

**RCW 84.40.030 Basis of valuation, assessment, appraisal—One hundred percent of true and fair value—Exceptions—Leasehold estates—Real property—Appraisal—Comparable sales.** (1) All property must 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.

(2) Taxable leasehold estates must 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.

(3) 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) must be based upon the following criteria:

(a) Any sales of the property being appraised or similar properties with respect to sales made within the past five years. The appraisal must 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. An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions. The appraisal must also take into account: (i) 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 (ii) 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 may not be used as sales of similar property.

(b) In addition to sales as defined in subsection (3)(a) 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, as limited by law or ordinance. Consideration should be given to any agreement, between an owner of rental housing and any government agency, that restricts rental income, appreciation, and liquidity; and to the impact of government restrictions on operating expenses and on ownership rights in general of such housing. 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 must be the dominant factors in valuation. When provisions of this subsection are relied upon for establishing values the property owner must be advised upon request of the factors used in arriving at such value.

(c) In valuing any tract or parcel of real property, the true and fair value of the land, exclusive of structures thereon must be determined; also the true and fair value of structures thereon, but the valuation may not exceed the true and fair value of the total property as it exists. In valuing agricultural land, growing crops must be excluded. For purposes of this subsection (3)(c), "growing crops" does not include cannabis as defined under RCW 69.50.101. [2022 c 16 s 167; 2014 c 140 s 29; 2007 c 301 s 2; 2001 c 187 s 17;

1998 c 320 s 9. Prior: 1997 c 429 s 34; 1997 c 134 s 1; 1997 c 3 s 104 (Referendum Bill No. 47, approved November 4, 1997); 1994 c 124 s 20; 1993 c 436 s 1; 1988 c 222 s 14; 1980 c 155 s 2; prior: 1973 1st ex.s. c 195 s 96; 1973 1st ex.s. c 187 s 1; 1972 ex.s. c 125 s 2; 1971 ex.s. c 288 s 1; 1971 ex.s. c 43 s 1; 1961 c 15 s 84.40.030; prior: 1939 c 206 s 15; 1925 ex.s. c 130 s 52; 1919 c 142 s 4; 1913 c 140 s 1; 1897 c 71 s 42; 1893 c 124 s 44; 1891 c 140 s 44; 1890 p 547 s 48; RRS s 11135. FORMER PART OF SECTION: 1939 c 116 s 1, part, now codified in RCW 84.40.220.]

**Intent—Finding—2022 c 16:** See note following RCW 69.50.101.

**Contingent effective date—2001 c 187:** See note following RCW 84.70.010.

**Application—2001 c 187:** See note following RCW 84.40.020.

**Severability—1997 c 429:** See note following RCW 36.70A.3201.

**Application—1997 c 3:** "(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." [1997 c 3 s 501 (Referendum Bill No. 47, approved November 4, 1997).]

**Severability—1997 c 3:** "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." [1997 c 3 s 502 (Referendum Bill No. 47, approved November 4, 1997).]

**Part headings not law—1997 c 3:** "Part headings used in this act are not any part of the law." [1997 c 3 s 503 (Referendum Bill No. 47, approved November 4, 1997).]

**Referral to electorate—1997 c 3:** "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." [1997 c 3 s 504.] 1997 c 3 (this act) was adopted and ratified by the people at the November 4, 1997, general election (Referendum Bill No. 47).

**Effective date—Applicability—1980 c 155:** "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately and shall be effective for assessments made in 1980 and years thereafter." [1980 c 155 s 8.]

**Severability—Effective dates and termination dates—Construction—1973 1st ex.s. c 195:** See notes following RCW 84.52.043.

**Severability—Construction—1973 1st ex.s. c 187:** "If any provision of this 1973 amendatory act, or its application to any person or circumstance is held invalid, the remainder of this 1973

amendatory act, or the application of the provision to other persons or circumstances is not affected: PROVIDED, That if the leasehold in lieu excise tax imposed by section 4 of this 1973 amendatory act is held invalid, the entirety of the act, except for section 3 and section 15, shall be null and void." [1973 1st ex.s. c 187 s 13.]

**Severability—1972 ex.s. c 125:** See note following RCW 84.40.045.

**Savings—1971 ex.s. c 288:** "The amendment or repeal of any statutes by this 1971 amendatory act shall not be construed as invalidating, abating or otherwise affecting any existing right acquired or any liability or obligation incurred under the provisions of the statutes amended or repealed. Such amendment or repeals shall not affect the right of any person to make a claim for exemption during the calendar year 1971 pursuant to RCW 84.36.128." [1971 ex.s. c 288 s 12.]

**Severability—1971 ex.s. c 288:** "If any provision of this 1971 amendatory 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." [1971 ex.s. c 288 s 28.]

**Severability—1971 ex.s. c 43:** "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." [1971 ex.s. c 43 s 6.]