
SENATE BILL 6358

State of Washington 57th Legislature

2002 Regular Session

By Senators Stevens, Hale, Benton, Hewitt, Honeyford, Oke, McCaslin, Long, Hochstatter, Swecker and Roach

Read first time 01/16/2002. Referred to Committee on Ways & Means.

1 AN ACT Relating to reducing the assessed value of property by
2 amounts spent on mitigation fees, impact fees, and system improvement
3 charges; and amending RCW 84.40.030.

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

5 **Sec. 1.** RCW 84.40.030 and 2001 c 187 s 17 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, and any other

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

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

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

33 (4) In valuing any tract or parcel of real property, the assessed
34 value shall be reduced by amounts expended on mitigation fees, impact
35 fees, or system improvement charges during the assessment year. The
36 department of revenue may adopt rules necessary to implement this
37 subsection (4).

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