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## Finance Committee

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### HB 1950

**Brief Description:** Requiring assessors to give notice of the true and fair value of real property regardless of whether there was a change in value.

**Sponsors:** Representative Orcutt.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Requires taxpayer be given a notice of the assessed value for real property every year whether or not a change in value has occurred.</li></ul>
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**Hearing Date:** 2/20/09

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

**Background:**

All real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided by law. The county assessor determines assessed value for each property. 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 then used for determining property tax 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. Currently, 19 counties revalue property every four years, one county every three years, and one county every two years. For these counties, a proportionate share of the county properties are revalued during each year of the cycle while the other individual property values within the county remain unchanged during the intervening years of the revaluation cycle. Eighteen counties in Washington revalue annually based on market value statistical data.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Revaluing property under a two, three, or four year revaluation program that is conducted in an orderly manner, pursuant to a regular plan, and not done in an arbitrary, capricious, or intentionally discriminator manner, does not violate the Constitutional property tax uniformity requirement. Generally, the property is not revalued in the intervening years of the cycle.

In certain circumstances, the assessor is authorized to revalue real property, using appraisal judgment, outside of the approved revaluation cycle. The assessor may disregard the revaluation cycle and change a property valuation when governments make land use decisions that change the value of the property, when a mistake has been made by the assessor in a prior valuation in the current valuation cycle, when property has been destroyed, and when property has been subdivided or merged.

When the assessor changes the property value they provide the property owner with a notice of the change. These revaluation notices are mailed within 30 days of the completed appraisal, except during the period from January 15 to February 15 of each year. If the value of the real property appraised has not changed, then a revaluation notice does not need to be sent to the taxpayer. Generally, in counties using two, three, or four year revaluation cycles revaluation notices are only sent to taxpayers in the revaluation year and not in the intervening years.

**Summary of Bill:**

Taxpayers will be given notice of the assessed value of their real property every year whether or not a change in value has occurred.

**Appropriation:** None.

**Fiscal Note:** Requested.

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