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**Finance Committee**

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**HB 2609**

**Brief Description:** Concerning the use of digital image technology in property revaluation plans.

**Sponsors:** Representatives McIntire and Condotta.

**Brief Summary of Bill**

- Allows digital image technology to satisfy the physical inspection requirement of a county's property tax revaluation plan.

**Hearing Date:** 1/25/08

**Staff:** Rick Peterson (786-7150).

**Background:**

Property subject to property tax is assessed at its true and fair value. In most cases, this is the market value in the property's highest and best use. The values are set as of January 1. These values are used for determining property bills to be collected in the following year.

County assessors establish new assessed values on a regular revaluation cycle. The length of revaluation cycles vary by county. Nineteen counties revalue every four years, one county uses a three year revaluation cycle and one county is on a two-year schedule. For these counties a proportionate share of the county is revalued during each year of the cycle. Individual property values are not changed during the intervening years of the revaluation cycle. Eighteen counties are on a program of annual updates. Values are adjusted annually based on market value statistical data.

As part of the revaluation plan properties are physically inspected. Physical inspections must be done at least once every four years for counties using four, three, or two year revaluation cycles. Annual revaluation counties must physically inspect each property at least once every six years.

The International Association of Assessing Officers (IAAO) is a nonprofit, educational and research association. It is a professional membership organization of government assessment officials and others interested in the administration of the property tax. The IAAO develops and

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publishes standards for the various aspects of property taxation and assessment administration. The IAAO standard on the mass appraisal of real property provides for an alternative to periodic on-site inspections. That alternative includes high level street-view images, orthophoto images, and low level oblique images capable of being used for measurement verification.

**Summary of Bill:**

Assessors may use digital image technology to satisfy the physical inspection requirement of the county's property tax revaluation plan. The Department of Revenue is directed to develop rules consistent with standards developed by a recognized industry source for property appraisal, assessment administration, and property tax polity.

**Appropriation:** None.

**Fiscal Note:** Requested on January 15, 2008

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.