



REFERENDUM BILL 47

**CHAPTER 3, LAWS OF 1997
PROPOSED TO THE PEOPLE BY THE LEGISLATURE**
Vote cast by the 1997 Legislature on final passage:
Senate: Yeas, 30; Nays, 17; Excused 2.
House: Yeas, 60; Nays, 38.

Statement For

Property taxes double every nine years. Washington taxpayers need meaningful, fair, long-term relief. That's what Referendum 47 is about: limiting the growth of your property taxes.

Referendum 47 will provide tax relief to all property owners, not just a few. It will permanently cut state property taxes and limit most taxing districts' ability to raise taxes to 6 percent per year or the rate of inflation – whichever is lower. Today's inflation rate is less than 3 percent, but local governments often raise their taxes by 6 percent automatically. How many taxpayers get an automatic 6 percent salary increase?

If local taxing districts feel they must exceed the limit, they can put the issue to a vote of the people. Referendum 47 will not limit local government's authority to generate sufficient funds to meet essential public needs.

The referendum also eliminates huge spikes in the taxable value of property by phasing in large assessment increases.

Referendum 47 respects the constitutional requirement that all property be treated the same for property tax purposes. It does not discriminate against some taxpayers in favor of others. It treats all taxpayers equitably.

Washington State will have an ample budget surplus even after voters approve Referendum 47. This referendum is a responsible and vital step in returning part of the state revenue surplus to taxpayers. That's fairness.

Washington citizens have waited long enough for meaningful, fair, long-term property tax relief.

Vote "YES" on Referendum 47.

Official Ballot Title:

Shall property taxes be limited by modifying the 106 percent limit, allowing property valuation increases to be spread over time, and reducing the state levy?

Note: The ballot title and explanatory statement were written by the Attorney General as required by law. The complete text of Referendum Bill 47 begins on page 31.

Rebuttal of Statement Against

Here are the facts: Referendum 47 not only cuts property taxes now, it reduces future increases. It's fair and equitable. It helps all property taxpayers, not just a few.

It's time to cut state property taxes and reduce future increases. Your yes vote brings significant, long-term tax relief to all taxpayers in Washington.

Vote "Yes" on Referendum 47.

Voters Pamphlet Statement Prepared by:

BRIAN THOMAS, State Representative; JAMES E. WEST, State Senator; DELLA NEWMAN, former Ambassador to New Zealand - businesswoman.

Advisory Committee: J. VANDER STOEP, former assistant to Senator Slade Gorton; STEVE APPEL, President, Washington State Farm Bureau; KEVIN O'SULLIVAN, Thurston County Assessor; JEANNETTE HAYNER, former Senate Majority Leader; GARY WRIGHT, President, Washington Association of Realtors.

The law as it now exists:

Real estate is currently assessed and taxed at 100% of its "true and fair" value. If a parcel has increased in value, either because of improvements or because of increased market value, county assessors are required to reflect the full value of these changes in the year the parcel is reassessed. These values are used each year in computing the taxes levied on each parcel of property.

Under current law, state and local governments are generally limited to levying, in any one year, no more than 106 percent of the total regular property taxes levied in the highest of the three most recent years in which taxes were levied. Taxing districts may levy higher amounts after obtaining voter approval at a general or special election.

In each year, the state levies a tax of up to \$3.60 per thousand dollars of assessed valuation for support of the common schools. This levy is adjusted to a "state equalized value" according to a statutory formula administered by the state department of revenue. The 1995 legislature enacted a temporary reduction in this state levy for the 1996 tax year, amounting to a reduction of 4.7187 percent of the amount which otherwise would have been levied.

Statement Against

Washington taxpayers deserve real property tax reform. Referendum 47 is phony tax reform. It's not targeted to homeowners, it's not a real tax cut and it's not fair to homeowners across the state. Referendum 47 is not the best the Legislature can do.

REFERENDUM 47 IS UNFAIR

Referendum 47 doesn't target property tax relief to working families or homeowners who need relief the most. Much of the tax relief will go to the same special interests that already have received millions of dollars in tax cuts the last few years. State property taxes on a \$100,000 home will be only \$13 less next year – and that's a lot less relief than owners of expensive homes will get. Homeowners in different counties – and even within the same county – will be treated differently.

REFERENDUM 47 DOESN'T GUARANTEE LOWER TAX BILLS

Don't be fooled. This doesn't guarantee lower taxes. Your home's assessed value will still increase and the property taxes you pay each year will still increase. At best, you will see slower increases, but your property tax bill will not be lower.

REJECT THE LEGISLATURE'S PHONY REFORM

Legislators could have asked you to vote on a real tax cut that targeted relief to homeowners, and put hundreds of dollars in the average homeowner's pockets in the next few years. Instead, they want you to vote for a plan that's unfair, doesn't cut your taxes, and gives breaks to special interests.

The effect of Referendum Bill 47, if approved into law:

The proposed measure would allow assessors to adjust assessed valuation of property where value increases due to changes in the real estate market. This change would be effective for taxes collected in 1999 and thereafter. Each year, the "true and fair value" of each parcel would be calculated as before. Any increases in value would be attributed either to "improvement increases" (the increase in value caused by new construction or other improvements to the property) or "market increases" (the total increase minus the "improvement increase"). The assessor would then compare two numbers: (1) the "improvement increase" plus 115 percent of the previous assessed value, and (2) the sum of the previous assessed value, the "improvement increase" and 25 percent of the "market increase." The higher of these two numbers would constitute the assessed value of the property for the new tax year. However, this number could never be higher than the "true and fair value" of the property.

(continued on page 20)

TELL THE LEGISLATURE TO DO BETTER

Vote **NO** on Referendum 47's phony property tax reform. Tell the Legislature you want real property tax reform and real tax cuts for working families.

Rebuttal of Statement For

Referendum 47 is phony reform. Real property tax reform means cutting taxes for working families. At best, Referendum 47 means slower growth in taxes, but no real cut in your tax bill.

Referendum 47 is not meaningful, fair, long-term property tax relief. Washington families deserve real tax cuts, not phony reform.

Tell the Legislature you want real property tax reform and real tax cuts for working families.

Vote **NO** on Referendum 47.

Voters Pamphlet Statement Prepared by:

VALORIA LOVELAND, State Senator; HANS DUNSHEE, State Representative.

Advisory Committee: DAVE WOOD, People for Fair Taxes; SCOTT NOBLE, King County Assessor.



INITIATIVE MEASURE 673 (continued from page 5)

The effect of Initiative Measure 673, if approved into law (continued):

Each health plan would be required to permit every individual doctor (defined by the measure to include doctors of medicine, pharmacy, psychology, osteopathic medicine and surgery, chiropractic, podiatric medicine and surgery, naturopathy, and optometry) and nurse practitioner to provide services or care under the plan, if (1) such services or care is within the health care provider's scope of practice; (2) the provider agrees to abide by standards of cost effective and medically effective health services and to reviews designed to contain costs and promote efficient management; and (3) the plan covers the condition or provides the services.

The insurance commissioner would be directed to adopt rules to implement the new measure.



INITIATIVE MEASURE 676 (continued from page 7)

The effect of Initiative Measure 676, if approved into law (continued):

Current holders of concealed pistol licenses would have to obtain handgun safety licenses when their pistol licenses expires, is renewed or revoked, or January 1, 2004, whichever comes first. The training requirement would be waived for certain law enforcement officers or for persons with military training on the safe operation, handling, and storage of handguns.

The department of licensing would be authorized to adopt rules to implement the measure. The department could authorize private instructors to provide the handgun safety course. The department could authorize county and city law enforcement agencies to accept handgun safety license applications and process renewals for the department.

Any handgun possessed or controlled in violation of this act is contraband and shall immediately be taken into custody by law enforcement. However, it is an absolute defense to forfeiture if a person has or obtains a handgun safety license within sixty days of notice of forfeiture.

The following would be exempt from the handgun safety license requirement: persons who are in law enforcement or in the armed forces and who are required to possess a handgun in connection with their official duties; persons under the direct supervision of a licensed or exempt individual who are using a handgun as part of handgun safety training, or for target shooting at a business where such activity is authorized; persons temporarily handling a firearm in the presence of a dealer for the purpose of considering purchase; and persons temporarily possessing a handgun in an emergency involving lawful defense of self, others, or property.



INITIATIVE MEASURE 678 (continued from page 11)

The effect of Initiative Measure 678, if approved into law (continued):

by law except administering nitrous oxide and placing and carving restorations. To obtain the enhanced practice endorsement, a hygienist would have to practice for at least five years under the supervision of a licensed dentist, must establish health care provider referral protocols, and must have training in cardiopulmonary resuscitation and basic life support.

Dental hygienists who have practiced for five years under the current law would be eligible for an enhanced practice certificate upon application if the measure is approved.

Dental hygienists would still be prohibited from: performing oral surgery (except soft tissue curettage and restorative procedures); prescribing drugs (except that the dental hygiene quality assurance commission could approve appropriate drugs which dental hygienists could purchase and apply in performing dental hygiene services); diagnosis for dental treatment or treatment planning; and taking impressions (except for home therapy purposes).



INITIATIVE MEASURE 685 (continued from page 13)

The effect of Initiative Measure 685, if approved into law (continued):

Any person convicted of personal possession or use of controlled substances after the measure is enacted would be eligible for probation. The sentencing judge could require appropriate drug treatment or education. A person convicted three times of personal possession or use of a controlled substance would not be eligible for probation.

A commission on drug education and prevention, including members who are parents, would be created, to be appointed by the Governor. The commission would fund education on alcohol and controlled substances, substance abuse, and enhanced parental involvement. Six million dollars per year would be transferred from the state general fund to a new drug treatment and education fund, to be used by the department of corrections to implement the parole provisions of the measure, by county probation departments for drug treatment and education programs, and by the commission on drug education and prevention.



REFERENDUM BILL 47 (continued from page 15)

The effect of Referendum Bill 47, if approved into law (continued):

The 106 percent limitation on levy increases would be adjusted downward in some cases. For taxing districts with a population of less than ten thousand, the limit would remain 106 percent. For all other taxing districts, the limit would be the most recent twelve-month "inflation" rate published by the federal department of commerce in the year before the taxes are payable, but never more than 106 percent. The legislative authority of any taxing district could, by a special majority, establish a different limitation upon a finding of "substantial need," but could never set a limit more than 106 percent. As with current law, any taxing district could exceed its levy limit after obtaining voter approval of a specific proposition.

The state levy for 1998 would be reduced by 4.7187 percent of the amount that otherwise would be allowed.



**COMPLETE TEXT OF
Initiative Measure 685
(continued)**

be required to pay for his or her participation in the program to the extent of his or her financial ability.

(5) A person who has been placed on probation under this section, who is determined by the sentencing judge or the judge's successor to be in violation of his or her probation shall have new conditions of probation established in the following manner: The sentencing judge or the judge's successor shall select the additional conditions it deems necessary, including intensified drug treatment, community service, home detention, or any other such sanctions short of incarceration.

(6) If a person is convicted a second time of personal possession or use of a controlled substance as defined in RCW 69.50.101, the sentencing judge or the judge's successor may include additional conditions of probation it deems necessary, including intensified drug treatment, community service, home detention, or any other action within the jurisdiction of the court.

(7) A person who has been convicted three times of personal possession or use of a controlled substance as defined in RCW 69.50.101 is not eligible for probation under this section, but instead shall be sentenced under the other provisions of this chapter.

NEW SECTION. Sec. 10. WASHINGTON PARENTS COMMISSION ON DRUG EDUCATION AND PREVENTION.

(1) The Washington parents commission on drug education and prevention is hereby created. The commission shall consist of nine members. The members of the commission shall be appointed by the governor within sixty days of the effective date of this act and shall serve a two-year term. Of the nine members, five shall be parents with children currently enrolled in a Washington school, one shall be a representative of a law enforcement agency, one shall be an educator in a local school district, one shall be a representative of a county probation department, and one shall be a representative of the drug education and treatment community.

(2) Each member shall be appointed for a term of two years. The members shall receive no pay, but may be reimbursed for actual expenses incurred on commission business.

(3) The commission shall fund programs that will increase and enhance parental involvement and will increase education about the serious risks and public health problems caused by the abuse of alcohol and controlled substances.

(4) The commission shall contract for administrative and professional services with a not-for-profit organization or government entity with expertise in substance abuse education and prevention.

NEW SECTION. Sec. 11. DRUG TREATMENT AND EDUCATION FUND. (1) The drug treatment and education fund is created.

(2) Each year the state treasurer shall transfer six million dollars from the general fund to the drug treatment and education fund. The state expenditure limit shall not be lowered to reflect this transfer.

(3) The moneys deposited in the drug treatment and education fund shall be distributed as follows:

(a) The department of corrections shall receive payment for the administrative and treatment expenses incurred in implementing the parole provisions of sections 7 and 8 of this act, up to a limit of twenty percent of the moneys deposited in

the drug treatment and education fund.

(b) Fifty percent of the remaining moneys deposited in the drug treatment and education fund shall be distributed to county probation departments to cover the costs of placing persons in drug education and treatment programs administered by a qualified agency or organization that provides such programs to persons who abuse controlled substances. The moneys shall be allocated to county probation departments according to a formula based on the numbers of persons placed on probation under chapter . . . , Laws of 1998 (this act).

(c) Fifty percent of the remaining moneys deposited in the drug treatment and education fund shall be transferred to the Washington parents commission on drug education and prevention established under section 10 of this act.

(4) The state auditor shall cause to be prepared at the end of each fiscal year after 1997 an accountability report card that details the cost savings realized from the diversion of persons from prisons to probation. A copy of the report shall be submitted to the governor and the legislature, and a copy of the report shall be sent to each public library in the state.

NEW SECTION. Sec. 12. Captions used in this act are not any part of the law.

NEW SECTION. Sec. 13. Sections 10 and 11 of this act constitute a new chapter in Title 69 RCW.

NEW SECTION. Sec. 14. 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.



**COMPLETE TEXT OF
Referendum Bill 47**

AN ACT Relating to limiting property taxes by reducing the state levy, reducing the one hundred six percent limit calculation, and allowing for valuation increases to be spread over time; amending RCW 84.04.030, 84.40.020, 84.40.030, 84.40.040, 84.40.045, 84.41.041, 84.48.010, 84.48.065, 84.48.075, 84.48.080, 84.12.270, 84.12.280, 84.12.310, 84.12.330, 84.12.350, 84.12.360, 84.16.040, 84.16.050, 84.16.090, 84.16.110, 84.16.120, 84.36.041, 84.52.063, 84.70.010, 84.55.005, 84.55.010, 84.55.020, 35.61.210, 70.44.060, 84.08.115, and 84.55.120; adding a new section to chapter 84.04 RCW; adding a new section to chapter 84.40 RCW; adding new sections to chapter 84.55 RCW; creating new sections; repealing RCW 84.55.—; repealing 1997 c 2 s 5 (uncodified); and providing for submission of this act to a vote of the people.

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

**PART I
VALUE AVERAGING**

NEW SECTION. Sec. 101. A new section is added to chapter 84.04 RCW to read as follows:

"Appraised value of property" means the aggregate true and fair value of the property as last determined by the county assessor according to the revaluation program approved under chapter 84.41 RCW, including revaluations based on statistical data between physical inspections.



**COMPLETE TEXT OF
Referendum Bill 47
(continued)**

Sec. 102. RCW 84.04.030 and 1961 c 15 s 84.04.030 are each amended to read as follows:

"Assessed value of property" shall be held and construed to mean the aggregate valuation of the property subject to taxation by any taxing district as determined under section 105 of this act, reduced by the value of any applicable exemptions under RCW 84.36.381 or other law, and placed on the last completed and balanced tax rolls of the county preceding the date of any tax levy.

Sec. 103. RCW 84.40.020 and 1973 c 69 s 1 are each amended to read as follows:

All real property in this state subject to taxation shall be listed and assessed every year, with reference to its appraised and assessed values on the first day of January of the year in which it is assessed. Such listing and all supporting documents and records shall be open to public inspection during the regular office hours of the assessor's office: PROVIDED, That confidential income data is exempted from public inspection pursuant to RCW 42.17.310. All personal property in this state subject to taxation shall be listed and assessed every year, with reference to its value and ownership on the first day of January of the year in which it is assessed: PROVIDED, That if the stock of goods, wares, merchandise or material, whether in a raw or finished state or in process of manufacture, owned or held by any taxpayer on January 1 of any year does not fairly represent the average stock carried by such taxpayer, such stock shall be listed and assessed upon the basis of the monthly average of stock owned or held by such taxpayer during the preceding calendar year or during such portion thereof as the taxpayer was engaged in business.

Sec. 104. RCW 84.40.030 and 1994 c 124 s 20 are each amended to read as follows:

All personal 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.

All real property shall be appraised at one hundred percent of its true and fair value in money and assessed as provided in section 105 of this act 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.

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 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 property, 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) of this section, 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 true and fair value of the land, exclusive of structures thereon shall be determined; also the true and fair value of structures thereon, but the appraised valuation shall not exceed the true and fair value of the total property as it exists. In valuing agricultural land, growing crops shall be excluded.

NEW SECTION. Sec. 105. A new section is added to chapter 84.40 RCW to read as follows:

(1) As used in this section:

(a) "Previous assessed value" means the assessed value for the year immediately preceding the year for which a calculation is being made under this section.

(b) "Current appraised value" means the appraised value for the year for which a calculation is being made under this section.

(c) "Total value increase" means the current appraised value minus the previous assessed value. Total value increase can never be less than zero.

(d) "Improvement increase" means the portion of the total value increase attributable to any physical improvements made to the property since the previous assessment, other than improvements exempt under RCW 84.36.400 for the year for which a calculation is being made under this section. Improvement increase can never be less than zero.

(e) "Market increase" means the total value increase minus the improvement increase. Market increase can never be less than zero.

(2) The assessed value of property is equal to the lesser of the current appraised value or a limited value determined under this section. The limited value is equal to the greater of:

(a) The improvement increase plus one hundred fifteen percent of the previous assessed value; or

(b) The sum of:

(i) The previous assessed value;

(ii) The improvement increase; and

(iii) Twenty-five percent of the market increase.

(3) Upon loss of preferential tax treatment for property that qualifies for preferential tax treatment under chapter 84.14, 84.26, 84.33, 84.34, or 84.36 RCW, the previous assessed value shall be the assessed value the property would have had without the preferential tax treatment.

Sec. 106. RCW 84.40.040 and 1988 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



COMPLETE TEXT OF Referendum Bill 47 (continued)

property by May 31st of each year, except that the listing and valuation of construction and mobile homes under RCW (~~36.21.040 through~~) 36.21.080 and 36.21.090 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 of each tract or lot of land listed for taxation and of each improvement located thereon and shall enter as the appraised value one hundred percent of the true and fair value of such land and of the total true and fair value of such improvements, together with the total of such one hundred percent valuations, opposite each description of property on the assessment list and tax roll.

The assessor shall determine the assessed value, under section 105 of this act, for each tract or lot of land listed for taxation, including improvements located thereon, and shall also enter this value opposite each description of property on the assessment list and tax roll.

The assessor shall make an alphabetical list of the names of all persons in 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 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 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. 107. RCW 84.40.045 and 1994 c 301 s 36 are each amended to read as follows:

The assessor shall give notice of any change in the (~~true and fair~~) assessed value of real property for the tract or lot of land and any improvements thereon no later than thirty days after appraisal: PROVIDED, That no such notice shall be mailed during the period from January 15 to February 15 of each year: PROVIDED FURTHER, That no notice need be sent with

respect to changes in valuation of forest land made pursuant to chapter 84.33 RCW.

The notice shall contain a statement of both the prior and the new (~~true and fair~~) appraised and assessed values (~~and the ratio of the assessed value to the true and fair value on which the assessment of the property is based~~), stating separately land and improvement appraised values, and a brief statement of the procedure for appeal to the board of equalization and the time, date, and place of the meetings of the board.

The notice shall be mailed by the assessor to the taxpayer.

If any taxpayer, as shown by the tax rolls, holds solely a security interest in the real property which is the subject of the notice, pursuant to a mortgage, contract of sale, or deed of trust, such taxpayer shall, upon written request of the assessor, supply, within thirty days of receipt of such request, to the assessor the name and address of the person making payments pursuant to the mortgage, contract of sale, or deed of trust, and thereafter such person shall also receive a copy of the notice provided for in this section. Willful failure to comply with such request within the time limitation provided for herein shall make such taxpayer subject to a maximum civil penalty of five thousand dollars. The penalties provided for herein shall be recoverable in an action by the county prosecutor, and when recovered shall be deposited in the county current expense fund. The assessor shall make the request provided for by this section during the month of January.

Sec. 108. RCW 84.41.041 and 1987 c 319 s 4 are each amended to read as follows:

Each county assessor shall cause taxable real property to be physically inspected and valued at least once every six years in accordance with RCW 84.41.030, and in accordance with a plan filed with and approved by the department of revenue. Such revaluation plan shall provide that a reasonable portion of all taxable real property within a county shall be revalued and these newly-determined values placed on the assessment rolls each year. The department may approve a plan that provides that all property in the county be revalued every two years. If the revaluation plan provides for physical inspection at least once each four years, during the intervals between each physical inspection of real property, the appraised valuation of such property may be adjusted to its current true and fair value, such adjustments to be based upon appropriate statistical data. If the revaluation plan provides for physical inspection less frequently than once each four years, during the intervals between each physical inspection of real property, the appraised valuation of such property shall be adjusted to its current true and fair value, such adjustments to be made once each year and to be based upon appropriate statistical data. If the appraised valuation is changed, the assessed value shall be recalculated under section 105 of this act.

The assessor may require property owners to submit pertinent data respecting taxable property in their control including data respecting any sale or purchase of said property within the past five years, the cost and characteristics of any improvement on the property and other facts necessary for appraisal of the property.

Sec. 109. RCW 84.48.010 and 1988 c 222 s 20 are each amended to read as follows:

Prior to July 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 shall receive 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



COMPLETE TEXT OF Referendum Bill 47 (continued)

county: PROVIDED, That when the county legislative authority constitute the board they shall only receive their compensation as members of the county legislative authority. The board of equalization shall meet in open session for this purpose annually on the 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 the appraised value of 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 84.40.0304)) and so that the assessed value of each tract or lot of real property is entered on the assessment list at its correct amount, and subject to the following rules:

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

Second. They shall reduce the appraised valuation of each tract or lot or item which is returned above its true and fair value to such price or sum as to be the true and fair value thereof and reduce the assessed valuation of each tract or lot or item of real property which is returned above its correct amount to the correct amount.

Third. They shall raise the valuation of each class of personal property which is returned below its true and fair value to such price or sum as to be the true and fair value thereof, and they shall raise the aggregate value of the personal property of each individual whenever the aggregate value is less than the true valuation of the taxable personal property possessed by such individual, to such sum or amount as 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 reduce the valuation of each class of personal property enumerated on the detail and assessment list of the current year, which is returned above its true and fair value, to such price or sum as to be the true and fair value thereof; and they shall reduce the aggregate valuation of the personal property of such individual who has been assessed at too large a sum to such sum or amount as was the true and fair value of 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 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))~~ appraised values ordered by the county board of equalization. The assessor shall recalculate assessed values and correct the real and personal assessment rolls in accordance with the

changes made by the said county board of equalization, and the assessor shall make duplicate abstracts of such corrected values, one copy of which shall be retained in the office, and one copy forwarded to the department of revenue on or before the eighteenth day of August next following the meeting of the county board of equalization.

The county board of equalization shall meet on the 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 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 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. 110. RCW 84.48.065 and 1996 c 296 s 1 are each amended to read as follows:

(1) 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, clerical errors in calculating the assessed value under section 105 of this act, and such manifest errors in the listing of the property which do not involve a revaluation of property, except in the case that a taxpayer produces proof that an authorized land use authority has made a definitive change in the property's land use designation. In such a case, correction of the assessment or tax rolls may be made notwithstanding the fact that the action involves a revaluation of property. Manifest errors that do not involve a revaluation of property include 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 in accordance with RCW 84.40.045, advising the taxpayer that the action has been taken and notifying the taxpayer of the right to appeal the cancellation or correction to the county board of equalization, in accordance with RCW 84.40.038. When the county assessor or treasurer cancels or corrects an assessment, a record of such action shall be prepared, setting forth therein the facts relating to the error. The record shall also set forth by legal description all property belonging exclusively to the state, any county, or any municipal corporation whose property is exempt from taxation, upon which there remains, according to the tax roll, any unpaid taxes. No manifest error cancellation or correction, including a cancellation or correction made due to a definitive change of land use designation, shall be made for any period more than three years preceding the year in which the error is discovered.

(2)(a) In the case of a definitive change of land use designation, an assessor shall make corrections that involve a revaluation of property to the assessment roll when:

(i) The assessor and taxpayer have signed an agreement as to the true and fair value of the taxpayer's property setting forth in the agreement the valuation information upon which the agreement is based; and

(ii) The assessment roll has previously been certified in accordance with RCW 84.40.320.

(b) In all other cases, an assessor shall make corrections that involve a revaluation of property to the



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assessment roll when:

(i) The assessor and taxpayer have signed an agreement as to the true and fair value of the taxpayer's property setting forth in the agreement the valuation information upon which the agreement is based; and

(ii) The following conditions are met:

(A) The assessment roll has previously been certified in accordance with RCW 84.40.320;

(B) The taxpayer has timely filed a petition with the county board of equalization pursuant to RCW 84.40.038 for the current assessment year;

(C) The county board of equalization has not yet held a hearing on the merits of the taxpayer's petition.

(3) The assessor shall issue a supplementary roll or rolls including such cancellations and corrections, 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 rolls as modified.

Sec. 111. RCW 84.48.075 and 1988 c 222 s 23 are each amended to read as follows:

(1) The department of revenue shall annually, prior to the first Monday in 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 September. Prior to equalization of assessments pursuant to RCW 84.48.080 and after the third Monday of 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 as appraised value 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. 112. RCW 84.48.080 and 1995 2nd sp.s. c 13 s 3 are each amended to read as follows:

(1) Annually during the months of 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 assessed valuation of the property in each county bears to the correct total assessed valuation of all property in the state.

First. The department shall classify all property, real and personal, and shall raise and lower the assessed 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))~~ correct assessed value of such class as of January 1st of the current year, after determining the correct appraised value, and any adjustment applicable under section 105 of this act for the property, for the purpose of ascertaining the just amount of tax due from each county for state purposes. In equalizing personal property as of January 1st of the current year, the department shall use the assessment level of the preceding year. Such classification may be on the basis of types of property, geographical areas, or both. For purposes of this section, for each county that has not provided the department with an assessment return by December 1st, the department shall proceed, using facts and information and in a manner it deems appropriate, to estimate the value of each class of property in the county.

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

(2) The department shall levy the state taxes authorized by law. 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))~~ as equalized under this section. The department shall apportion the amount of tax for state purposes levied by the department, among the several counties, in proportion to the assessed 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, any assessment return provided by a county to the department subsequent to December 1st, or a change in the indicated ratio of a county. Errors in taxable values mean errors corrected by a final reviewing body.

In addition to computing a levy under this subsection that is reduced under RCW 84.55.012, the department shall compute a hypothetical levy without regard to the reduction under RCW 84.55.012. This hypothetical levy shall also be apportioned among the several counties in proportion to the valuation of the taxable property of the county for the year, as equalized by the department, in the same manner as the



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actual levy and shall be used by the county assessors for the purpose of recomputing and establishing a consolidated levy under RCW 84.52.010.

(3) 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.

(4) After the completion of the duties prescribed in this section, 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.

Sec. 113. RCW 84.12.270 and 1994 c 301 s 20 are each amended to read as follows:

The department of revenue shall annually make an assessment of the operating property of all companies; and between the fifteenth day of March and the first day of July of each of said years shall prepare an assessment roll upon which it shall enter ~~((and assess))~~ the ~~((true and fair))~~ assessed value of all the operating property of each of such companies as of the first day of January of the year in which the assessment is made. For the purpose of determining the ~~((true and fair))~~ assessed value of such property the department of revenue may inspect the property belonging to said companies and may take into consideration any information or knowledge obtained by it from such examination and inspection of such property, or of the books, records and accounts of such companies, the statements filed as required by this chapter, the reports, statements or returns of such companies filed in the office of any board, office or commission of this state or any county thereof, the earnings and earning power of such companies, the franchises owned or used by such companies, the assessed valuation of any and all property of such companies, whether operating or nonoperating property, and whether situated within or outside the state, and any other facts, evidence or information that may be obtainable bearing upon the value of the operating property: PROVIDED, That in no event shall any statement or report required from any company by this chapter be conclusive upon the department of revenue in determining the amount, character and ~~((true and fair))~~ assessed value of the operating property of such company.

Sec. 114. RCW 84.12.280 and 1987 c 153 s 2 are each amended to read as follows:

(1) In making the assessment of the operating property of any railroad or logging railroad company and in the apportionment of the values and the taxation thereof, all land occupied and claimed exclusively as the right-of-way for railroads, with all the tracks and substructures and superstructures which support the same, together with all side tracks, second tracks, turn-outs, station houses, depots, round houses, machine shops, or other buildings belonging to the company, used in the operation thereof, without separating the same into land and improvements, shall be assessed as real property. And the rolling stock and other movable property belonging to any railroad or logging railroad company shall be considered as personal property and taxed as such:

PROVIDED, That all of the operating property of street railway companies shall be assessed and taxed as personal property.

(2) All of the operating property of airplane companies, telegraph companies, pipe line companies, water companies and toll bridge companies; the floating equipment of steamboat companies, and all of the operating property other than lands and buildings of electric light and power companies, telephone companies, gas companies and heating companies shall be assessed and taxed as personal property.

(3) Notwithstanding subsections (1) and (2) of this section, the limit provided under section 105 of this act shall be applied in the assessment of property under this section to the same extent as that limit is generally applied to property not assessed under this chapter.

Sec. 115. RCW 84.12.310 and 1994 c 301 s 21 are each amended to read as follows:

For the purpose of determining the system value of the operating property of any such company, the department of revenue shall deduct from the ~~((true and fair))~~ assessed value of the total assets of such company, the ~~((actual cash))~~ assessed value of all nonoperating property owned by such company. For such purpose the department of revenue may require of the assessors of the various counties within this state a detailed list of such company's properties assessed by them, together with the assessable or assessed value thereof: PROVIDED, That such assessed or assessable value shall be advisory only and not conclusive on the department of revenue as to the value thereof.

Sec. 116. RCW 84.12.330 and 1994 c 301 s 22 are each amended to read as follows:

Upon the assessment roll shall be placed after the name of each company a general description of the operating property of the company, which shall be considered sufficient if described in the language of ~~((subdivision (17) of))~~ RCW 84.12.200(13), as applied to ~~((said))~~ the company, following which shall be entered the ~~((true and fair))~~ assessed value of the operating property as determined by the department of revenue. No assessment shall be invalidated by reason of a mistake in the name of the company assessed, or the omission of the name of the owner or by the entry as owner of a name other than that of the true owner. When the department of revenue shall have prepared the assessment roll and entered thereon the ~~((true and fair))~~ assessed value of the operating property of the company, as herein required, it shall notify the company by mail of the valuation determined by it and entered upon ~~((said))~~ the roll.

Sec. 117. RCW 84.12.350 and 1994 c 301 s 23 are each amended to read as follows:

Upon determination by the department of revenue of the ~~((true and fair))~~ assessed value of the property appearing on such rolls it shall apportion such value to the respective counties entitled thereto, as hereinafter provided, and shall determine the equalized assessed valuation of such property in each such county and in the several taxing districts therein, by applying to such actual apportioned value the same ratio as the ratio of assessed to ~~((actual))~~ the correct assessed value of the general property in such county: PROVIDED, That, whenever the amount of the true and correct assessed value of the operating property of any company otherwise apportionable to any county or other taxing district shall be less than two hundred fifty dollars, such amount need not be apportioned to such county or taxing district but may be added to the amount apportioned to an adjacent county or taxing district.

Sec. 118. RCW 84.12.360 and 1994 c 301 s 24 are



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each amended to read as follows:

The (~~true and fair~~) value of the operating property assessed to a company, as fixed and determined by the department of revenue, shall be apportioned by the department of revenue to the respective counties and to the taxing districts thereof wherein such property is located in the following manner:

(1) Property of all railroad companies other than street railroad companies, telegraph companies and pipe line companies—upon the basis of that proportion of the value of the total operating property within the state which the mileage of track, as classified by the department of revenue (in case of railroads), mileage of wire (in the case of telegraph companies), and mileage of pipe line (in the case of pipe line companies) within each county or taxing district bears to the total mileage thereof within the state, at the end of the calendar year last past. For the purpose of such apportionment the department may classify railroad track.

(2) Property of street railroad companies, telephone companies, electric light and power companies, gas companies, water companies, heating companies and toll bridge companies—upon the basis of relative value of the operating property within each county and taxing district to the value of the total operating property within the state to be determined by such factors as the department of revenue shall deem proper.

(3) Planes or other aircraft of airplane companies and watercraft of steamboat companies—upon the basis of such factor or factors of allocation, to be determined by the department of revenue, as will secure a substantially fair and equitable division between counties and other taxing districts.

All other property of airplane companies and steamboat companies—upon the basis set forth in subsection (2) of this section.

The basis of apportionment with reference to all public utility companies above prescribed shall not be deemed exclusive and the department of revenue in apportioning values of such companies may also take into consideration such other information, facts, circumstances, or allocation factors as will enable it to make a substantially just and correct valuation of the operating property of such companies within the state and within each county thereof.

Sec. 119. RCW 84.16.040 and 1994 c 301 s 26 are each amended to read as follows:

The department of revenue shall annually make an assessment of the operating property of each private car company; and between the first day of May and the first day of July of each of said years shall prepare an assessment roll upon which it shall enter (~~and assess~~) the (~~true and fair~~) assessed value of all the operating property of each of such companies as of the first day of January of the year in which the assessment is made. For the purpose of determining the (~~true and fair~~) assessed value of such property the department of revenue may take into consideration any information or knowledge obtained by it from an examination and inspection of such property, or of the books, records and accounts of such companies, the statements filed as required by this chapter, the reports, statements or returns of such companies filed in the office of any board, office or commission of this state or any county thereof, the earnings and earning power of such

companies, the franchises owned or used by such companies, the assessed valuation of any and all property of such companies, whether operating property or nonoperating property, and whether situated within or without the state, and any other facts, evidences or information that may be obtainable bearing upon the value of the operating property: PROVIDED, That in no event shall any statement or report required from any company by this chapter be conclusive upon the department of revenue in determining the amount, character and (~~true and fair~~) assessed value of the operating property of such company.

Sec. 120. RCW 84.16.050 and 1994 c 301 s 27 are each amended to read as follows:

The department of revenue may, in determining the (~~true and fair~~) assessed value of the operating property to be placed on the assessment roll value the entire property as a unit. If the company owns, leases, operates or uses property partly within and partly without the state, the department of revenue may determine the value of the operating property within this state by the proportion that the value of such property bears to the value of the entire operating property of the company, both within and without this state. In determining the operating property which is located within this state the department of revenue may consider and base such determination on the proportion which the number of car miles of the various classes of cars made in this state bears to the total number of car miles made by the same cars within and without this state, or to the total number of car miles made by all cars of the various classes within and without this state. If the value of the operating property of the company cannot be fairly determined in such manner the department of revenue may use any other reasonable and fair method to determine the value of the operating property of the company within this state.

Sec. 121. RCW 84.16.090 and 1994 c 301 s 28 are each amended to read as follows:

Upon the assessment roll shall be placed after the name of each company a general description of the operating property of the company, which shall be considered sufficient if described in the language of (~~subsection (3) of~~) RCW 84.16.010(3) or otherwise, following which shall be entered the (~~true and fair~~) assessed value of the operating property as determined by the department of revenue. No assessment shall be invalid by a mistake in the name of the company assessed, by omission of the name of the owner or by the entry of a name other than that of the true owner. When the department of revenue shall have prepared the assessment roll and entered thereon the (~~true and fair~~) assessed value of the operating property of the company, as (~~herein~~) required, it shall notify the company by mail of the valuation determined by it and entered upon (~~said~~) the roll; and thereupon such assessed valuation shall become the (~~true and fair~~) assessed value of the operating property of the company, subject to revision or correction by the department of revenue as hereinafter provided; and shall be the valuation upon which, after equalization by the department of revenue as hereinafter provided, the taxes of such company shall be based and computed.

Sec. 122. RCW 84.16.110 and 1994 c 301 s 29 are each amended to read as follows:

Upon determination by the department of revenue of the true and (~~fair~~) correct assessed value of the property appearing on such rolls the department shall apportion such value to the respective counties entitled thereto as hereinafter provided, and shall determine the equalized or assessed valuation of such property in such counties by applying to



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such actual apportioned value the same ratio as the ratio of assessed to ~~((actual))~~ the correct assessed value of the general property of the respective counties: PROVIDED, That, whenever the amount of the true and correct assessed value of the operating property of any company otherwise apportionable to any county shall be less than two hundred fifty dollars, such amount need not be apportioned to such county but may be added to the amount apportioned to an adjacent county.

Sec. 123. RCW 84.16.120 and 1994 c 301 s 30 are each amended to read as follows:

The ~~((true and fair))~~ assessed value of the property of each company as fixed and determined by the department of revenue as herein provided shall be apportioned to the respective counties in the following manner:

(1) If all the operating property of the company is situated entirely within a county and none of such property is located within, extends into, or through or is operated into or through any other county, the entire value thereof shall be apportioned to the county within which such property is ~~((situate [situated]))~~ situated, located, and operated.

(2) If the operating property of any company is situated or located within, extends into or is operated into or through more than one county, the value thereof shall be apportioned to the respective counties into or through which its cars are operated in the proportion that the length of main line track of the respective railroads moving such cars in such counties bears to the total length of main line track of such respective railroads in this state.

(3) If the property of any company is of such character that it will not be reasonable, feasible or fair to apportion the value as hereinabove provided, the value thereof shall be apportioned between the respective counties into or through which such property extends or is operated or in which the same is located in such manner as may be reasonable, feasible and fair.

Sec. 124. RCW 84.36.041 and 1993 c 151 s 1 are each amended to read as follows:

(1) All real and personal property used by a nonprofit home for the aging that is reasonably necessary for the purposes of the home is exempt from taxation if the benefit of the exemption inures to the home and:

(a) At least fifty percent of the occupied dwelling units in the home are occupied by eligible residents; or

(b) The home is subsidized under a federal department of housing and urban development program. The department of revenue shall provide by rule a definition of homes eligible for exemption under this subsection (b), consistent with the purposes of this section.

(2) All real and personal property used by a nonprofit home for the aging that is reasonably necessary for the purposes of the home is exempt from taxation if the benefit of the exemption inures to the home and the construction, rehabilitation, acquisition, or refinancing of the home is financed under a program using bonds exempt from federal income tax if at least seventy-five percent of the total amount financed uses the tax exempt bonds and the financing program requires the home to reserve a percentage of all dwelling units so financed for low-income residents. The initial term of the

exemption under this subsection shall equal the term of the tax exempt bond used in connection with the financing program, or the term of the requirement to reserve dwelling units for low-income residents, whichever is shorter. If the financing program involves less than the entire home, only those dwelling units included in the financing program are eligible for total exemption. The department of revenue shall provide by rule the requirements for monitoring compliance with the provisions of this subsection and the requirements for exemption including:

(a) The number or percentage of dwelling units required to be occupied by low-income residents, and a definition of low income;

(b) The type and character of the dwelling units, whether independent units or otherwise; and

(c) Any particular requirements for continuing care retirement communities.

(3) A home for the aging is eligible for a partial exemption on the real property and a total exemption for the home's personal property if the home does not meet the requirements of subsection (1) of this section because fewer than fifty percent of the occupied dwelling units are occupied by eligible residents, as follows:

(a) A partial exemption shall be allowed for each dwelling unit in a home occupied by a resident requiring assistance with activities of daily living.

(b) A partial exemption shall be allowed for each dwelling unit in a home occupied by an eligible resident.

(c) A partial exemption shall be allowed for an area jointly used by a home for the aging and by a nonprofit organization, association, or corporation currently exempt from property taxation under one of the other provisions of this chapter. The shared area must be reasonably necessary for the purposes of the nonprofit organization, association, or corporation exempt from property taxation under one of the other provisions of this chapter, such as kitchen, dining, and laundry areas.

(d) The amount of exemption shall be calculated by multiplying the assessed value of the property reasonably necessary for the purposes of the home, less the assessed value of any area exempt under (c) of this subsection, by a fraction. The numerator of the fraction is the number of dwelling units occupied by eligible residents and by residents requiring assistance with activities of daily living. The denominator of the fraction is the total number of occupied dwelling units as of January 1st of the year for which exemption is claimed.

(4) To be exempt under this section, the property must be used exclusively for the purposes for which the exemption is granted, except as provided in RCW 84.36.805.

(5) A home for the aging is exempt from taxation only if the organization operating the home is exempt from income tax under section 501(c) of the federal internal revenue code as existing on January 1, 1989, or such subsequent date as the director may provide by rule consistent with the purposes of this section.

(6) In order for the home to be eligible for exemption under subsections (1)(a) and (2)(b) of this section, each eligible resident of a home for the aging shall submit an income verification form to the county assessor by July 1st of the assessment year in which the application for exemption is made. The income verification form shall be prescribed and furnished by the department of revenue. An eligible resident who has filed a form for a previous year need not file a new form until there is a change in status affecting the person's eligibility.

(7) In determining the ~~((true and fair))~~ assessed value of a home for the aging for purposes of the partial exemption provided by subsection (3) of this section, the assessor shall apply the computation method provided by RCW 84.34.060 and shall consider only the use to which such property is applied during the years for which such partial exemptions are



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available and shall not consider potential uses of such property.

(8) A home for the aging that was exempt or partially exempt for taxes levied in 1993 for collection in 1994 is partially exempt for taxes levied in 1994 for collection in 1995, has an increase in taxable value for taxes levied in 1994 for collection in 1995 due to the change prescribed by chapter 151, Laws of 1993 with respect to the numerator of the fraction used to determine the amount of a partial exemption, and is not fully exempt under this section is entitled to partial exemptions as follows:

(a) For taxes levied in 1994 for collection in 1995, the home shall pay taxes based upon the taxable value in 1993 plus one-third of the increase in the taxable value from 1993 to the nonexempt value calculated under subsection (3)(d) of this section for 1994.

(b) For taxes levied in 1995 for collection in 1996, the home shall pay taxes based upon the taxable value for 1994 as calculated in (a) of this subsection plus one-half of the increase in the taxable value from 1994 to the nonexempt value calculated under subsection (3)(d) of this section for 1995. For taxes levied in 1996 for collection in 1997 and for taxes levied thereafter, this subsection (8) does not apply, and the home shall pay taxes without reference to this subsection (8).

(c) For purposes of this subsection (8), "taxable value" means the value of the home upon which the tax rate is applied in order to determine the amount of taxes due.

(9) As used in this section:

(a) "Eligible resident" means a person who:

(i) Occupied the dwelling unit as a principal place of residence as of January 1st of the year for which the exemption is claimed. Confinement of the person to a hospital or nursing home does not disqualify the claim of exemption if the dwelling unit is temporarily unoccupied or if the dwelling unit is occupied by a spouse, a person financially dependent on the claimant for support, or both; and

(ii) Is sixty-one years of age or older on December 31st of the year in which the exemption claim is filed, or is, at the time of filing, retired from regular gainful employment by reason of physical disability. Any surviving spouse of a person who was receiving an exemption at the time of the person's death shall qualify if the surviving spouse is fifty-seven years of age or older and otherwise meets the requirements of this subsection; and

(iii) Has a combined disposable income of no more than the greater of twenty-two thousand dollars or eighty percent of the median income adjusted for family size as most recently determined by the federal department of housing and urban development for the county in which the person resides. For the purposes of determining eligibility under this section, a "cotenant" means a person who resides with an eligible resident and who shares personal financial resources with the eligible resident.

(b) "Combined disposable income" means the disposable income of the person submitting the income verification form, plus the disposable income of his or her spouse, and the disposable income of each cotenant occupying the dwelling unit for the preceding calendar year, less amounts paid by the person submitting the income verification form or his or her spouse or cotenant during the previous year for the treatment or care of either person received in the dwelling unit or in a nursing home. If the

person submitting the income verification form was retired for two months or more of the preceding year, the combined disposable income of such person shall be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by twelve. If the income of the person submitting the income verification form is reduced for two or more months of the preceding year by reason of the death of the person's spouse, the combined disposable income of such person shall be calculated by multiplying the average monthly combined disposable income of such person after the death of the spouse by twelve.

(c) "Disposable income" means adjusted gross income as defined in the federal internal revenue code, as amended prior to January 1, 1989, or such subsequent date as the director may provide by rule consistent with the purpose of this section, plus all of the following items to the extent they are not included in or have been deducted from adjusted gross income:

(i) Capital gains, other than nonrecognized gain on the sale of a principal residence under section 1034 of the federal internal revenue code, or gain excluded from income under section 121 of the federal internal revenue code to the extent it is reinvested in a new principal residence;

(ii) Amounts deducted for loss;

(iii) Amounts deducted for depreciation;

(iv) Pension and annuity receipts;

(v) Military pay and benefits other than attendant-care and medical-aid payments;

(vi) Veterans benefits other than attendant-care and medical-aid payments;

(vii) Federal social security act and railroad retirement benefits;

(viii) Dividend receipts; and

(ix) Interest received on state and municipal bonds.

(d) "Resident requiring assistance with activities of daily living" means a person who requires significant assistance with the activities of daily living and who would be at risk of nursing home placement without this assistance.

(e) "Home for the aging" means a residential housing facility that (i) provides a housing arrangement chosen voluntarily by the resident, the resident's guardian or conservator, or another responsible person; (ii) has only residents who are at least sixty-one years of age or who have needs for care generally compatible with persons who are at least sixty-one years of age; and (iii) provides varying levels of care and supervision, as agreed to at the time of admission or as determined necessary at subsequent times of reappraisal.

(10) A for-profit home for the aging that converts to nonprofit status after June 11, 1992, and would otherwise be eligible for tax exemption under this section may not receive the tax exemption until five years have elapsed since the conversion. The exemption shall then be ratably granted over the next five years.

Sec. 125. 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 impose a regular property tax levy in an amount equal to that which would be produced by a levy of fifty cents per thousand dollars of assessed value multiplied by an equalized assessed valuation (~~equal to one hundred 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: PROVIDED, That when any county assessor shall find that the aggregate rate of levy on any property will exceed the limitation set forth in RCW 84.52.043 and ((RCW) 84.52.050, as now or hereafter amended, before recomputing and establishing a consolidated levy in the manner set forth in RCW 84.52.010, the assessor



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(continued)**

shall first reduce the levy of any rural library district, by such amount as may be necessary, but the levy of any rural library district shall not be reduced to less than fifty cents per thousand dollars against the value of the taxable property, as determined by the county, prior to any further adjustments pursuant to RCW 84.52.010. For purposes of this section "regular property tax levy" shall mean a levy subject to the limitations provided for in Article VII, section 2 of the state Constitution and/or by statute.

Sec. 126. RCW 84.70.010 and 1994 c 301 s 56 are each amended to read as follows:

(1) If, on or before December 31 in any calendar year, any real or personal property placed upon the assessment roll of that year is destroyed in whole or in part, or is in an area that has been declared a disaster area by the governor and has been reduced in value by more than twenty percent as a result of a natural disaster, the ~~((true and fair))~~ assessed value of such property shall be reduced for that year by an amount determined as follows:

(a) First take the ~~((true and fair))~~ assessed value of such taxable property before destruction or reduction in value and deduct therefrom the true and fair value of the remaining property after destruction or reduction in value.

(b) Then divide any amount remaining by the number of days in the year and multiply the quotient by the number of days remaining in the calendar year after the date of the destruction or reduction in value of the property.

(2) No reduction in the ~~((true and fair))~~ assessed value shall be made more than three years after the date of destruction or reduction in value.

(3) The assessor shall make such reduction on his or her own motion; however, the taxpayer may make application for reduction on forms prepared by the department and provided by the assessor. The assessor shall notify the taxpayer of the amount of reduction.

(4) If destroyed property is replaced prior to the valuation dates contained in RCW 36.21.080 and 36.21.090, the total taxable value for that year shall not exceed the value as of the appropriate valuation date in RCW 36.21.080 or 36.21.090, whichever is appropriate.

(5) The taxpayer may appeal the amount of reduction to the county board of equalization within thirty days of notification or July 1st of the year of reduction, whichever is later. The board shall reconvene, if necessary, to hear the appeal.

**PART II
106 PERCENT LIMIT**

Sec. 201. RCW 84.55.005 and 1994 c 301 s 49 are each amended to read as follows:

As used in this chapter ~~((, the term))~~:

(1) "Inflation" means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce in September of the year before the taxes are payable;

(2) "Limit factor" means:

(a) For taxing districts with a population of less than ten thousand in the calendar year prior to the assessment year,

one hundred six percent;

(b) For taxing districts for which a limit factor is authorized under section 204 of this act, the lesser of the limit factor authorized under that section or one hundred six percent;

(c) For all other districts, the lesser of one hundred six percent or one hundred percent plus inflation; and

(3) "Regular property taxes" has the meaning given it in RCW 84.04.140, and also includes amounts received in lieu of regular property taxes.

Sec. 202. RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended to read as follows:

Except as provided in this chapter, the levy for a taxing district in any year shall be set so that the regular property taxes payable in the following year shall not exceed ~~((one hundred six percent of))~~ the limit factor multiplied by the amount of regular property taxes lawfully levied for such district in the highest of the three most recent years in which such taxes were levied for such district plus an additional dollar amount calculated by multiplying the increase in assessed value in that district resulting from new construction, improvements to property, and any increase in the assessed value of state-assessed property by the regular property tax levy rate of that district for the preceding year.

Sec. 203. RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended to read as follows:

Notwithstanding the limitation set forth in RCW 84.55.010, the first levy for a taxing district created from consolidation of similar taxing districts shall be set so that the regular property taxes payable in the following year shall not exceed ~~((one hundred six percent of))~~ the limit factor multiplied by the sum of the amount of regular property taxes lawfully levied for each component taxing district in the highest of the three most recent years in which such taxes were levied for such district plus the additional dollar amount calculated by multiplying the increase in assessed value in each component district resulting from new construction and improvements to property by the regular property tax rate of each component district for the preceding year.

NEW SECTION. Sec. 204. A new section is added to chapter 84.55 RCW to read as follows:

Upon a finding of substantial need, the legislative authority of a taxing district other than the state may provide for the use of a limit factor under this chapter of one hundred six percent or less. In districts with legislative authorities of four members or less, two-thirds of the members must approve an ordinance or resolution under this section. In districts with more than four members, a majority plus one vote must approve an ordinance or resolution under this section. The new limit factor shall be effective for taxes collected in the following year only.

Sec. 205. RCW 35.61.210 and 1990 c 234 s 3 are each amended to read as follows:

The board of park commissioners may levy or cause to be levied a general tax on all the property located in said park district each year not to exceed fifty cents per thousand dollars of assessed value of the property in such park district. In addition, the board of park commissioners may levy or cause to be levied a general tax on all property located in said park district each year not to exceed twenty-five cents per thousand dollars of assessed valuation. Although park districts are authorized to impose two separate regular property tax levies, the levies shall be considered to be a single levy for purposes of the ~~((one hundred six percent))~~ limitation provided for in



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chapter 84.55 RCW.

The board is hereby authorized to levy a general tax in excess of its regular property tax levy or levies when authorized so to do at a special election conducted in accordance with and subject to all the requirements of the Constitution and laws of the state now in force or hereafter enacted governing the limitation of tax levies. The board is hereby authorized to call a special election for the purpose of submitting to the qualified voters of the park district a proposition to levy a tax in excess of the seventy-five cents per thousand dollars of assessed value herein specifically authorized. The manner of submitting any such proposition, of certifying the same, and of giving or publishing notice thereof, shall be as provided by law for the submission of propositions 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 on warrants.

Sec. 206. RCW 70.44.060 and 1990 c 234 s 2 are each amended to read as follows:

All public hospital districts organized under the provisions of this chapter shall have power:

(1) To make a survey of existing hospital and other health care facilities within and without such district.

(2) To construct, condemn and purchase, purchase, acquire, lease, add to, maintain, operate, develop and regulate, sell and convey all lands, property, property rights, equipment, hospital and other health care facilities and systems for the maintenance of hospitals, buildings, structures, and any and all other facilities, and to exercise the right of eminent domain to effectuate the foregoing purposes or for the acquisition and damaging of the same or property of any kind appurtenant thereto, and such right of eminent domain shall be exercised and instituted pursuant to a resolution of the commission and conducted in the same manner and by the same procedure as in or may be provided by law for the exercise of the power of eminent domain by incorporated cities and towns of the state of Washington in the acquisition of property rights: PROVIDED, That no public hospital district shall have the right of eminent domain and the power of condemnation against any health care facility.

(3) To lease existing hospital and other health care facilities and equipment and/or other property used in connection therewith, including ambulances, and to pay such rental therefor as the commissioners shall deem proper; to provide hospital and other health care services for residents of said district by facilities located outside the boundaries of said district, by contract or in any other manner said commissioners may deem expedient or necessary under the existing conditions; and said hospital district shall have the power to contract with other communities, corporations, or individuals for the services provided by said hospital district; and they may further receive in said hospitals and other health care facilities and furnish proper and adequate services to all persons not residents of said district at such reasonable and

fair compensation as may be considered proper: PROVIDED, That it must at all times make adequate provision for the needs of the district and residents of said district shall have prior rights to the available hospital and other health care facilities of said district, at rates set by the district commissioners.

(4) For the purpose aforesaid, it shall be lawful for any district so organized to take, condemn and purchase, lease, or acquire, any and all property, and property rights, including state and county lands, for any of the purposes aforesaid, and any and all other facilities necessary or convenient, and in connection with the construction, maintenance, and operation of any such hospitals and other health care facilities, subject, however, to the applicable limitations provided in subsection (2) of this section.

(5) To contract indebtedness or borrow money for corporate purposes on the credit of the corporation or the revenues of the hospitals thereof, and the revenues of any other facilities or services that the district is or hereafter may be authorized by law to provide, and to issue and sell: (a) Revenue bonds, revenue warrants, or other revenue obligations therefor payable solely out of a special fund or funds into which the district may pledge such amount of the revenues of the hospitals thereof, and the revenues of any other facilities or services that the district is or hereafter may be authorized by law to provide, to pay the same as the commissioners of the district may determine, such revenue bonds, warrants, or other obligations to be issued and sold in the same manner and subject to the same provisions as provided for the issuance of revenue bonds, warrants, or other obligations by cities or towns under the Municipal Revenue Bond Act, chapter 35.41 RCW, as may hereafter be amended; (b) general obligation bonds therefor in the manner and form as provided in RCW 70.44.110 and 70.44.130, as may hereafter be amended; or (c) interest-bearing warrants to be drawn on a fund pending deposit in such fund of money sufficient to redeem such warrants and to be issued and paid in such manner and upon such terms and conditions as the board of commissioners may deem to be in the best interest of the district; and to assign or sell hospital accounts receivable, and accounts receivable for the use of other facilities or services that the district is or hereafter may be authorized by law to provide, for collection with or without recourse. General obligation bonds shall be issued and sold in accordance with chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue obligations may be issued and sold in accordance with chapter 39.46 RCW.

(6) To raise revenue by the levy of an annual tax on all taxable property within such public hospital district not to exceed fifty cents per thousand dollars of assessed value, and an additional annual tax on all taxable property within such public hospital district not to exceed twenty-five cents per thousand dollars of assessed value, or such further amount as has been or shall be authorized by a vote of the people. Although public hospital districts are authorized to impose two separate regular property tax levies, the levies shall be considered to be a single levy for purposes of the ~~((one hundred six percent))~~ limitation provided for in chapter 84.55 RCW. Public hospital districts are authorized to levy such a general tax in excess of their regular property taxes when authorized so to do at a special election conducted in accordance with and subject to all of the requirements of the Constitution and the laws of the state of Washington now in force or hereafter enacted governing the limitation of tax levies. The said board of district commissioners is authorized and empowered to call a special election for the purpose of submitting to the qualified voters of the hospital district a proposition or propositions to levy taxes in excess of its regular property taxes. The superintendent shall prepare a proposed budget of the contemplated financial transactions for the



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ensuing year and file the same in the records of the commission on or before the first Monday in September. Notice of the filing of said proposed budget and the date and place of hearing on the same shall be published for at least two consecutive weeks in a newspaper printed and of general circulation in said county. On the first Monday in October the commission shall hold a public hearing on said proposed budget at which any taxpayer may appear and be heard against the whole or any part of the proposed budget. Upon the conclusion of said hearing, the commission shall, by resolution, adopt the budget as finally determined and fix the final amount of expenditures for the ensuing year. Taxes levied by the commission shall be certified to and collected by the proper county officer of the county in which such public hospital district is located in the same manner as is or may be provided by law for the certification and collection of port district taxes. The commission is authorized, prior to the receipt of taxes raised by levy, to borrow money or issue warrants of the district in anticipation of the revenue to be derived by such district from the levy of taxes for the purpose of such district, and such warrants shall be redeemed from the first money available from such taxes when collected, and such warrants shall not exceed the anticipated revenues of one year, and shall bear interest at a rate or rates as authorized by the commission.

(7) To enter into any contract with the United States government or any state, municipality, or other hospital district, or any department of those governing bodies, for carrying out any of the powers authorized by this chapter.

(8) To sue and be sued in any court of competent jurisdiction: PROVIDED, That all suits against the public hospital district shall be brought in the county in which the public hospital district is located.

(9) To pay actual necessary travel expenses and living expenses incurred while in travel status for (a) qualified physicians who are candidates for medical staff positions, and (b) other qualified persons who are candidates for superintendent or other managerial and technical positions, when the district finds that hospitals or other health care facilities owned and operated by it are not adequately staffed and determines that personal interviews with said candidates to be held in the district are necessary or desirable for the adequate staffing of said facilities.

(10) To make contracts, employ superintendents, attorneys, and other technical or professional assistants and all other employees; to make contracts with private or public institutions for employee retirement programs; to print and publish information or literature; and to do all other things necessary to carry out the provisions of this chapter.

Sec. 207. RCW 84.08.115 and 1991 c 218 s 2 are each 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 under chapter 84.55 RCW.

(e) How the composite tax rate is determined.

(f) How the amount of tax is calculated.

(g) How a taxpayer may appeal an assessment, and what issues are appropriate as a basis of 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 on request, free of charge. Each revaluation notice shall include information regarding the availability of the explanation.

NEW SECTION. Sec. 208. It is the intent of sections 201 through 207 of this act to lower the one hundred six percent limit while still allowing taxing districts to raise revenues in excess of the limit if approved by a majority of the voters as provided in RCW 84.55.050.

Sec. 209. RCW 84.55.120 and 1995 c 251 s 1 are each amended to read as follows:

A taxing district, other than the state, that collects regular levies shall hold a public hearing on revenue sources for the district's following year's current expense budget. The hearing must include consideration of possible increases in property tax revenues and shall be held prior to the time the taxing district levies the taxes or makes the request to have the taxes levied. The county legislative authority, or the taxing district's governing body if the district is a city, town, or other type of district, shall hold the hearing. For purposes of this section, "current expense budget" means that budget which is primarily funded by taxes and charges and reflects the provision of ongoing services. It does not mean the capital, enterprise, or special assessment budgets of cities, towns, counties, or special purpose districts.

If the taxing district is otherwise required to hold a public hearing on its proposed regular tax levy, a single public hearing may be held on this matter.

No increase in property tax revenue, other than that resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, may be authorized by a taxing district, other than the state, except by adoption of a separate ordinance or resolution, pursuant to notice, specifically authorizing the increase in terms of both dollars and percentage. The ordinance or resolution may cover a period of up to two years, but the ordinance shall specifically state for each year the dollar increase and percentage change in the levy from the previous year.

**PART III
PERMANENT STATE LEVY REDUCTION**

NEW SECTION. Sec. 301. A new section is added to chapter 84.55 RCW to read as follows:

The state property tax levy for collection in 1998 shall be reduced by 4.7187 percent of the levy amount that would otherwise be allowed under this chapter without regard to this section.

**PART V
MISCELLANEOUS**

NEW SECTION. Sec. 501. (1) Sections 101 through 126 of this act apply to taxes levied for collection in 1999 and thereafter.

(2) Sections 201 through 207 of this act apply to taxes levied for collection in 1998 and thereafter.



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NEW SECTION. Sec. 502. 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.

NEW SECTION. Sec. 503. Part headings used in this act are not any part of the law.

NEW SECTION. Sec. 504. Except for section 401 of this act, the secretary of state shall submit this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 of the state Constitution and the laws adopted to facilitate its operation.

The following section of Chapter 3, Laws of 1997, was not referred to the voters by the Legislature as part of Referendum 47. It has been included here so that voters will be aware of which provision of Chapter 3, Laws of 1997, have or will become effective, independent of the vote on the Referendum Bill.

**PART IV
REPEAL OF PERMANENT STATE LEVY REDUCTION
UNDER ENGROSSED HOUSE BILL NO. 1417**

NEW SECTION. Sec. 401. The following acts or parts of acts are each repealed:
(1) RCW 84.55.-- and 1997 c 2 s 2; and
(2) 1997 c 2 s 5 (uncodified).



**COMPLETE TEXT OF
House Joint Resolution 4208**

BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

THAT, At the next general election to be held in this state the secretary of state shall submit to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article VII, section 2 of the Constitution of the state of Washington to read as follows:

Article VII, section 2. Except as hereinafter provided and notwithstanding any other provision of this Constitution, the aggregate of all tax levies upon real and personal property by the state and all taxing districts now existing or hereafter created, shall not in any year exceed one ~~((per centum))~~ percent of the true and fair value of such property in money: *Provided, however,* That nothing herein shall prevent levies at the rates now provided by law by or for any port or public utility district. The term "taxing district" for the purposes of this section shall mean any political subdivision, municipal corporation, district, or other governmental agency authorized by law to levy, or have levied for it, ad valorem taxes on property, other than a port or public utility district. Such aggregate

limitation or any specific limitation imposed by law in conformity therewith may be exceeded only as follows:

(a) By any taxing district when specifically authorized so to do by a majority of at least three-fifths of the ~~((electors thereof))~~ voters of the taxing district voting on the proposition to levy such additional tax submitted not more than twelve months prior to the date on which the proposed levy is to be made and not oftener than twice in such twelve month period, either at a special election or at the regular election of such taxing district, at which election the number of ~~((persons))~~ voters voting "yes" on the proposition shall constitute three-fifths of a number equal to forty ~~((per centum))~~ percent of the total ~~((votes cast))~~ number of voters voting in such taxing district at the last preceding general election when the number of ~~((electors))~~ voters voting on the proposition does not exceed forty ~~((per centum))~~ percent of the total ~~((votes cast))~~ number of voters voting in such taxing district in the last preceding general election; or by a majority of at least three-fifths of the ~~((electors thereof))~~ voters of the taxing district voting on the proposition to levy when the number of ~~((electors))~~ voters voting on the proposition exceeds forty ~~((per centum))~~ percent of the ~~((total votes cast))~~ number of voters voting in such taxing district in the last preceding general election: *Provided,* That notwithstanding any other provision of this Constitution, any proposition pursuant to this subsection to levy additional tax for the support of the common schools may provide such support for a ~~((two year))~~ period of up to four years and any proposition to levy an additional tax to support the construction, modernization, or remodelling of school facilities may provide such support for a period not exceeding six years;

(b) By any taxing district otherwise authorized by law to issue general obligation bonds for capital purposes, for the sole purpose of making the required payments of principal and interest on general obligation bonds issued solely for capital purposes, other than the replacement of equipment, when authorized so to do by majority of at least three-fifths of the ~~((electors thereof))~~ voters of the taxing district voting on the proposition to issue such bonds and to pay the principal and interest thereon by ~~((an))~~ annual tax ~~((levy))~~ levies in excess of the limitation herein provided during the term of such bonds, submitted not oftener than twice in any calendar year, at an election held in the manner provided by law for bond elections in such taxing district, at which election the total number of ~~((persons))~~ voters voting on the proposition shall constitute not less than forty ~~((per centum))~~ percent of the total number of ~~((votes cast))~~ voters voting in such taxing district at the last preceding general election: *Provided,* That any such taxing district shall have the right by vote of its governing body to refund any general obligation bonds of said district issued for capital purposes only, and to provide for the interest thereon and amortization thereof by annual levies in excess of the tax limitation provided for herein, *And provided further,* That the provisions of this section shall also be subject to the limitations contained in Article VIII, Section 6, of this Constitution;

(c) By the state or any taxing district ~~((for the purpose of paying the principal or interest on general obligation bonds outstanding on December 6, 1934; or))~~ for the purpose of preventing the impairment of the obligation of a contract when ordered so to do by a court of last resort.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of this constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.