
Finance Committee

HB 1040

Brief Description: Concerning real property valuation notices.

Sponsors: Representatives Takko and Upthegrove.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes county assessors to, for certain residential properties, combine land and improvement values on annual real property value notices that inform taxpayers of changes in real property and improvement values.

Hearing Date: 2/6/14

Staff: Richelle Geiger (786-7175).

Background:

All real property in Washington that is subject to taxation must be listed and assessed annually by the county assessor. Unless provided otherwise by law, the property must be valued at 100 percent of its true and fair value, and assessed on the same basis.

The assessor must begin preliminary assessment work by each December 1 and must generally complete all listing and valuation duties by each May 31. In completing this work, the assessor must determine, as nearly as practicable, the true and fair value of the land and improvements located on the land.

With limited exceptions, the assessor must notify the taxpayer by mail of any change in the true and fair value of the real property and any land improvements within 30 days after appraisal. The notice, which is commonly referred to as a value notice or revaluation notice, must contain a statement of the prior and new true and fair value, stating separately land and improvement values. The value notice must also include other information, including information regarding an appeal of the assessor's value determination to the local county board of equalization. Value

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notices do not need to be sent if the true and fair value of the real property has not changed after a completed appraisal.

The Department of Revenue (DOR) has adopted, by rule, a standard two-digit land use code that is used by it and county assessors to identify the actual use of land. Counties may elect to use a more detailed land use code system that includes additional digits, but a county system may not use fewer than the standard two digits. Examples of the standard two-digit land use code are as follows:

- 11 - household, single family units;
- 12 - household, 2-4 units;
- 13 - household, multiunits (5 or more);
- 14 - residential condominiums; and
- 15 - mobile home parks or courts.

Summary of Bill:

County assessors may, for certain residential properties, combine land and improvement values on annual real property value notices that inform taxpayers of changes in real property and improvement values. The option to combine values is limited to single family residential units, multi-family residential units for four or fewer families, and residential condominiums that qualify as land use codes 11, 12, and 14 according to the standard two-digit land use code of the DOR, as applied by counties.

Appropriation: None.

Fiscal Note: Available.

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