdf◆

Washington Department of Revenue
Property Tax Division



Attn: Newsletter Editor
PO Box 47471
Olympia, WA 98504-7471

Phone: (360) 534-1411
Fax: (360) 534-1380
E-mail: harolds@dor.wa.gov

The Property Tax Review is published by the Department of Revenue's Property Tax Division. Comments and suggestions for featured topics should be forwarded to our newsletter editor.

| DESCRIPTION OF PROGRAM OR SERVICE | CONTACT | PHONE NUMBER | E-MAIL ADDRESS |
|--|-----------------------------------|----------------------------------|--|
| Property Tax Administration/Policy | Kathy Beith Assistant Director | (360) 534-1403 | KathyB@dor.wa.gov |
| Property Tax Program Coordinator | David Saavedra | (360) 534-1404 | DavidS@dor.wa.gov |
| General Information FAX | Receptionist | (360) 534-1400 (360) 534-1380 | |
| SPECIFIC TOPICS | | | |
| Accreditation | Leslie Mullin | (360) 534-1424 | LeslieMu@dor.wa.gov |
| Accreditation Testing | Leslie Mullin | (360) 534-1424 | LeslieMu@dor.wa.gov |
| Advisory Appraisals | Dave McKenzie | (360) 256-2125 | DaveM@dor.wa.gov |
| Appraisals & Audits for Ratio Study | Rick Bell Dave McKenzie | (509) 663-9748 (360) 256-2125 | RickB@dor.wa.gov DaveM@dor.wa.gov |
| Annexation/Boundary Change Rules | Diann Locke | (360) 534-1427 | DiannL@dor.wa.gov |
| Boards of Equalization | Diann Locke | (360) 534-1427 | DiannL@dor.wa.gov |
| Collection of Taxes/Treasurer Issues | Harold Smith | (360) 534-1411 | HaroldS@dor.wa.gov |
| County Performance & Admin. Program | Mike Braaten | (360) 534-1428 | MichaelB@dor.wa.gov |
| Current Use/Open Space Assessment | Leslie Mullin | (360) 534-1424 | LeslieMu@dor.wa.gov |
| Designated Forest Land | Leslie Mullin | (360) 534-1424 | LeslieMu@dor.wa.gov |
| Destroyed Property | Mike Braaten | (360) 534-1428 | MichaelB@dor.wa.gov |
| Education & Training for County Personnel | Leslie Mullin Brienne Barsness | (360) 534-1424 (360) 534-1361 | LeslieMu@dor.wa.gov BrienneB@dor.wa.gov |
| Exemption & Deferral Program | Harold Smith | (360) 534-1411 | HaroldS@dor.wa.gov |
| Forest Tax General Information | Special Programs | 1-800-548-8829 | |
| Forms | Tarah Downs | (360) 534-1363 | TarahD@dor.wa.gov |
| Governmental & Miscellaneous Exemptions | Harold Smith | (360) 534-1411 | HaroldS@dor.wa.gov |
| Industrial Property Valuation | Dave McKenzie | (360) 256-2125 | DaveM@dor.wa.gov |
| Legislation | Pete Levine | (360) 534-1423 | PeteL@dor.wa.gov |
| Levy Assistance | Diann Locke | (360) 534-1427 | DiannL@dor.wa.gov |
| Mobile Homes | Pete Levine | (360) 534-1423 | PeteL@dor.wa.gov |
| Nonprofit/Exempt Organizations | Sindy Armstrong | (360) 534-1412 | SindyA@dor.wa.gov |
| Personal Property | Pete Levine | (360) 534-1423 | PeteL@dor.wa.gov |
| Railroad Leases | Bill Johnson | (360) 534-1419 | BillJ@dor.wa.gov |
| Ratio Study | Deb Mandeville | (360) 534-1406 | DebM@dor.wa.gov |
| Real Property | David Saavedra | (360) 534-1420 | DavidS@dor.wa.gov |
| Revaluation | Cindy Boswell | (509) 663-9747 | CindyB@dor.wa.gov |
| <input type="checkbox"/> County Revaluation & Revaluation Plans | Michael Dahle | (360) 534-1362 | MichaelD@dor.wa.gov |
| <input type="checkbox"/> Annual Revaluation Grant Program | Marilyn O'Connell | (360) 534-1364 | MarilynO@dor.wa.gov |
| Senior Citizens/Disabled Homeowners, Exemption/Deferral | Peggy Davis | (360) 534-1410 | PeggyD@dor.wa.gov |
| Utilities Management | David Saavedra | (360) 534-1404 | DavidS@dor.wa.gov |
| <input type="checkbox"/> Certification of Utility Values to Counties | Ha Haynes | (360) 534-1418 | HaH@dor.wa.gov |
| <input type="checkbox"/> Code Area/Taxing District Boundary Changes & Maps | Susan Ragland | (360) 534-1369 | SusanRa@dor.wa.gov |
| <input type="checkbox"/> Public Utility Assessment | Jay Fletcher | (360) 534-1421 | JayF@dor.wa.gov |
| <input type="checkbox"/> PUD Privilege Tax | Vicky Carr | (360) 534-1366 | VickyC@dor.wa.gov |

2013 Training Calendar

| Date | Course Title | Location | Course Hours | Cost |
|--|---|----------------|--------------|-------|
| January | | | | |
| 21-23 | County Assessor Legislative Conference | Olympia | --- | --- |
| February | | | | |
| 12-13 | Residential Quality, Condition & Effective Age | DuPont | 15 CE | \$150 |
| March – No Classes Scheduled | | | | |
| April | | | | |
| 22-26 | IAAO 600: Principles & Techniques of Cadastral Mapping | Ellensburg | 30 CE | \$350 |
| May | | | | |
| 15-16 | Current Use – Basic | Webinar | 3 GI | \$75 |
| 23 | Current Use – Advanced | Webinar | 3 GI | \$35 |
| June | | | | |
| 4-5 | Board of Equalization New Member Training | Olympia/Lacey | 0 | \$0 |
| 6 | Board of Equalization Senior Member Training | Olympia/Lacey | 0 | \$0 |
| 10-13 | WSACA Conference | Lake Chelan | --- | --- |
| 11 | Board of Equalization Senior Member Training | Everett | 0 | \$0 |
| 13 | Board of Equalization Senior Member Training | Wenatchee | 0 | \$0 |
| July | | | | |
| 18-19 | Evaluating Commercial Construction | DuPont | 15 CE | \$150 |
| August – No Classes Scheduled | | | | |
| September | | | | |
| 9-10 | Basic Levy Training | Wenatchee | 3 GI | \$0 |
| 18 | Senior Levy Training | Webinar | 3 GI | \$0 |
| 25-26 | Senior Exemption/Deferral Basic Workshop | Webinar | 3 GI | \$75 |
| October | | | | |
| Sept 30- Oct 4 | IAAO Course 101: Fundamentals of Real Property Appraising | Ellensburg | 30 CE | \$350 |
| Sept 30- Oct 4 | IAAO Course 102: Income Approach | Olympia/DuPont | 30 CE | \$350 |
| 3 | Senior Exemption/Deferral Admin Workshop | Webinar | 3 GI | \$60 |
| 7-10 | WACO Annual Conference | Port Angeles | --- | --- |
| 14-18 | IAAO Course 311: Residential Modeling Concepts | Ellensburg | 30 CE | \$350 |
| November – No Classes Scheduled | | | | |
| December – No Classes Scheduled | | | | |

Questions: Contact either Leslie Mullin, Education Specialist at LeslieMu@dor.wa.gov or by phone at (360) 534-1424 or Brianne Barsness, Education Coordinator at BrianneB@dor.wa.gov or by phone at (360) 534-1361.

GI = General Interest

CE = Continuing Education