Washington Law Review

Volume 16 | Number 1

1-1-1941

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THE DETERMINATION OF PROPERTY TAXES IN WASHINGTON

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Probably no phase of state and local government more immediately concerns the average citizen than the administration of taxes. In order that interested persons may become acquainted with the practical and complex problems involved, this discussion describes the machinery by which property is assessed for taxation, assessed values are equalized, and levies are made against those valuations. Better understanding may lead to legislative and administrative action that will result in more efficient and equitable operation of the property tax, which is still the largest single source of tax revenue in this state.[1]

In Washington both the state government and certain local governmental units may exercise the power of taxing property. The state has the sovereign power to tax and may impose taxes on property throughout the state for state purposes.[2] On the other hand, the power to "assess and collect taxes" for local purposes is exclusively the right of local units of government.[3] While the state legislature may establish and define by statute the taxing agencies of municipal corporations, it has no power to take from the people the right of local self-government in the matter of levying taxes for local purposes.

Because of this division of taxing authority, the administration of the property tax in Washington is in part a function of the local units of government, and in part a function of the State Tax Commission.

The principal county officials who are charged with the execution of the property tax laws are county commissioners, assessors, treasurers, and auditors. All of these are elective officials whose sole measure of fitness for their positions is that they be qualified voters in the governmental unit from which they are elected.[4] The State Tax Commission is comprised of three members "possessing special knowledge of the subject of taxation"[5] who are appointed by the governor with the consent of the state senate, for staggered terms of six years.

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[1] State and local property tax collections for the 1939 calendar year amounted to $42,894,984. Tax Commission of the State of Washington, *Eighth Biennial Report* (1940) Table 10.

[2] WASH. CONST., AMENDMENT 14. See: State *ex rel.* King County v. State Tax Commission, 174 Wash. 668, 26 P. (2d) 80 (1933).

[3] WASH. CONST., ART. VII, § 9; ART. XI, § 12. See: State *ex rel.* Tax Commission v. Redd, 166 Wash. 132, 6 P. (2d) 619 (1932) and discussion of this case page 28, *infra.*

[4] REM. REV. STAT. §§ 4036, 4083, 4106, 4140.

[5] REM. REV. STAT. § 11087. Tax Commissioners are subject to removal in the manner provided by §§ 10988-10990.

The first step in the determination of the tax to be paid by each owner of taxable property is the listing and assessing of all properties subject to taxation for state, county, or other taxing district purposes. Except properties specifically exempt,[6] or otherwise taxed, all real and personal property within the state is subject to assessment and taxation annually with reference to its value on January 1 of the year in which assessed.[7] All property is required to be assessed at fifty per cent of its "true and fair value in money," *i.e.*, the amount for which the property "would sell at a fair, voluntary sale for cash."[8] This assessing phase of the taxing process in Washington is performed partly by the county assessors and partly by the State Tax Commission.

The Tax Commission is charged with the duty of assessing the operating properties of public utilities whose activitiese are intercounty or interstate in scope.[9] For this purpose each interstate and intercounty utility company is required to file an annual report with the Tax Commission on or before March 15 each year.[10] Between March 15 and July 1, the commission prepares an assessment roll on which it enters the "true cash value of all the operating property," within its jurisdiction, belonging to each of these utility companies.[11] Between July 20 and August 15 the utility companies are entitled to hearings in which they may present evidence relative to the value of their properties. By August 15 the Tax Commission has corrected and completed the assessment lists showing the actual value of the operating property belonging to these utilities in Washington. The allocation of the values of interstate and intercounty utility properties to the counties for taxation will be discussed subsequently with the functions of the State Board of Equalization.

The State Tax Commission also, in conjunction with the State Forest

[6] The exemptions are many and may be found in REM. REV. STAT. §§ 11111-11130-5.

[7] REM. REV. STAT. § 11112. If, however, a stock of goods or merchandise held on January 1 does not fairly represent the average stock carried by a taxpayer, the county assessor shall assess the stock of that taxpayer upon the basis of the monthly average stock owned during the preceding year.

[8] REM. REV. STAT. § 11135. See: Eureka Mining Company v. Ferry County, 28 Wash. 250, 68 Pac. 727 (1902).

[9] REM. REV. STAT. §§ 11156-1, 11172-1. See: Northern Improvement Co. v. Henneford, 184 Wash. 502, 51 P. (2d) 1083 (1935).

[10] REM. REV. STAT. § 11156-3.

[11] REM. REV. STAT. § 11156-7. In determining the value of the operating properties of interstate utilities, the commission considers salvage value, cost of reproduction new less depreciation, the value of securities issued, gross and net earnings, prospective earnings, and other significant factors, for a whole utility system as a unit. Then in the apportionment of the appropriate part of the unit value of the interstate system to this state, the commission considers relative cost, relative reproduction cost, relative gross, net and future earnings, relative mileage of lines, relative track mileage, relative car miles, and other factors which may be deemed pertinent.

Board, classifies as "reforestation lands" such logged-off lands, unforested lands, and second-growth forest lands of nominal commercial value as are valuable chiefly for the development and growing of forests.[12] Lands thus classified lying west of the summit of the Cascade Mountains are assessed at $1.00 per acre for purposes of taxation; and those lying east of that summit are assessed at fifty cents per acre. These fixed values are the assessed values of "reforestation lands" against which property taxes are levied in the manner to be described later.

All taxable real and personal property other than that assessed by the Tax Commission is listed and assessed by the county assessors.[13] These officials are required by statute to begin the preliminary work for such assessment not later than December 1 of each year in all counties of the state. The county assessor must "determine a nearly as practicable the true and fair value"[14] of each parcel of land listed for taxation and of each improvement on the land. Then fifty per cent of this actual value of the real estate must be entered opposite each description of realty on the assessment list and tax roll. All of the persons in each county liable to assessment of personal property also must be listed, and statements of these properties, subscribed and sworn to, must be obtained from the persons liable. The county assessors determine the true and fair value of these personal properties and enter fifty per cent of those values in the assessment lists opposite the names of the parties assessed. Even exempt properties, by statute, must be listed and assessed, and the persons claiming exemptions must submit proof to the assessors.[15] There are specific provisions of the statutes pertaining to the assessment of certain types of property, *e.g.*, property of corporations, of sick or absent persons, irregular subdivided tracts, goods in transit, goods consigned from out of state, migratory stock, etc.[16]

The county assessors are required to complete the duties of listing and assessing all property by May 31 of each year.[17] The statutes, however, take cognizance of the fact that in actual practice the performance of the assessor's duties does not, and perhaps cannot, correspond exactly with the directions set forth in the law. In this instance, for example, while one part of the statute calls for completion of listing and assessing by May 31, a further provision states that the listing and assessing of property after that date shall be as legal and binding

[12] REM. REV. STAT. § 11219-1-11219-15.
[13] REM. REV. STAT. § 11140.
[14] *Ibid.*
[15] REM. REV. STAT. § 11113.
[16] REM. REV. STAT. §§ 11116-11124, 11129-11134, 11136, 11143, 11151-11155.
[17] REM. REV. STAT. § 11141.

as if listed and assessed prior thereto.[18] In practice, especially in the larger and more populous counties, the process of listing and assessing frequently continues to and after the July meeting of the county boards of equalization. The statute also provides that "the assessor shall call at the office, place of doing business or residence of each person required by this act to list property."[19] Nevertheless, the law further provides that if the assessor fails to make this visit, the failure does not impair or invalidate the assessment.[20]

The original assessment that is made by the county assessors is of paramount importance in the equitable operation of the property tax. These local officials determine the valuation for tax purposes of approximately $1,800,000,000 of property in Washington each year. The number of adjustments that are subsequently made by county boards of equalization is comparatively negligible. Further, the courts are reluctant to interfere with values placed upon property by the assessors. The law in this respect has been well established by a long line of decisions holding that the assessor acts in a quasi-judicial capacity, that the presumption is that he has performed his duties in a proper manner, that this presumption will be liberally indulged, and that the evidence to overthrow the presumption must be clear and convincing.[21] Even the method employed by the assessor in fixing property valuations for tax purposes is generally held to be immaterial if his conclusion is the result of his honest judgment as to value considered with reference to the property after he has examined it.[22]

Thus the existing system as it is found in the statutes and as interpreted by court decisions "proceeds upon the theory that the county assessor is a competent and qualified person to make assessments upon any and all kinds of property."[23] He is faced with the task of valuing real estate ranging in type from a residential lot and small cottage to commercial and industrial sites and structures occupying areas up to many acres in extent, and personal property as diverse as a cow and the

[18] *Ibid.*
[19] *Ibid.*
[20] *Ibid.*
[21] Weyerhaeuser Timber Co. v. Pierce County, 97 Wash. 534, 162 Pac. 35 (1917); Northwestern Improvement Co. v. Pierce County, 97 Wash. 528, 167 Pac. 33 (1917); Hueston v. King County, 90 Wash. 200, 155 Pac. 773 (1916); National Lumber and Manufacturing Co. v. Chehalis County, 86 Wash. 483, 150 Pac. 1164 (1915); Hillman's Snohomish County Land and Railroad Company v. Snohomish County, 87 Wash. 58, 151 Pac. 96 (1915); Doty Lumber and Shingle Co. v. Lewis County, 60 Wash. 428, 111 Pac. 562 (1910); Northern Pacific Railroad Co. v. Pierce County, 55 Wash. 108, 104 Pac. 178 (1909); Templeton v. Pierce County, 25 Wash. 377, 65 Pac. 553 (1901); Olympia Water Works v. Gelbach, 16 Wash. 482, 48 Pac. 251 (1897); Olympia Water Works v. Thurston County, 14 Wash. 268, 44 Pac. 267 (1896).
[22] Eureka Mining Co. v. Ferry County, 28 Wash. 250, 68 Pac. 727 (1902).
[23] Northwestern Improvement Co. v. McNeil, 100 Wash. 22, 170 Pac. 338 (1918).

intricate equipment and machinery of a modern pulp or lumber mill.

It is apparent that the locally elected, and often inexperienced, assessor needs every faculty and facility to reach even an approximation of true value. He finds some assistance in the annual conventions of county assessors, which are held each autumn with representatives of the Tax Commission. Common administrative problems of the assessors are discussed. Recommendations are made by committees concerning desirable legislation,[24] and for methods of assessing particular types of property.[25] However, the latter are usually of limited value. Probably the action of the convention which is most helpful to the local assessor is the establishment of a detailed schedule of values for livestock.

The local assessing officials receive greater assistance from the advisory activities of the State Tax Commission. In 1936 the commission published a *Building Appraisal Manual* to serve as a guide in the assessment of real estate improvements. This publication establishes standard rules and methods for the ascertainment of construction costs and depreciated values for all types of buildings and structures that the county assessors are called upon to evaluate. These improvements are classified according to contemplated original use into twenty-four distinct types of buildings, and these major classes are subdivided into approximately seventy subclasses. Tables have been prepared showing base rate cost figures for buildings of average quality of materials and construction typical for each class and subclass. The tables are set up so that variations in cost due either to size or shape may be readily ascertained. Additional schedules facilitate adjustments for various qualities of construction and for additions and betterments. Guides for the depreciation of buildings are given. Also formulae are prescribed which will permit the adaptation of the base rates given in the manual to different conditions of material and labor costs which may obtain at any place or time. Since "no building can have a higher value at any time than its reproduction cost at that time, less depreciation at the proper rate from the date

[24] The Forty-third Annual Meeting of the County Assessors' Association, which met in Longview, October 14-16, 1940, adopted reports recommending: a combination of *ad valorem* and yield taxes to apply to patented and unpatented mining lands; giving assessors the right to examine taxpayer's books and property records, and also the right to access to property for the purposes of valuation; authorization of county commissioners to sell timber from county-owned land separate from land; requiring instruments for transfer of real property to be submitted to county assessor for checking and approval of land description before recording; taxing of dealers' stocks of automobiles under an excise tax instead of present *ad valorem* tax; and, requiring each truck owner desiring a license to visit the assessor's office and list his truck or trucks before he is allowed to secure his licenses from the auditor's office.

[25] The Forty-third Annual Meeting considered the valuation of irrigated and grazing lands, watercraft, trucks, trailers and aircraft.

it was built,"[26] this manual furnishes the local assessor with a scientific guide for assessing real estate improvements. Its use has greatly reduced the element of personal judgment in the valuation of buildings, and its wide adoption by county assessors has done much to bring about relative uniformity in the assessed values of these properties. Furthermore, the Tax Commission has accumulated a considerable amount of data relative to the appraisal of various types of personal property which is available to the county assessors. Standard values are set upon types of farm machinery and upon the sort of equipment used in the larger industrial plants and operations. In addition the technical experts and experienced appraisers of the Tax Commissioners often make advisory assessments of complex commercial and industrial properties. Local assessors generally welcome these advisory valuations and usually adopt them as their own.

Despite these sources of assistance, however, the county assessor in valuing property, particularly land, for taxation must rely largely upon his own judgment and upon such methods as he can devise for the listing and assessing of all the property within his jurisdiction. Unfortunately, the assessment methods used by some assessors, especially in rural areas, are still primitive and crude.

The method of assessment employed in Washington too frequently consists of a reproduction of the previous assessed values, most of which were set originally by the owners themselves, or by assessors upon the basis of general familiarity with values in each district.[27] Commonly the only departures from the process of copying the valuations for taxation of the preceding year are a few changes upon entering office, a few changes forced upon the assessor by complaining taxpayers, and rough, horizontal adjustments in times of violent changes of value.[28]

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[26] Tax Commission of the State of Washington, *Building Appraisal Manual* (1936) p. 13. "In segregating the aggregate value of a parcel of land and a building, any value over and above the cost of the building, less any proper depreciation, is, in actuality, land value. Even in a case where immediate use is a factor considered in a purchase, this holds true: the purchaser is not paying a larger price for the building, he is simply purchasing the rent he anticipated receiving from a building already constructed during the time it would take to construct a new building."

[27] See E. K. Wood Lumber Company v. Whatcom County, 105 Wash. Dec. 54, 104 P. (2d) 752 (1940), for a recent case involving the assessment of timber land without considering the value of timber thereon from 1924 to 1937 as the result of a mistake by the assessor in 1924, where the omission would have been discovered immediately if the assessor had made any attempt to revalue this property.

[28] A typical example of this last method of reassessment was the flat twenty-five per cent, over-all reduction in valuation applied uniformly to all real estate in Thurston County in 1932. When the economic depression deepened it became apparent, on the basis of sample appraisals, that the assessed values which had been carried over from the 1920 decade were no longer justified. However, the reduction of all real estate assessed

Although the dependence upon the principle of general familiarity and the reproduction of previously determined values are still the ordinary method of assessing real property, a few of the counties have made efforts to reassess their taxable property upon a scientific basis. In particular, Chelan, King, Lewis, and Whatcom counties have achieved moderately thorough reassessments. Clark, Thurston, Whitman, and some other counties in a lesser degree, have partial reassessments in progress. Some of these programs have been supported in part by the Federal Works Progress Administration, some are being carried on with the normal staff of the county assessor, and all have received considerable advisory aid from the State Tax Commission.

The use of modern techniques in assessing land involves the use of tax maps showing all parcels of land within the taxing jurisdiction. A detailed classification of land and a system of unit valuation for these categories of land must be set up. In commercial and industrial urban districts the unit measure for assessment is usually the value per front foot of a lot. In residential districts the value of a square foot of the land may be used, since the influence of depth of lot on the value is not of particular significance for residential purposes. The rural unit of measure is commonly the value per acre of each particular type of land within the district, *e.g.*, hill land, bottom land, orchard land, pasture land.

In ascertaining the unit value the assessor may rely to some extent upon the sales data for particular types of land as shown by deeds filed with the county auditor. If the consideration involved in the transfer of land is not stated in the deed the amount of attached realty conveyance stamps may be taken as a rough guide. Sales of property within each district at or near the assessment date are the best evidence of value, provided all of the circumstances of the sales are free and open, neither the sellers or buyers being under necessity or restraint. However, such data are not always available. The opinions of property owners and neighbors may be considered, and it is a frequent practice to consult dealers in real estate. The state owns land within each township which has been appraised by experts, and their valuations are available to local officials. Other indicators of value which are helpful are mortgages, foreclosure sales, and the productivity or earning capacity of property.

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values by twenty-five per cent could not be considered a satisfactory adjustment, for the effects of the depression on different types and groups of property varied greatly in degree. As a partial correction to the inequities resulting from the 1932 reassessment, in 1935 all assessed valuations on Thurston County improved land and real estate improvements were raised twenty-five per cent. Many other Washington counties made similar over-all adjustments, and apparently they will continue to rely upon this method of reassessment to a large extent.

In using standard unit values, appropriate means of adjustment must be utilized to take into consideration, on urban property, the proportion of value to depth of lots, the influence of corner locations, irregular lots, alley influence, relation to street grade and the like. In both urban and rural areas the assessor must consider the proximity to highways, population centers, shopping districts, markets, schools, churches, and the availability of public utility services.

When the local assessor has prepared an adequate classification of land, ascertained unit values, and evolved methods of adjustment for significant variants, he is in a position, with these standards and those provided by the *Building Appraisal Manual,* to reduce data gathered from individual properties to assessed values throughout his county. Basic data for treatment by modern, technical methods of assessment are gathered by the assessor, or a field deputy, by visiting, inspecting, and examining the conditions surrounding each property. Clerical work is minimized in the field by the use of forms, frequently prescribed by the Tax Commission, which permit detailed description of the land and improvements by simply placing check marks in appropriate squares. In this way land is readily classified as to use, topography, soil quality, character of vegetation thereon, irrigation facilities, and simultaneously placed in one of three grades for each classification. Improvements can be classified and graded as to use, foundation, exterior finish, roof, construction, heating method, exterior features, number of stories, number of rooms, type of interior finish, type of floors, basement, plumbing, lighting, etc.

It is evident, however, that even with the application of sound and relatively constant mathematical methods, there is necessarily a large element of personal judgment involved in any assessment for taxation. It is also apparent that if the county assessors, in ascertaining the assessed values which comprise the base of the property tax, do not perform their work carefully and properly, "it is simply impossible for subsequent reviewing bodies or boards of equalization to correct more than a few of the resultant assessment inequalities."[29]

However, to correct inequities between individual owners of property, and between intra-county classes of property, that arise from assessments by the county assessor, the tax laws provide for a county board of equalization, consisting of the county commissioners, or a majority of them.[30] The county board meets in open session annually

[29] Tax Commission of the State of Washington, *Building Appraisal Manual* (1936), p. 3. *Cf.* Lutz, *The State Tax Commission and the Property Tax* (1921) 95 ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE 280.

[30] REM. REV. STAT. § 11220. In counties having cities of the first or second class (more than 20,000 population, or more than 10,000 and less than 20,000, respectively), the governing bodies of each city select a committee of three from its own members to act with the board of county commissioners as an equalizing board for property in their respective cities.

on the first Monday of July and may remain in session not less than three days nor more than two weeks.[31] It is the duty of this board to examine and compare the returns of the assessment of the property in the county, to hear the complaints of parties who dispute the values placed upon their properties by the assessor, and to make any necessary changes so that each item of property is entered on the assessment list equitably, according to the measure of value used by the county assessor in the assessment year. In practice the actions of the county boards are generally confined to the consideration of property owners' petitions for reductions in assessment. Although it appears that inequities are plentiful in the assessment rolls, few property owners exercise their legal right to come before the county board and demand a hearing. The lack of complaint is probably attributable to ignorance on the part of taxpayers as to the proper method of seeking a review.[32] Abstracts of the assessed values, as corrected by each of these county boards, are prepared and one copy forwarded to the State Board of Equalization on or before the first Monday in August.

Annually, on the first day after August 15, Sundays and holidays excepted, the members of the State Tax Commission meet at their office in Olympia as the State Board of Equalization.[33] The board may remain in session not longer than twenty days, and in this time it is required to examine and compare the returns of the county boards' equalized assessment and the returns of the Tax Commission's assessment of the operating properties of the public utilities under the commission's assessing jurisdiction.

Throughout each year the State Tax Commission (State Board of Equalization) makes investigations in the several counties to ascertain the proportion of true and fair value at which property is assessed within each county. The Property Tax Division of the Tax Commission has one field agent whose duty is that of visiting the various

[31] REM. REV. STAT. § 11220. The proceedings of these boards, which are submitted to the Tax Commission, indicate that very few of the local boards meet for more than the minimum time.

[32] During the 1940 sessions of these boards there were some counties in which no requests for adjustments were received. Seldom were there more than 25 or 30 petitions to pass upon. However, in King County in 1939 the complaints to be passed upon by the county board numbered more than a thousand. There the county assessor has been making a thorough reassessment and many of the property owners questioned his valuations. Even this many requests for reductions in value were dealt with somewhat summarily. In 1939 this county board, during a five-day session, considered, mainly by sub-committees, 165 complaints personally presented by petitioners. At the time of that meeting there were 1,700 petitions on file, for which there had not been time for the assessor to check and make recommendations. The board voted to accept whatever recommendation the assessor later made on these properties.

[33] REM. REV. STAT. § 11222.

county assessors and comparing the valuations ascertained by those assessors with his own estimates of value. For comparative purposes data pertaining to the actual prices paid in recent sales of real estate are obtained from the files of the county auditor's office. The prices paid in what are deemed to be *bona fide* sales are compared with the assessments of the local officials, and a ratio of assessed to sales valuations determined for various classes of property. The field agent also appraises sample properties of different types by use of the *Building Appraisal Manual* and such indices of value as he deems significant or proper. The ratio of his estimate of full value to the assessed value is computed. These basic data for each county, with the recommendations of the field agent, are reported to the Tax Commission. The work of the field agent usually is supplemented by personal investigations by one or more of the tax commissioners and also, frequently, by other members of the commission's staff.

From the information submitted by the field agent and on the basis of personal estimates, the tax commissioners, acting as the State Board of Equalization, calculate the ratios of assessed to actual value for classes of property in each county. It may be determined, for example, that unimproved lands in a particular county are assessed at 50 per cent of true value, farm lands at 45 per cent, farm buildings at 35 per cent, timber lands at 53 per cent, city lots at 40 per cent, city buildings at 45 per cent, industrial properties at 30 per cent, and personalty assessed generally at 28 per cent. These class ratios are weighted according to the proportion of total property value in each class to the total property valuation for the entire county. A weighted average ratio is then computed as a general index of the relation of assessed value to actual value for all property in the county. In the above example, the assessment ratio was deemed to be 46 per cent of actual value. For 1940 these average ratios were determined by the State Board of Equalization to range from 38 per cent in Cowlitz County, to 48 per cent in Douglas, Ferry, Island, Lewis and Pend Oreille counties.

It is evident that the ratios of assessed to true values fixed by the Washington State Board of Equalization are based to a high degree upon the soundness of judgment of the members of the board. Once the ratios are determined to the satisfaction of the board there tends to be little change from year to year.

It will be recalled that the State Tax Commission each year prepares an assessment roll showing the "true cash value" of all the public utility operating property assessed by the commission. One of the functions of the State Board of Equalization is to equalize all assessed values so determined with the assessed values of locally assessed properties, and another is to allocate the values of interstate and intercounty utilities to the several counties and minor taxing districts. On

the books of the State Board of Equalization, the actual cash value of the operating properties of these companies is apportioned to the respective counties and districts.[34] Then, on the basis of these apportioned actual values, equalized assessed values are determined by applying the ratios of assessed to actual value which the Tax Commission has ascertained to be, in practice, the average ratios at which property is assessed in the respective counties.[35] The State Board of Equalization certifies these equalized values to the county assessors. Taxes are levied and collected upon these equalized assessed valuations of the operating properties of interstate and intercounty public utilities in the same manner as on locally assessed property of the county or district.

The State Board of Equalization, during its annual meeting, also equalizes the general level of assessment in the several counties so that each county in the state will pay its just proportion of property taxes for state purposes.[36] In other words, state property taxes should be imposed on the various counties according to the proportion that the true value of the taxable property in each county bears to the total true value of all taxable property in the state.

A concrete example of the method used by the State Board of Equalization to adjust county assessments for state taxation may be helpful. In 1939 the average assessment ratio in Asotin County was deemed by the state board to be 40 per cent of actual values in that county. The aggregate value of real and personal property assessments equalized by the Asotin County Board of Equalization was $3,205,450. Therefore, it was assumed by the state board that this equalized amount was 40 per cent of the actual value of that aggregate. The actual value of public utilities in Asotin County which were assessed by the Tax Commission amounted to $697,232. For county and local taxing district purposes, 40 per cent of $697,232 was certified to the county assessor as the assessed and equalized value of intercounty and interstate utilities taxable by Asotin County. For state property taxes, however, the true or actual value of all property within the county was computed. Thus, $3,205,450 was divided by 0.40 and the quotient added to $697,232 to give $8,710,857 as the aggregate actual value of real and personal property in Asotin County. The actual value of taxable property in each county is calculated in a similar manner. Then 50 per cent of the total actual value for all 39 counties is taken as the equalized assessed value for state property

[34] See REM. REV. STAT. §§ 11156-1, 11156-15, 11172-12, for sample apportionment formulae.

[35] REM. REV. STAT. §§ 11156-14, 11172-11.

[36] REM. REV. STAT. § 11222.

taxes.[37] The state levy is allocated proportionately to these state equalized values (50 per cent of actual) in each county, and, thus, the amount due state funds from each county is ascertained. However, once the amount of state taxes to be paid by the aggregate property of Asotin County, and for each other county, is determined, the assessed value of that property as equalized by the state board has served its purpose, and the amount of taxes to be raised for the state is levied against the property in Asotin and the other counties according to assessed values as equalized by the county boards of equalization.

At this stage of the taxing procedure an inventory of taxable property has been completed and the value of that property has been appraised for tax purposes. Each county assessor has an assessment roll showing all of the taxable property in each county and in each minor taxing district. The county assessment rolls also have equalized assessed values for all properties subject to taxation within each county. The State Board of Equalization has a summary showing the aggregates of all taxable property in the state, with state equalized assessed values shown for the taxable property in each county.

The next step is the levying of the property tax.[38] This involves: first, a determination by a properly authorized body in each taxing district of the budgetary needs of that district which are to be met by property tax revenues; second, the computation of a millage ratio in each district by dividing the amount of revenue to be raised by the assessed value of all property in that district; and, third, the application of the millage rate of each district, combined into a consolidated rate, to the values shown on the current assessment lists for each separate parcel of taxable property in order that the tax due on each separate parcel may be determined. Thus the sum of all taxes on separate parcels will produce the amount required by each district or combination of districts. All taxes are to be levied by the proper public bodies in specific amounts, and the rate of levy for all taxes for state, county, and minor taxing district purposes is to be calculated and fixed by the county assessors of the respective counties.[39]

The State Board of Equalization in its meeting levies the state taxes authorized by law.[40] The county boards of commisisoners are the public bodies who levy most property taxes for jurisdictions other than the state. There are, however, special provisions of the statutes for the direct levy of property taxes by first class cities of 300,000 population, by fourth class towns, and by townships.[41]

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[37] State *ex rel.* Showalter v. Cook, 175 Wash. 364, 27 P. (2d) 1075 (1933).

[38] "The levy is the fiat of the legislature imposing the tax." J. P. Jensen in *Property Taxation in the United States* (1931) p. 160.

[39] REM. REV. STAT. § 11235.

[40] REM. REV. STAT. § 11222.

[41] REM. REV. STAT. §§ 11236-11239.

Prior to the enactment of the 40-mill tax rate limitation law in 1932, the property tax was generally a budget balancing source of revenue in Washington. After all other sources of revenue for a taxing jurisdiction had been estimated, property taxes would be levied to raise the remainder of revenue required to meet governmental revenue needs. Under the so-called 40-mill limit the elasticity of property tax revenues has been drastically curtailed. The 40-mill act provides that all tax levies upon real and personal property by the state, municipal corporations, taxing districts and governmental agencies shall not exceed 40 mills on the dollar of assessed valuation (50 per cent of true and fair value).[42] The levy of the state is limited to two mills, the county to ten mills, the school district to ten mills, the road district to three mills, and any city or town to fifteen mills. Exceptions to the limitation are that additional levies may be made for port and power districts; additional levies, not to exceed five mills per annum, may be made to service general obligation bonds existing on December 6, 1934, and warrants outstanding on December 8, 1932; and additional taxes may be levied in any county, school district, city or town by a vote of a three-fifths majority of the electors voting at a special election, providing the total number of voters constitutes 40 per cent of the number who voted for governor at the preceding gubernatorial election. Since road districts and incorporated cities and towns are mutually exclusive, the maximum ordinary levy permissible in urban areas is limited by this act to 37 mills, and the maximum ordinary levy permissible in rural areas is 25 mills. Hence, in those taxing districts which require their full allotted millage for governmental purposes, the property tax, in effect, has lost its elasticity for purposes of balancing budgets.[43]

The certification of levies on or before the second Monday in October to the county assessor by the board of county commissioners, and other bodies with the power of levying taxes, completes the determination of how much revenue is to be derived from the as-

[42] REM. REV. STAT. § 11238-1c. This measure was reenacted, in its essential particulars, as Referendum Bill No. 5 in November, 1940.

[43] If the property tax is limited to a levy of 37 mills in urban jurisdictions and to 25 mills in rural jurisdictions, and if all of the taxing jurisdictions continue to require their full share of the levy, the property tax becomes in fact a percentage tax rather than an apportioned tax. The rates of taxation could be stated in the law. The property owner might be required to file a return and remit payment with return, thereby materially shortening or eliminating the tax-determining interval, as is the administration of the personal income tax by the federal government. A shift of this kind would require changes at innumerable points in the assessment, levying, and collection of the tax, but the shortening or deferring of the final tax determination until after the initial tax payment would undoubtedly facilitate the collection and reduce the delinquency. See: Jensen, *The Tax Calendar and the Use of Instalment Payments, Penalties and Discounts*, (1936), 3 LAW AND CONTEMPORARY PROBLEMS 357.

sessed valuation in each taxing district.[44] The county assessor then calculates the rate per cent (or mills) upon the assessed value of the county, necessary to raise the amount of taxes levied for state and county purposes, and for taxing districts coextensive with the county. A similar calculation is made for the rate necessary to raise the taxes levied for each taxing district upon the assessed value of the property within that district.[45] Then all taxes (state, county, school district, city, etc.) charged against any property by the use of the tax rates of the several jurisdictions are added together and extended on the tax rolls as the total property tax due from that particular property. The county assessor is to complete the tax extensions on the tax rolls and deliver those tax rolls to the county auditor on or before December 15. The tax rolls are checked by the county auditor and on the first Monday in January following the levy of the taxes, the tax rolls are delivered to the county treasurer, with the county auditor's warrant attached, authorizing the collection of the taxes.[46] The treasurer carries forward to this current tax roll a memorandum of all delinquent taxes on each description of property. From that point on the process is one of collection.[47]

From time to time, the functioning of the above-described property tax system has been scrutinized by investigating bodies. Some of the conclusions reached by relatively recent investigations are of interest here, because, unfortunately, many of their criticisms are still valid. In 1921 a committee appointed by Governor Hart reported serious defects in the Washington tax system, which were chiefly administrative in character.[48] The assessment of property had been very inaccurate and unequal, and considerable quantities of land in the state had escaped taxation altogether. The "first and most serious defect" that the committee emphasized was "the lack of adequate central control over the assessment and equalization of property."[49] A similar investigating commission was appointed in 1929 by Governor Hartley. It also concluded that: "Correct original assessment is the key to

[44] REM. REV. STAT. § 11239.

[45] REM. REV. STAT. § 11240.

[46] REM. REV. STAT. § 11243.

[47] The methods of collecting property taxes in this state will be discussed by the author in another article to be published in the WASHINGTON LAW REVIEW in the future.

[48] Tax Investigation Committee of the State of Washington, *Report* (1922), pp. 26, 37. Also an opinion of the Washington Supreme Court delivered prior to this report is of interest here: "Our assessment laws are crude. They are fashioned after forms obtaining when the problems which now beset us had not become acute, but they are the rules for our guidance . . . The remedy for the wrong, if any, should be sought in the legislature . . ." Northwestern Improvement Company v. McNeil, 100 Wash. 22, 170 Pac. 338 (1918).

[49] Tax Investigation Committee of the State of Washington *op. cit.* p. 37.

the successful operation of the property tax."[50] Two of the recommendations of this 1929-30 commission were that the "Tax Commission should be required to value for purposes of taxation the property of all public utilities" and that "all real property in the state should be re-assessed immediately, and under the supervision and control of the State Tax Commission."[51]

The work of these examining commissions was in a large measure responsible for the legislative actions which established and empowered the present type of State Tax Commission in 1925,[52] and supplemented the Tax Commission's powers in 1931.[53] The laws pertaining to powers of the Tax Commission were re-enacted by the 1939 legislature with minor amendments.[54]

The existing statutes provide that, in addition to its authority for purposes of state taxation, the Tax Commission shall exercise general supervision and control over the administration of the assessment and tax laws of the state, over local officials in their performance of duties relating to taxation, and shall perform any act, or give orders to any county officer, as to valuation of any property that it deems necessary to the end that all property shall be taxed as provided by law. To implement the supervisory authority of the Tax Commission, the statute states that if local assessors refuse to comply with requests of the Tax Commission concerning listing taxable property or correcting faulty assessments, the commission may itself prepare a supplemental assessment roll which is to correct the local official's error and become an integral part of the county assessment list. Similar powers are given over the valuations reached by local boards of equalization. Further, the Tax Commission may "cause complaint to be made against any of such public officers in the proper county for their removal from office for official misconduct or neglect of duty."[55]

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[50] Washington Tax Investigation Commission, *Report* (1930) p. 18.
[51] *Id.* at 11.
[52] Wash. Laws, 1925, c. 18.
[53] Wash. Laws, 1931, c. 15, § 1.
[54] Wash. Laws, 1939, c. 206, §§ 4, 5.
[55] REM. REV. STAT. § 11091. The power of reassessment is possessed by the state tax officials in some twenty-six states: Alabama, Arkansas, Idaho, Indiana, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Utah, West Virginia and Wisconsin. The power to institute removal proceedings is specifically granted by the statutes of twenty-three states, including Washington. J. D. Silverherz, *The Assessment of Real Property in the United States* (1936) pp. 312-313. Silverherz indicates also that the threat of removal and the power of reassessment have been used effectively by tax commissions to substantially improve the conditions of property assessments for taxation, particularly in the states of Michigan, New Hampshire, North Carolina, Oregon and Utah. By the use of similar powers, the Wisconsin Tax Commission carries on a vigorous state super-

With the judicious employment of this authority the Washington State Tax Commission probably could achieve much toward the correction of present assessment evils and toward the establishment of uniform and standard practices of local assessment and equalization throughout the state. The powers of removal and reassessment may be used, in one respect, as a threat to be held over the heads of local officials to induce ready compliance, for as H. L. Lutz has suggested, "The assessor accepts the more willingly the advice and leadership of the Tax Commission when he is fully aware of the iron hand within the velvet glove."[56] In another respect, these powers might be used as an effective administrative remedy for unusually incompetent or fraudulent assessing.

Tax Commission supervision and control over local officials, however, has been rendered impotent to a large extent by the decision of the Washington Supreme Court in *Tax Commission v. Redd.*[57] In that case the Supreme Court ruled that:

> "Insofar as it provides that the State Tax Commission may reassess for local taxation purposes property within a county, city, town, or other municipal corporation, Chapter 106, Laws of 1931, is unconstitutional."

In the opinion of the court the powers granted by this statute were in contravention of Article XI, Sec. 12, of the state constitution, which provides:

> "The legislature shall have no power to impose taxes upon counties, cities, towns or other municipal corporations, or upon the inhabitants of property thereof, for county, city, town or other municipal purposes, but may by general laws vest in the corporate authorities thereof the power to assess and collect taxes for such purposes."

The pivotal point in this case was the interpretation of the words: "to assess and collect taxes"; the court holding that the word "assess" and the word "assessment", as used in the state constitution, were intended to include *the valuation* of taxable property. Therefore, the assessing of property and the equalization of assessments, as well as the levying of property taxes, for local purposes, were exclusively the

vision of local assessments. The experiences of Michigan, New Hampshire and North Carolina with extensive reassessment programs, according to Silverherz, have taught a number of lessons. "First, they show that much good may be accomplished by such programs. Properties which before had been escaping taxation entirely, because of the inefficiency of local administration, were discovered and placed on the rolls, thus easing the burden on the mass of property. Discriminations and inequalities were lessened and the distribution of the tax made generally more equitable. Secondly, these experiences demonstrate that, although there may be local opposition in the beginning, that eventually the localities and the local assessors have come to regard such state assistance as desirable, and to welcome it." *Id.* at 319.

[56] Lutz, *supra*, note 29 at 279.

[57] 166 Wash. 132, 6 P. (2d) 619 (1931).

rights of the local governments, and the Tax Commission is without authority to reassess such property for the same purpose. This decision, which has neither been directly modified nor overruled, seems to be open to question both on the grounds of the court's reasoning and of the conflict of this decision with opinions rendered both prior and subsequent to it.

The arguments contrary to the decision in the *Redd* case were stated cogently by Justice Blake in the dissent to the majority opinion in *Northwestern Improvement Company v. Henneford.*[58] Justice Blake argued that the term "to assess" taxes as used in Article XI, Sec. 12, refers to the imposition of the tax, *i. e.,* the legislative act which determines that a tax shall be laid and fixes its amount. This legislative action should be distinguished from the "assessment", the purely administrative function of ascertaining the value of property for taxation. No part of the state constitution prescribes or limits the method or manner of "assessment". "In the absence of such a constitutional limitation the legislature itself may fix the valuations . . ., or it may delegate the authority to a state board . . .; or it may delegate the authority to any other agency or agencies, such as county assessors."[59] Further, Justice Blake stated: "I am deeply concerned over what I conceive to be the judicial limitation (wholly unwarranted by any provision of the constitution) which this decision imposes upon a legislative power—a power which, if we are to approach anything like equality and uniformity in taxation, must be left untrammeled, so long as it is not used in violation of any constitutional right of the taxpayer."[60]

The majority opinions of the Washington Supreme Court have not been consistent in their interpretation of the constitutional provision which gives to the local governments the exclusive power "to assess and collect taxes" for local purposes. In an early Washington case, *State ex rel. Seattle v. Carson,*[61] the Court held an act providing for the assessment and collection of city taxes by county officials did not deprive the city of its rights to impose taxes for its own purposes. The words "to assess taxes" were construed to mean "to charge taxes" and this power the city retained, even though the making of an assessment in the sense of valuation and the act of collection were performed by other than city officials. The ruling in the *Carson* case was reiterated by the court recently in *Opportunity Township v. Kingsland,*[62]

[58] 184 Wash. 502, 51 P. (2d) 1083 (1935).
[59] *Ibid.* See: J. D. Silverherz, *supra,* note 55 at 324-25.
[60] *Ibid.*
[61] 6 Wash. 250, 33 Pac. 428 (1893).
[62] 194 Wash. 229, 77 P. (2d) 793 (1938). The majority opinion endeavored to reconcile this case with the decision in the *Redd* case by stating: "While the *Redd* case held that the state could not, within the limits of a county,

where an act abolishing township assessors and substituting county officials was sustained. Two of the justices dissented in this case only in the one particular that both the instant case and the *Carson* case were "out of harmony" with the *Redd* case, and they believed that the *Redd* case should be modified. The majority opinion in *Opportunity Township v. Kingsland,* however, did not explain why the legislature might provide that county officials could make assessments of township and city property for township and city taxation, but could not provide constitutionally for state assessment of county property for county taxation.

Confusion also arises out of the rationale of the Washington Supreme Court regarding the powers of the State Tax Commission in the assessment of public utilities for property taxation. In *Great Northern Railway Company v. Snohomish County,*[63] the Court held that the State Board of Tax Commissioners acted within its jurisdiction when it fixed by assessment the value of intercounty railroads for the purposes of county taxation. The power of the Tax Commissioners, in this instance, was held to be based on chapter 115, sec. 2, Laws of 1905, which gave the Commissioners general supervision over assessors and county boards of equalization, to the end that all taxable property should be placed on the assessment rolls and equalized as between the different counties and municipalities, so that equality of taxation should be secured according to the provisions of law. The court logically argued that if the Board could only advise and suggest it would have, in effect, no general supervision. Therefore, the Commissioners were invested " 'with the power to prevent unjust discriminations against either persons or places' ".[64] This rule was followed in *Northern Pacific Railway Company v. State,*[65] in which the court held constitutional the assessment of railway operating property, as a unit, by the State Board of Tax Commissioners instead of by the county assessors, so long as the utility property was subject to the same rate of levy and its assessed value measured by the same standard (market value) as other property within the state.

In the eyes of the court, public utility operating property, which is within the bounds of a city, township or county, but which belongs to an intercounty or interstate utility, is distinct and separable from

make an assessment, in the sense of listing and valuation, for local purposes, it did not hold, and could not have held consistently with the practice that had existed for so long a period under authority of our decisions, that a listing and valuation, or assessment, made by the county assessor, could not be the basis for a valid levy by cities, townships and other municipal corporations within the county."

[63] 48 Wash. 478, 93 Pac. 924 (1908).

[64] *Ibid.* Quotation is from State v. Fremont, etc. R. Co., 22 Neb. 313, 35 N. W. 118 (1887).

[65] 84 Wash. 510, 147 Pac. 45 (1915).

other property within those bounds. Apparently this is so because of "the impracticability of assessing, by counties, intercounty property."[66] Therefore, the power of the present Tax Commission to assess for local taxation property of intercounty and interstate public utilities is not affected by the decision in the *Redd* case and is not unconstitutional. This position was restated by the majority opinion in *Northwestern Improvement Company v. Henneford*:

> "It is true that our decisions recognize the right of the commission to assess the inter-county operating property of railroads and other utilities, but the power to assess these intercounty properties as an entity arises out of the necessity of the case."[67]

On the other hand, when the State Legislature, after a consideration of the reports of the tax investigation commissions regarding the practical inadequacy of local assessments and the inequities resulting therefrom, enacted a law providing for the Tax Commission "assessment of the operating property of all companies"[68] in the state defined as public utilities, the State Supreme Court declared that to authorize Tax Commission assessment of intracounty utilities was unconstitutional. Although the language used by the legislature in 1935 was more clear and direct than that relied upon by the Court in *Great Northern Railway Company v. Snohomish County,* the reasoning used in that earlier opinion concerning supervisory powers was ignored. Is it strange that administrators, charged with the efficient operation of the property tax are in accord with the opinion expressed by Justice Blake in the dissent to *Northwestern Improvment Company v. Henneford?*

The supervisory power of the Washington State Tax Commission over local boards of equalization is also in doubt. Laws of 1931, chapter 15, sec. 1, provided that the commission had the power to order local boards to correct equalized values which the commission deemed improper, and to reconvene the local board after its adjournment to perform the act required by the Tax Commission. These powers of the Tax Commission were held to be an infringement of the "home rule principle" by a five-to-four decision of the State Supreme Court in *State ex rel. Yakima Amusement Company v. Yakima County,*[69] in which the *Redd* case was cited. However, where local boards did not complete their task during their regular sessions, or where property was erroneously assessed, equalized, and erroneously entered on the assessment rolls, and when, as a result, some property owners would be compelled to pay taxes out of proportion to the value of their

[66] State *ex rel.* King County v. State Tax Commission, 174 Wash. 336, 24 P. (2d) 1094 (1933).
[67] 184 Wash. 502, 51 P. (2d) 1083 (1935).
[68] Wash. Laws, 1935, c. 123, § 7.
[69] 192 Wash. 179, 73 P. (2d) 759 (1937). Justice Blake wrote the strong dissenting opinion.

property, it seems a practical administrative necessity to permit or to force the local board to make the necessary corrections. To this end, the 1939 legislature by more explicit language amended and re-enacted chapter 15, sec. 1, Laws of 1931.[70] Acting under this power the State Tax Commission, at the request of the local boards, has ordered the reconvening of several county boards to correct or complete the work of their regular sessions. On none of these orders to reconvene has the Tax Commission taken the initiative. The question of whether the commission on its own initiative could order the reconvening of a local board of equalization, has not been brought before the State Supreme Court, nor, for that matter, has the constitutionality of the commission's present action in this respect been decided.

In any event, the existing supervisory actions of the Tax Commission with regard to intracounty property are limited to education, exhortation, and an endeavor to secure uniformity and equality of property taxation through advisory assistance and cooperation. As a result, progress toward more efficient and effective administration of the property tax in Washington has been relatively slow and uneven.[71]

On the other hand, the relative urgency of adequate state supervision of property tax administration has not been as pressing in recent years as it was even a decade ago. The property tax has become a less important factor in the fiscal economy of a state government. Total property tax levies have declined from $80,571,911.36 in 1930 to $41,542,666.79 in 1940, and levies specifically for state purposes decreased from $14,147,290.08 to $2,747,681.41 in the same period.[72]

Meanwhile, the need for Tax Commission supervision of the property tax has seemed relatively less important to state officials because of the necessity of administering new taxes. The policy of the commission in control of property tax procedure has not been vigorous, aggressive, or compulsory in nature. Some of the apparently constitutional powers of the commission have not been exercised.[73] No

[70] Wash. Laws, 1939, c. 206, § 4.

[71] See Silverherz, *supra*, note 55, for a discussion of assessment, equalization, state supervision, reassessment powers, etc., in each of the United States. In particular see pages 306-323 for the description of measures used in Kentucky, Wisconsin, Michigan, New Hampshire, North Carolina, Oregon and Utah.

[72] Washington State Division of Municipal Corporations, *Statement of Taxes Due* (1930, 1940).

[73] There seems to be a general tendency of this sort throughout the United States; *e. g.* Silverherz reports that: "The state, which has kept up with the technological advance of the country, does not participate very energetically in the matter of real estate assessment. On the other hand, the localities, to which the task of assesssment has been entrusted, are, with the exception of the larger cities, lagging far behind in the matter of modern, technical, efficient administration. The result is that the tax administration of the most important source of local revenue, and a substantial source of state revenue in many states, is not adapted to its task under modern conditions." Silverherz, *supra*, note 55, p. 9.

attempt, for example, has been made to institute proceedings invoking penalties against negligent local officials or to remove local officers from office for official misconduct or neglect of duty.

The appellate administrative powers of the Washington State Tax Commission with regard to property tax determination are apparently plenary. The tax law provides that any taxpayer, any taxing district, or any county assessor, who may feel aggrieved by the action of any local board of equalization, may appeal to the Tax Commission.[74] Further, any taxpayer feeling aggrieved by a levy of any taxing district, except levies authorized by a vote of the people of the district, may appeal to the Tax Commission, and the commission may affirm or decrease the levy. The statute states that the action of the Commission with respect to an appealed levy is final and conclusive.[75] In an action involving the appeal of taxpayers from assessed values ascertained by the King County Board of Equalization, the State Supreme Court held that the appellate jurisdiction of the Tax Commission "provides a reasonable and orderly step in the statutory process for assessing property and levying taxes required to sustain the state and its political subdivision."[76] The decision in the *Redd* case was construed not to limit the appellate and revisory powers of the Tax Commission. The Court has also ruled that the action of the commission in revising property assessments on appeal is final and may not be appealed from.[77]

Under the Laws of 1931, chapter 62, the exclusive method provided a taxpayer seeking a reduction of an alleged excessive tax was by payment, under protest, of the tax as levied, and then instituting an action in a superior court to recover that portion of the tax deemed excessive.[78] In view of this statute, except where the law under which the tax was imposed is void or the property was actually exempt,[79] a taxpayer may not be granted an injunction "to restrain the collection of any tax or any part thereof", or to restrain the sale of property to enforce tax collection.[80] This statute, however, does not preclude

[74] REM. REV. STAT. § 11092.

[75] REM. REV. STAT. § 11098.

[76] State *ex rel.* King County v. State Tax Commission, 174 Wash. 668, 26 P. (2d) 80 (1933).

[77] Yakima Amusement Company v. Yakima County, 192 Wash. 174, 73 P. (2d) 519 (1937).

[78] REM. REV. STAT. § 11315-1. See: Casco Company v. Thurston County, 163 Wash. 666, 2 P. (2d) 677 (1931).

[79] In addition, the courts apparently will entertain an action to enjoin the collection of a property tax where the tax itself is void because the state has no jurisdiction to tax, although the tax law under which the tax was imposed is valid, and the property taxed is not considered by the court to be exempt. Petroleum Navigation Company v. King County, 1 Wn. (2d) 489, 96 P. (2d) 467 (1939).

[80] REM. REV. STAT. § 11315-1.

the injunctive relief before the amount of the tax to be collected is fixed.[81]

Where the courts will entertain actions contesting taxes, "whether the taxpayer has come into court after payment under protest or by bill in equity to enjoin collection of a tax, or by any other procedural device",[82] generally the scope of judicial review has been determined to be a consideration of "whether the conduct of the taxing officers has resulted in such 'a grossly inequitable and palpably excessive overvaluation of real property' [or personal property] as will amount to actual or constructive fraud on the taxpayer, and this even though it appear that the assessing officers have acted in entire good faith and honesty."[83] In these instances it is not necessary for the taxpayer to have exhausted or even to have sought remedies through the administrative hierarchy. Furthermore, in granting relief to a taxpayer, the court in effect often will make a judicial reassessment of the property.[84] Thus to some extent the courts play an integral part in the property tax determining procedure.

With respect to optimum efficiency and economy in operation there is strong reason to believe that the administration of the property tax could be best entrusted to a centralized state agency.[85] However, there is little likelihood that wholly centralized administration of this tax will be adopted in Washington in the near future. The facts that the property tax is the one major source of tax revenue that is capable of even moderately successful local administration, that locally administered taxes are a significant element in local fiscal autonomy, and that the state constitution provides for a large measure of home rule among local units of government, are considerations indicating the continuance of largely local operation of the tangible property tax. There are no reasons, on the other hand, that determined steps should not be taken to coordinate the various state and local agencies to the end that property should be assessed, valuations equalized, and levies made, as equitably, as accurately, as conveniently, and as economically as possible. It is certain that the need for just and efficient administration of tax laws does not diminish as the requirements of all levels of government for additional revenues increase.

[81] Denny v. Wooster, 175 Wash. 272, 27 P. (2d) 328 (1933); Ballard v. Wooster, 182 Wash. 408, 45 P. (2d) 511 (1935). In this regard Professor Breck McAllister suggests: "The safest conclusion is that, in view of the Ballard decision a taxpayer should seek his injunction at some point of time before the State Board of Equalization has completed its work and certified the equalized values together with the levy for state purposes to the county assessor." *Taxpayers' Remedies—Washington Property Taxes* (1938) 13 WASH. L. REV. 91.

[82] McAllister, *supra*, note 81, at 126.

[83] *Id.* at 127. Inner quotation is from First Thought Gold Mines, Ltd., v. Stevens County, 91 Wash. 437, 157 Pac. 1080 (1916). See: Comment (1937) 12 WASH. L. REV. 205.

[84] McAllister, *supra*, note 81, at 127.

[85] Silverherz, *supra*, note 55, at 324-351; Jensen, *supra*, note 38, at 415-438.