

HB 1963

Bill Analysis

March 6, 1997

Brief Description: Modifying property tax appeal procedures by providing separate consideration of land and improvement values, and changing the burden of proof.

Bill Sponsors: Representatives Boldt and Carrell.

Staff: Rick Peterson (786-7150)

Background: All real and personal property in this state is subject to the property tax each year based on its value, unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

County assessors establish new assessed values on a regular revaluation cycle. The values are set as of January 1. The assessor is required to determine a value for the land and a value for the improvements. When added the value of the land and improvements cannot exceed the market value of the property. These values are used for calculating property bills to be collected in the following year. Notices of valuation changes are mailed to taxpayers.

Generally, the local county assessor establishes the value used to apply the property tax. However, multi county public utilities, such as railroad companies, airplane companies, electric light and power companies, gas companies, telephone companies and others, have their values determined by the state Department of Revenue. This is called central assessment. The assessment standard is 100 percent of market value for both local and state assessment.

County boards of equalization provide the first level of appeal for property owners who dispute the assessed value of their properties. Appeals of county boards of equalization decisions are taken to the state Board of Tax Appeals. The assessed value determined by the assessor or the Department of Revenue is presumed to be correct but can be overturned by clear, cogent and convincing evidence to the contrary.

Summary of Bill: When the property's assessed value is appealed, the assessor or the Department of Revenue must show the assessed value is correct.

At the request of the property owner the county board of equalization must determine separate values for the land and each improvement located on the land.

House of Representatives
Office of Program Research
Finance Committee

P.O. Box 40600
Olympia WA 98504-0600
Phone 360-786-7100

The bill applies to 1998 taxes and thereafter.

Fiscal Note: Available

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