
HOUSE BILL 2947

State of Washington

56th Legislature

2000 Regular Session

By Representative Dunn

Read first time 01/24/2000. Referred to Committee on Finance.

1 AN ACT Relating to the valuation of real property; and amending RCW
2 84.40.030.

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

4 **Sec. 1.** RCW 84.40.030 and 1998 c 320 s 9 are each amended to read
5 as follows:

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

9 All real property shall be appraised at one hundred percent of its
10 true and fair value in money and assessed as provided in RCW 84.40.0305
11 unless specifically provided otherwise by law.

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

15 For taxes levied for collection in 2001, the assessed value of real
16 property shall not exceed the assessed value as of January 1, 1999,
17 unless there has been a change of ownership of the property since
18 January 1, 1999. For taxes levied for collection in 2002 and
19 thereafter, the assessed value of the real property shall not be

1 increased unless there has been a change of ownership since the
2 previous valuation of the property. If a property owner improves any
3 structure on the property, the assessment shall be increased by the
4 amount of the cost of the improvement even if there is not a change of
5 ownership. It is the responsibility of the homeowner to provide to the
6 appropriate county assessor documentation indicating the cost of the
7 improvement.

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

11 (1) Any sales of the property being appraised or similar properties
12 with respect to sales made within the past five years. The appraisal
13 shall be consistent with the comprehensive land use plan, development
14 regulations under chapter 36.70A RCW, zoning, and any other
15 governmental policies or practices in effect at the time of appraisal
16 that affect the use of property, as well as physical and environmental
17 influences. An assessment may not be determined by a method that
18 assumes a land usage not permitted, for that property being appraised,
19 under existing zoning or land use planning ordinances or statutes. The
20 appraisal shall also take into account: (a) In the use of sales by
21 real estate contract as similar sales, the extent, if any, to which the
22 stated selling price has been increased by reason of the down payment,
23 interest rate, or other financing terms; and (b) the extent to which
24 the sale of a similar property actually represents the general
25 effective market demand for property of such type, in the geographical
26 area in which such property is located. Sales involving deed releases
27 or similar seller-developer financing arrangements shall not be used as
28 sales of similar property.

29 (2) In addition to sales as defined in subsection (1) of this
30 section, consideration may be given to cost, cost less depreciation,
31 reconstruction cost less depreciation, or capitalization of income that
32 would be derived from prudent use of the property. In the case of
33 property of a complex nature, or being used under terms of a franchise
34 from a public agency, or operating as a public utility, or property not
35 having a record of sale within five years and not having a significant
36 number of sales of similar property in the general area, the provisions
37 of this subsection shall be the dominant factors in valuation. When
38 provisions of this subsection are relied upon for establishing values

1 the property owner shall be advised upon request of the factors used in
2 arriving at such value.

3 (3) In valuing any tract or parcel of real property, the true and
4 fair value of the land, exclusive of structures thereon shall be
5 determined; also the true and fair value of structures thereon, but the
6 appraised valuation shall not exceed the true and fair value of the
7 total property as it exists. In valuing agricultural land, growing
8 crops shall be excluded.

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