

SENATE BILL REPORT

SSB 5179

As Passed Senate, March 10, 2009

Title: An act relating to revaluation of property impacted by government restrictions.

Brief Description: Concerning the revaluation of property impacted by government restrictions.

Sponsors: Senate Committee on Government Operations & Elections (originally sponsored by Senator Haugen).

Brief History:

Committee Activity: Government Operations & Elections: 2/02/09, 2/09/09 [DPS].
Passed Senate: 3/10/09, 46-2.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 5179 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; Benton, McDermott, Pridemore and Swecker.

Staff: Sharon Swanson (786-7447)

Background: Article 7, Section 1 of the State Constitution provides that all taxes must be uniform on the same class of property. This means that taxes must be the same on property of the same value and requires both an equal rate and equality in valuing the property taxed. Further, assessed value must be equal to 100 percent of the fair market value of the property, unless the property qualifies under a special tax relief program.

County assessors revalue property periodically on a regular revaluation cycle. The length of the revaluation cycle varies by county. Of the 39 counties, 17 counties revalue every four years. One county, San Juan, revalues every three years, and one county, Douglas, revalues every two years. Twenty counties revalue every year.

Upon review by any court, or appellate body, of a determination of the valuation of property for purposes of taxation, it is presumed that the determination of the public official charged with the duty of establishing such value is correct, but this presumption is not a defense against any correction indicated by clear, cogent, and convincing evidence.

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.

Summary of Substitute Bill: If any court or appellate body issues an order requiring a value reduction attributable to government restrictions and the order is not reversed on subsequent appeal, the assessor must adjust the value of the real property consistent with the ordered value restriction as long as the government restriction is in place on the property. From the date of the order forward, the assessor must include government restrictions as part of the appraisal.

The determination of the public official charged with the duty of establishing such value must reflect any reduction from a government restriction ordered by any court or appellate body which is not reversed on subsequent appeal.

The act applies prospectively only to taxes levied for collection in 2010 and thereafter.

Appropriation: None.

Fiscal Note: Requested on January 23, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is about fairness. If a citizen challenges an assessor and takes that challenge all the way through the appeal process, an assessor should be required to follow that decision. Citizens should not be required to repeatedly appeal decisions once a decision has been handed down and the situation in question has not changed. The assessors in question think they are following the law. The Legislature needs to change the law to make it clear what an assessor can and should do when it comes to a revaluation of property. The current appeal process does not account for changes that take place. Perhaps, the burden for a property owner should not be so high as to require clear, cogent, and convincing evidence. Perhaps the standard should be by a preponderance.

CON: This legislation does not promote equality and uniformity; it actually will create uncertainty. This bill is about one person in one county. One citizen doesn't agree with the bald eagle management plan so we are here with this bill. It is interesting to look at real estate notices. Many of the notices add as a feature of a home the wildlife viewing possibilities, such as eagle sightings and whale watching. Yet, the person in question here wants his property to be devalued because he has an eagle habitat nearby. The system is not broken so please don't attempt a fix that is not needed.

Persons Testifying: PRO: Senator Haugen, prime sponsor; Amber Carter, Association of Washington Business.

CON: David Mattens, Gerald Bur, Island County Assessor; Robert Carlton, Washington Association of County Officials.