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**SUBSTITUTE SENATE BILL 6170**

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**State of Washington**

**54th Legislature**

**1996 Regular Session**

**By** Senate Committee on Government Operations (originally sponsored by Senators Winsley and Haugen)

Read first time 02/02/96.

1 AN ACT Relating to consideration of health and environmental  
2 regulations in the valuation of real property; and amending RCW  
3 84.40.030.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 84.40.030 and 1994 c 124 s 20 are each amended to read  
6 as follows:

7 All property shall be valued at one hundred percent of its true and  
8 fair value in money and assessed on the same basis unless specifically  
9 provided otherwise by law.

10 Taxable leasehold estates shall be valued at such price as they  
11 would bring at a fair, voluntary sale for cash without any deductions  
12 for any indebtedness owed including rentals to be paid.

13 The true and fair value of real property for taxation purposes  
14 (including property upon which there is a coal or other mine, or stone  
15 or other quarry) shall be based upon the following criteria:

16 (1) Any sales of the property being appraised or similar properties  
17 with respect to sales made within the past five years. The appraisal  
18 shall be consistent with the comprehensive land use plan, development  
19 regulations under chapter 36.70A RCW, zoning, federal, state, and local

1 health and environmental regulations, and any other governmental  
2 policies or practices in effect at the time of appraisal that affect  
3 the use of property, as well as physical and environmental influences.  
4 The appraisal shall also take into account: (a) In the use of sales by  
5 real estate contract as similar sales, the extent, if any, to which the  
6 stated selling price has been increased by reason of the down payment,  
7 interest rate, or other financing terms; and (b) the extent to which  
8 the sale of a similar property actually represents the general  
9 effective market demand for property of such type, in the geographical  
10 area in which such property is located. Sales involving deed releases  
11 or similar seller-developer financing arrangements shall not be used as  
12 sales of similar property.

13 (2) In addition to sales as defined in subsection (1),  
14 consideration may be given to cost, cost less depreciation,  
15 reconstruction cost less depreciation, or capitalization of income that  
16 would be derived from prudent use of the property. In the case of  
17 property of a complex nature, or being used under terms of a franchise  
18 from a public agency, or operating as a public utility, or property not  
19 having a record of sale within five years and not having a significant  
20 number of sales of similar property in the general area, the provisions  
21 of this subsection (2) shall be the dominant factors in valuation.  
22 When provisions of this subsection (2) are relied upon for establishing  
23 values the property owner shall be advised upon request of the factors  
24 used in arriving at such value.

25 (3) In valuing any tract or parcel of real property, the value of  
26 the land, exclusive of structures thereon shall be determined; also the  
27 value of structures thereon, but the valuation shall not exceed the  
28 value of the total property as it exists. In valuing agricultural  
29 land, growing crops shall be excluded.

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