

# SIGNIFICANT EVENTS IN THE HISTORY OF PROPERTY TAX IN WASHINGTON STATE

**1853** – Territorial government established; all taxes to be assessed uniformly; exemption for property of the United States, churches, and benevolent institutions.

**1889** – State Constitution adopted -- property to be assessed uniformly. Legislature may grant exemptions.

**1929** – 14th Amendment to state constitution: classification of property allowed. All real estate is one class; taxes to be uniform on the same class of property.

**1935** – Revenue Act exempted all household goods and personal effects.

**1944** – 17th Amendment to state constitution: added 40 mill limit. Property to be assessed at 50% of true and fair value.

**1955** – Property revaluation cycle established -- 4-year interval.

**1965** – 47th Amendment to the state constitution allows senior citizen exemption.

**1967** – Senior citizens exempt from first \$50.00 of real property tax. Barlow v. Kinnear provided the state with assessment equalization power.

**1968** – Current use assessment provided for open space, timber, and agricultural lands.

**1969** – State revaluation plan instituted to realize the 1955 revaluation act. Carkonen v. Williams mandated a 50% ratio of assessed to market value.

**1971** – \$50.00 senior citizen exemption replaced by varying exemption from special levies depending on income. Annual increase in regular levies of taxing districts limited to 106% of the largest prior levy. Annual update of values permitted.

**1972** – Home improvement exemption created. Constitutional limit of 1% of market value enacted for all regular levies.

**1973** – Assessment level increased from 50% to 100% of true and fair value, for 1975 taxes.

**1974** – Ten-year phase-out of property tax on inventories authorized.

**1975** – 100% assessment ratio implemented. Statutory rate limit reduced to \$9.15 per \$1,000 assessed value. Deferral of property taxes and special assessments allowed for senior citizens with income of less than \$8,000.

**1976** – 64th Amendment to state constitution permits school districts to seek voter approval of two-year special levies.

**1978** – Seattle School District v. State requires full state funding of K-12 education.

**1979** – State levy for common school support subject to 106% limitation.

**1981** – Interest rate on delinquent property taxes increased from 8% to 12%. New penalty of 11% for first year delinquencies.

**1982** – Physical inspection may take six years, if values updated annually.

**1983** – Business inventories eliminated from property tax and assessment rolls, effective in 1983 for 1984 collections.

**1984** – Legal requirements for payment of penalties and interest on delinquent taxes relaxed. Senior Citizen Exemption qualifications revised.

**1985** – Provision made for special valuation of eligible historic property. Benefit rating system authorized.

**1986** – Limited waiver of the 106% limit may be placed before the voters. Levies for school capital purposes may be made for up to 6 years with voter approval.

**1987** – Interest rates on property tax refunds increased.

**1988** – New construction valuation date of July 31 upheld. State school levy removed from \$9.15/\$1,000 limitation for proration purposes. Local appeal date set at July 1. Personal property affidavit filing deadline set at April 30.

**1989** – Business personal property exemption raised to \$3,000. Deadline changed for determining boundaries of newly incorporated cities. Washington Condominium Act passed.

**1990** – Regular levy limitation of \$5.55/1,000 of assessed valuation increased to \$5.90/1,000 and proration procedures modified. Personal property equalized based on assessment level of preceding year.

**1992** – Appellants may appeal directly to State Board of Tax Appeals, bypassing local appeals board. Manifest errors no longer reviewed by the county Board. Assessor may stipulate to value of appealed property with concurrence of appellant. Four-year renewal required for Senior Citizen exemption.

**1993** – Voter-approved regular levy for low-income housing authorized for cities and counties (above statutory and \$5.90 limits).

**1994** – Tax bill required to show percent of voted and non-voted tax. Certain deadlines for providing information in valuation appeals altered.

**1995** – Senior citizen income limit raised; values frozen as of 1/1/95. Deferral income, age, and parcel size limits changed. New exemption created for multi-unit dwellings in designated urban centers.

**1996** – Revaluations out-of-cycle and error corrections allowed for value-affecting changes in land use restrictions.

**1997** – All intangible personal property made tax exempt. Appeals allowed up to 60 days after notification of value change. Referendum 47 imposes additional requirements on the 106% limit.

**1998** – The value averaging portion of Referendum 47 is ruled unconstitutional by the Washington State Supreme Court. Senior exemption eligibility and benefits were liberalized.

**2000** – I-722 passed in November mandating a rollback of assessed values to January 1, 1999, levels and limiting future increases of taxable value to 2% per year. It also limited taxing district non-voted property tax increases to 2% and rolled back certain property tax increases levied for 2000. The initiative was not implemented because the Washington State Supreme Court unanimously ruled it unconstitutional on September 20, 2001.

**2001** – I-747 passed in November which restricts taxing districts to a 1% monetary aggregate increase over their prior highest lawful levy. Effective for the 2002 tax year.

**2002** – Annexations by petition ruled unconstitutional in March 2002 by the State Supreme Court. The basic method by which cities may annex territory is now by election – by approval of the voters in the area proposed for annexation.

**2004** – Senior citizen income limit raised for taxes due in 2005. Exemption is extended to those eligible who are confined in a boarding home or adult family home.