ANNUAL REVALUATIONS OF REAL PROPERTY

EFFECTIVE DATE: 07/26/09
AN ACT Relating to making provisions for all counties to value property annually for property tax purposes; amending RCW 84.41.030, 84.41.041, and 82.45.180; adding new sections to chapter 84.41 RCW; and providing expiration dates.

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

Sec. 1. RCW 84.41.030 and 1996 c 254 s 7 are each amended to read as follows:

(1) Each county assessor shall maintain an active and systematic program of revaluation on a continuous basis, and shall establish a revaluation schedule which will result in revaluation of all taxable real property within the county at least once each four years and physical inspection of all taxable real property within the county at least once each six years. Each county assessor may disregard any program of revaluation, if requested by a property owner, and change, as appropriate, the valuation of real property upon the receipt of a notice of decision received under RCW 36.70B.130((90.60.160)) or chapter 35.22, 35.63, 35A.63, or 36.70 RCW pertaining to the value of the real property.
Not later than January 1, 2014, all taxable real property within a county must be revalued annually and all taxable real property within a county must be physically inspected at least once each six years. This mandate is conditional upon the department of revenue providing the necessary guidance and financial assistance to those counties that are not on an annual revaluation cycle so that they may convert to an annual revaluation cycle including, but not limited to, appropriate data collection methods and coding, neighborhood and market delineation, statistical analysis, valuation guidelines, and training. The department will provide advisory appraisals of industrial properties valued at twenty-five million dollars or more in real and personal property value when requested by the county assessor.

In recognition of the need for immediate action, the department of revenue is directed to conduct a pilot project on at least one county that is prepared to move from cyclical to annual revaluation by December 31, 2009. The pilot project will develop the expertise necessary to provide counties with neighborhood and market delineation, statistical analysis, valuation guidelines, and training. The department of revenue must use the expertise gained in this pilot project to facilitate the conversion of cyclical counties to annual revaluation and ongoing refinement of assessment processes statewide. The department may contract with a local government association representing county assessors and other county elected officials in carrying out the requirements of this subsection.

Sec. 2. RCW 84.41.041 and 2001 c 187 s 21 are each amended to read as follows:

Each county assessor shall cause taxable real property to be physically inspected and valued at least once every six years in accordance with RCW 84.41.030, and in accordance with a plan filed with and approved by the department of revenue. Such revaluation plan shall provide that a reasonable portion of all taxable real property within a county shall be revalued and these newly(-)determined values placed on the assessment rolls each year. Until January 1, 2014, the department may approve a plan that provides that all property in the county be revalued every two years. If the revaluation plan provides for physical inspection at least once each four years, during the intervals between each physical inspection of real property, the
valuation of such property may be adjusted to its current true and fair
value, such adjustments to be based upon appropriate statistical data.
If the revaluation plan provides for physical inspection less
frequently than once each four years, during the intervals between each
physical inspection of real property, the valuation of such property
shall be adjusted to its current true and fair value, such adjustments
to be made once each year and to be based upon appropriate statistical
data.

The assessor may require property owners to submit pertinent data
respecting taxable property in their control including data respecting
any sale or purchase of said property within the past five years, the
cost and characteristics of any improvement on the property and other
facts necessary for appraisal of the property.

NEW SECTION. Sec. 3. A new section is added to chapter 84.41 RCW
to read as follows:
(1) The annual property revaluation grant account is created in the
custody of the state treasurer. Moneys from RCW 82.45.180(4) must be
deposited into the account. An appropriation is not required for
expenditures and the account is not subject to allotment procedures
under chapter 43.88 RCW. Moneys in the account may be used only for
grants as provided in section 4 of this act.

(2) Any funds remaining in the annual property revaluation grant
account on July 1, 2014, must be deposited in the real estate and
property tax administration assistance account created in RCW
82.45.180(5).

(3) This section expires July 1, 2014.

NEW SECTION. Sec. 4. A new section is added to chapter 84.41 RCW
to read as follows:
(1) The department of revenue shall administer a grant program to
assist counties with, in priority order: (a) Converting to an annual
revaluation system for property tax valuation; (b) replacing computer
software used for revaluations in counties where the software was
purchased from commercial vendors and will not be supported by the
vendor or others after January 1, 2010; or (c) the acquisition of
software and integral hardware in counties currently administering an
annual revaluation program where the assessor's property records are
not stored in an electronic format or where the current software does not have the capacity to store, manage, and process property record components used in the valuation process. A county may use grant money to purchase computer hardware or software, repair or upgrade existing computer hardware or software, or provide necessary training related to computer hardware or software. No county is eligible for grants under this section totaling more than five hundred thousand dollars.

(2) This section expires July 1, 2014.

Sec. 5. RCW 82.45.180 and 2006 c 312 s 1 are each amended to read as follows:

(1)(a) For taxes collected by the county under this chapter, the county treasurer shall collect a five-dollar fee on all transactions required by this chapter where the transaction does not require the payment of tax. A total of five dollars shall be collected in the form of a tax and fee, where the calculated tax payment is less than five dollars. Through June 30, 2006, the county treasurer shall place one percent of the taxes collected by the county under this chapter and the treasurer's fee in the county current expense fund to defray costs of collection. After June 30, 2006, the county treasurer shall place one and three-tenths percent of the taxes collected by the county under this chapter and the treasurer's fee in the county current expense fund to defray costs of collection. For taxes collected by the county under this chapter before July 1, 2006, the county treasurer shall pay over to the state treasurer and account to the department of revenue for the proceeds at the same time the county treasurer remits funds to the state under RCW 84.56.280. For taxes collected by the county under this chapter after June 30, 2006, on a monthly basis the county treasurer shall pay over to the state treasurer the month's transmittal. The month's transmittal must be received by the state treasurer by 12:00 p.m. on the last working day of each month. The county treasurer shall account to the department for the month's transmittal by the twentieth day of the month following the month in which the month's transmittal was paid over to the state treasurer. The state treasurer shall deposit the proceeds in the general fund.

(b) For purposes of this subsection, the definitions in this subsection apply.
(i) "Close of business" means the time when the county treasurer makes his or her daily deposit of proceeds.

(ii) "Month's transmittal" means all proceeds deposited by the county through the close of business of the day that is two working days before the last working day of the month. This definition of "month's transmittal" shall not be construed as requiring any change in a county's practices regarding the timing of its daily deposits of proceeds.

(iii) "Proceeds" means moneys collected and receipted by the county from the taxes imposed by this chapter, less the county's share of the proceeds used to defray the county's costs of collection allowable in (a) of this subsection.

(iv) "Working day" means a calendar day, except Saturdays, Sundays, and all legal holidays as provided in RCW 1.16.050.

(2) For taxes collected by the department of revenue under this chapter, the department shall remit the tax to the state treasurer who shall deposit the proceeds of any state tax in the general fund. The state treasurer shall deposit the proceeds of any local taxes imposed under chapter 82.46 RCW in the local real estate excise tax account hereby created in the state treasury. Moneys in the local real estate excise tax account may be spent only for distribution to counties, cities, and towns imposing a tax under chapter 82.46 RCW. Except as provided in RCW 43.08.190, all earnings of investments of balances in the local real estate excise tax account shall be credited to the local real estate excise tax account and distributed to the counties, cities, and towns monthly. Monthly the state treasurer shall make distribution from the local real estate excise tax account to the counties, cities, and towns the amount of tax collected on behalf of each taxing authority. The state treasurer shall make the distribution under this subsection without appropriation.

(3)(a) The real estate excise tax electronic technology account is created in the custody of the state treasurer. An appropriation is not required for expenditures and the account is not subject to allotment procedures under chapter 43.88 RCW.

(b) Through June 30, 2010, the county treasurer shall collect an additional five-dollar fee on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. The county treasurer shall remit this fee to the state treasurer
at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer shall place money from this fee in the real estate excise tax electronic technology account. By the twentieth day of the subsequent month, the state treasurer shall distribute to each county treasurer according to the following formula: Three-quarters of the funds available shall be equally distributed among the thirty-nine counties; and the balance shall be ratably distributed among the counties in direct proportion to their population as it relates to the total state's population based on most recent statistics by the office of financial management.

(c) When received by the county treasurer, the funds shall be placed in a special real estate excise tax electronic technology fund held by the county treasurer to be used exclusively for the development, implementation, and maintenance of an electronic processing and reporting system for real estate excise tax affidavits. Funds may be expended to make the system compatible with the automated real estate excise tax system developed by the department and compatible with the processes used in the offices of the county assessor and county auditor. Any funds held in the account that are not expended by the earlier of: July 1, 2015, or at such time that the county treasurer is utilizing an electronic processing and reporting system for real estate excise tax affidavits compatible with the department and compatible with the processes used in the offices of the county assessor and county assessor, revert to the ((county capital improvements fund in accordance with RCW 82.46.010)) special real estate and property tax administration assistance account in accordance with subsection (5)(c) of this section.

(4) Beginning July 1, 2010, through December 31, 2013, the county treasurer shall continue to collect the additional five-dollar fee in subsection (3) of this section on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. During this period, the county treasurer shall remit this fee to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer shall place money from this fee in the annual property revaluation grant account created in section 3 of this act.

(5)(a) The real estate and property tax administration assistance
account is created in the custody of the state treasurer. An appropriation is not required for expenditures and the account is not subject to allotment procedures under chapter 43.88 RCW.

(b) Beginning January 1, 2014, the county treasurer must continue to collect the additional five-dollar fee in subsection (3) of this section on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. The county treasurer shall deposit one-half of this fee in the special real estate and property tax administration assistance account in accordance with (c) of this subsection and remit the balance to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer must place money from this fee in the real estate and property tax administration assistance account. By the twentieth day of the subsequent month, the state treasurer must distribute the funds to each county treasurer according to the following formula: One-half of the funds available must be equally distributed among the thirty-nine counties; and the balance must be ratably distributed among the counties in direct proportion to their population as it relates to the total state's population based on most recent statistics by the office of financial management.

(c) When received by the county treasurer, the funds must be placed in a special real estate and property tax administration assistance account held by the county treasurer to be used for:

(i) Maintenance and operation of an annual revaluation system for property tax valuation; and

(ii) Maintenance and operation of an electronic processing and reporting system for real estate excise tax affidavits.

Passed by the Senate April 19, 2009.
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