

# Chapter 458-53 WAC

## PROPERTY TAX ANNUAL RATIO STUDY

### WAC

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 458-53-163 Mobile homes—Use in study. [Statutory Authority: RCW 84.48.075 and 84.08.010(2). WSR 89-09-021 (Order PT 89-5), § 458-53-163, filed 4/12/89. Statutory Authority: RCW 84.48.075. WSR 87-12-029 (Order PT 87-5), § 458-53-163, filed 5/29/87; WSR 84-14-039 (Order PT 84-2), § 458-53-163, filed 6/29/84.] Repealed by WSR 96-05-002, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.-075.  
 458-53-165 Property not properly valued—Use in study. [Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-165, filed 6/29/84; WSR 83-16-050 (Order PT 83-2), § 458-53-165, filed 8/1/83.] Repealed by WSR 96-05-002, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.-075.  
 458-53-170 Final indicated ratio—Computation. [Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-170, filed 10/11/79. Formerly WAC 458-52-110.] Repealed by WSR 84-14-039 (Order PT 84-2), filed 6/29/84. Statutory Authority: RCW 84.48.075.  
 458-53-180 Use of indicated ratios. [Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-180, filed 6/29/84; WSR 79-11-029 (Order PT 79-3), § 458-53-180, filed 10/11/79. Formerly WAC 458-52-120.] Repealed by WSR 96-05-002, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075.  
 458-53-190 County assessor's review. [Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-190, filed 10/11/79. Formerly WAC 458-52-130.] Repealed by WSR 84-14-039 (Order PT 84-2), filed 6/29/84. Statutory Authority: RCW 84.48.075.

### DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

458-53-040 Land Use Code—Ratio study. [Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-040, filed 10/11/79.] Repealed by WSR 96-05-002, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075.  
 458-53-051 Ratio determination by land use class. [Statutory Authority: RCW 84.48.075. WSR 86-21-004 (Order PT 86-6), § 458-53-051, filed 10/2/86; WSR 83-16-050 (Order PT 83-2), § 458-53-051, filed 8/1/83.] Repealed by WSR 96-05-002, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.-075.  
 458-53-060 Stratification—Personal property. [Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-060, filed 10/11/79. Formerly WAC 458-52-050.] Repealed by WSR 84-14-039 (Order PT 84-2), filed 6/29/84. Statutory Authority: RCW 84.48.075.  
 458-53-090 Department generated sales studies. [Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-090, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-090, filed 6/29/84; WSR 83-16-050 (Order PT 83-2), § 458-53-090, filed 8/1/83; WSR 79-11-029 (Order PT 79-3), § 458-53-090, filed 10/11/79.] Repealed by WSR 02-14-031, filed 6/24/02, effective 7/25/02. Statutory Authority: RCW 84.08.010, 84.08.070, and 84.48.075.  
 458-53-110 Property values used in the ratio study. [Statutory Authority: RCW 84.48.075 and 84.08.010(2). WSR 89-09-021 (Order PT 89-5), § 458-53-110, filed 4/12/89. Statutory Authority: RCW 84.48.075. WSR 87-12-029 (Order PT 87-5), § 458-53-110, filed 5/29/87; WSR 86-21-004 (Order PT 86-6), § 458-53-110, filed 10/2/86; WSR 84-14-039 (Order PT 84-2), § 458-53-110, filed 6/29/84; WSR 81-22-036 (Order PT 81-15), § 458-53-110, filed 10/30/81; WSR 79-11-029 (Order PT 79-3), § 458-53-110, filed 10/11/79.] Repealed by WSR 96-05-002, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075.  
 458-53-120 Review procedures for county studies. [Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-120, filed 10/11/79.] Repealed by WSR 96-05-002, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075.  
 458-53-141 Personal property audit selection. [Statutory Authority: RCW 84.48.075. WSR 87-12-029 (Order PT 87-5), § 458-53-141, filed 5/29/87; WSR 84-14-039 (Order PT 84-2), § 458-53-141, filed 6/29/84; WSR 81-22-036 (Order PT 81-15), § 458-53-141, filed 10/30/81.] Repealed by WSR 96-05-002, filed 2/8/96, effective

**WAC 458-53-010 Declaration of purpose.** This chapter is promulgated by the department of revenue in compliance with RCW 84.48.075 to describe procedures for determination of indicated ratios of real and personal property for each county, so as to accomplish the equalization of property values required by RCW 84.12.350, 84.16.110, 84.48.080 and 84.52.065. The procedures in this chapter describing the department's annual ratio study are designed to ensure uniformity and equity in property taxation throughout the state to the maximum extent possible.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-010, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-010, filed 10/11/79. Formerly WAC 458-52-010.]

**WAC 458-53-020 Definitions.** Unless the context clearly requires otherwise, the following definitions apply throughout this chapter:

(1) "Account" means a listing of personal property as shown on the county assessment record.

(2) "Advisory value" means a valuation determination by the department, made at the request of a county assessor.

(3) "Appraisal" means the determination of the market value of real property, or for real property classified under chapter 84.34 RCW, the determination of the current use value.

(4) "Assessed value" means the value of real or personal property determined by an assessor.

(5) "Audit" means the determination of the market value of personal property.

(6) "Average assessed value" is the total assessed value of a sample group of real or personal property divided by the number of properties in the sample group.

(7) "Average personal property market value" is the total value of a sample group as determined from personal property audits divided by the number of audits in the sample group.

(8) "Average real property market value" is the total sales price, less one percent, of a sample group of real property divided by the number of properties in the sample group, or the total appraised value of a sample group of real property divided by the number of appraisals in the same group.

(9) "Department" means the department of revenue.

(10) "Land Use Code" means the identification of each real property parcel by numerical digits as representations of the major use of the property. The Land Use Code is derived from the Standard Land Use Coding Manual as prepared by the Federal Bureau of Public Roads and includes use classifications specified by state law.

(11) "Market value" means the amount of money a buyer of property willing but not obligated to buy would pay a seller of property willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might in reason be applied. True and fair value is the same as market value or fair market value.

(12) "Personal property" means all taxable personal property required by law to be reported by a taxpayer.

(13) "Ratio" is the percentage relationship of the assessed value of real or personal property to the market value of real or personal property.

(14) "Ratio study" is the department's annual comparison of the relationship between the county assessed values of real and personal property with the market value of that property as determined by the department's analysis of sales, appraisals, and/or audits or the comparison of the relationship between the county assessed values of real property classified under chapter 84.34 RCW (current use) with the current use value of that property as determined by the department.

(15) "Real property" means all parcels of taxable real property as shown on the county assessment record.

(16) "Sales study" is the comparison of the assessed value of real property with the selling price of the same property.

(17) "Strata" refer to classes of property grouped by assessed value and/or use categories.

(18) "Stratification" means the grouping of the real or personal property assessment records into specific assessed value and/or use categories for ratio sampling and calculation purposes.

(19) "Stratum" refers to a grouping of property with a given range of assessed values and/or having the same use category.

(20) "Valid sale(s)" means a sale of real property that occurs between August 1 preceding January of the current assessment year and March 31 of the current assessment year, and the transfer document is a warranty deed or real estate contract, and the sale is not a type listed in WAC 458-53-080(2).

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-020, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075 and 84.08.010(2). WSR 89-09-021 (Order PT 89-5), § 458-53-020, filed 4/12/89. Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-020, filed 10/11/79. Formerly WAC 458-52-020.]

#### **WAC 458-53-030 Stratification of assessment rolls—Real property. (1) Introduction.**

This rule explains the stratification process for real property. The stratification process is the grouping of real property within each county into homogeneous classifications based upon certain criteria in order to obtain representative samples. Stratification is used in determining the number of appraisals to be included in the ratio study and also for ratio calculation. The county's most current certified assessment rolls are used for stratification. Counties must stratify rolls using a land use code stratification system as prescribed by the department. (See RCW 36.21.100.)

**(2) Stratification—Parcel count and total value—Exclusions.** The stratification of the real property assessment rolls must include a parcel count and a total value of the taxable real property parcels in each stratum, excluding the following:

- (a) Designated forest lands.(See chapter 84.33 RCW);
- (b) Timberland classified under chapter 84.34 RCW. (See RCW 84.34.060);
- (c) Current use properties in those counties where a separate study is conducted pursuant to WAC 458-53-095(3);
- (d) State assessed properties; and
- (e) State-owned game lands as defined in RCW 77.12.-203(2).

**(3) Stratification—By county.** For the real property ratio study, the assessment roll must be stratified for individual counties according to land use categories and substratified by value classes as determined by the department. Stratification will be reviewed at least every other year by the department to determine if changes need to be made to improve sampling criteria. After the strata have been determined, the department will notify the counties of the strata limits, and each county must provide the department with the following, taken from the county's assessment rolls:

(a) A representative number of samples, as determined by the department, in each stratum, together with:

(i) The name and address of the taxpayer for each sample;

(ii) The land use code for each sample;

(iii) The assessed value for each sample; and

(iv) The actual number of samples;

(b) The total number of real property parcels in each stratum; and

(c) The total assessed value in each stratum.

(4) **Counties to provide information timely.** The stratification information described in subsection (3) of this rule must be provided by the counties to the department in a timely manner to enable the department to certify the preliminary ratios in accordance with WAC 458-53-200(1). Failure to provide the information in a timely manner will result in the department using its best estimate of stratum values to calculate the real property ratio.

(5) **Standard two-digit land use code.** The following two-digit land use code will be used as the standard to identify the actual use of the land. Counties may elect to use a more detailed land use code system using additional digits, however, no county land use code system may use fewer than the standard two digits.

#### RESIDENTIAL

- 11 Household, single family units
- 12 Household, 2-4 units
- 13 Household, multiunits (5 or more)
- 14 Residential condominiums
- 15 Mobile home parks or courts
- 16 Hotels/motels
- 17 Institutional lodging
- 18 All other residential not elsewhere coded
- 19 Vacation and cabin

#### MANUFACTURING

- 21 Food and kindred products
- 22 Textile mill products
- 23 Apparel and other finished products made from fabrics, leather, and similar materials
- 24 Lumber and wood products (except furniture)
- 25 Furniture and fixtures
- 26 Paper and allied products
- 27 Printing and publishing
- 28 Chemicals
- 29 Petroleum refining and related industries
- 30 Rubber and miscellaneous plastic products
- 31 Leather and leather products
- 32 Stone, clay and glass products
- 33 Primary metal industries
- 34 Fabricated metal products

- 35 Professional scientific, and controlling instruments; photographic and optical goods; watches and clocks-manufacturing

36 Not presently assigned

37 Not presently assigned

38 Not presently assigned

39 Miscellaneous manufacturing

#### TRANSPORTATION, COMMUNICATION, AND UTILITIES

41 Railroad/transit transportation

42 Motor vehicle transportation

43 Aircraft transportation

44 Marine craft transportation

45 Highway and street right of way

46 Automobile parking

47 Communication

48 Utilities

49 Other transportation, communication, and utilities not classified elsewhere

#### TRADE

50 Condominiums - other than residential condominiums

51 Wholesale trade

52 Retail trade - building materials, hardware, and farm equipment

53 Retail trade - general merchandise

54 Retail trade - food

55 Retail trade - automotive, marine craft, aircraft, and accessories

56 Retail trade - apparel and accessories

57 Retail trade - furniture, home furnishings and equipment

58 Retail trade - eating and drinking

59 Other retail trade

#### SERVICES

61 Finance, insurance, and real estate services

62 Personal services

63 Business services

64 Repair services

65 Professional services

66 Contract construction services

67 Governmental services

68 Educational services

69 Miscellaneous services

#### CULTURAL, ENTERTAINMENT AND RECREATIONAL

71 Cultural activities and nature exhibitions

72 Public assembly

73	Amusements
74	Recreational activities
75	Resorts and group camps
76	Parks
77	Not presently assigned
78	Not presently assigned
79	Other cultural, entertainment, and recreational
RESOURCE PRODUCTION AND EXTRACTION	
81	Agriculture (not classified under current use law)
82	Agriculture related activities
83	Agriculture classified under current use chapter 84.34 RCW
84	Fishing activities and related services
85	Mining activities and related services
86	Not presently assigned
87	Not presently assigned
88	Designated forest land under chapter 84.33 RCW
89	Other resource production

## UNDEVELOPED LAND AND WATER AREAS

91	Undeveloped land
92	Noncommercial forest
93	Water areas
94	Open space land classified under chapter 84.34 RCW
95	Timberland classified under chapter 84.34 RCW
96	Not presently assigned
97	Not presently assigned
98	Not presently assigned
99	Other undeveloped land

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.48.075. WSR 02-14-031, § 458-53-030, filed 6/24/02, effective 7/25/02; WSR 96-05-002, § 458-53-030, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.08.010 and 84.08.070. WSR 91-01-008, § 458-53-030, filed 12/6/90, effective 1/6/91. Statutory Authority: RCW 84.48.075 and 84.08.010(2). WSR 89-09-021 (Order PT 89-5), § 458-53-030, filed 4/12/89. Statutory Authority: RCW 84.48.075. WSR 86-21-004 (Order PT 86-6), § 458-53-030, filed 10/2/86; WSR 84-14-039 (Order PT 84-2), § 458-53-030, filed 6/29/84; WSR 79-11-029 (Order PT 79-3), § 458-53-030, filed 10/11/79. Formerly WAC 458-52-030.]

**WAC 458-53-050 Land use stratification, sales summary and abstract report.** Stratification of the assessment rolls, the annual sales summary, and the abstract report to the department for real property will be based on the following abstract categories:

Abstract Category	Land Use Code
1. Single family residence	11, 14, 18, 19
2. Multiple family residence	12, 13
3. Manufacturing	21 through 39

4. Commercial	15, 16, 17, 41-49, 50-59, 61-69, 71-79
5. Agricultural	81
6. Agricultural (current use law)	83
7. Forest lands (chapter 84.33 RCW)	88
8. Open space (current use law)	94
9. Timberland (current use law)	95
10. Other	82, 84, 85, 89, 91, 92, 93, 96-99

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.48.075. WSR 02-14-031, § 458-53-050, filed 6/24/02, effective 7/25/02; WSR 96-05-002, § 458-53-050, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 79-11-029 (Order PT 79-3), § 458-53-050, filed 10/11/79. Formerly WAC 458-52-040.]

**WAC 458-53-070 Real property sales studies. (1) Sales study data.** The basis of the real property ratio study is data obtained from real estate excise tax affidavits from each county. The department will supplement the sales study with appraisals when it is determined that the sales are insufficient to represent the level of assessment. The appraisals will be selected according to criteria set forth in WAC 458-53-130.

**(2) Time period for data used.** The sales study will only use sales occurring in the eight-month period between August 1 preceding January of the current assessment year and March 31 of the current assessment year.

**(3) Deduction from sale price.** One percent will be deducted from the sale price shown on all valid real estate excise tax affidavits as an adjustment for values transferred that are not assessable as real property.

**(4) Sales not included in the study—Assessment rolls using other than market value—New construction.** Individual sales that show a sale price to assessed value ratio of under twenty-five percent, or over one hundred seventy-five percent shall be excluded from consideration in the study. However, if the number of individual sales meeting either one of these criteria exceeds five percent of the total number of valid sales for a county, then these sales shall be considered in the study.

**(a)** The exclusion of valid sales in accordance with this subsection shall not apply in situations where other than market value of a particular type of property is being listed on the assessment rolls of the county, as disclosed in any examination by the department. If other than market value is being listed on the assessment rolls for a particular type of real or personal property and, after notification by the department, is not corrected, the department shall adjust the ratio of that type of property, which adjustment shall be used in determining the county's indicated personal or real property ratio. When a particular type of property is found to be at other than market value, that type of property shall be separated from the other properties in the computation of the ratio. The department shall compile the total assessed value and total market value for that type of property, and it shall be included in the ratio as provided in WAC 458-53-135(3) and 458-53-160(3).

(b) The exclusion of valid sales in accordance with this subsection shall not apply to sales of property on which there is new construction value that has not yet been placed on the county assessment roll.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-070, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075 and 84.08.010(2). WSR 89-09-021 (Order PT 89-5), § 458-53-070, filed 4/12/89. Statutory Authority: RCW 84.48.075. WSR 83-16-050 (Order PT 83-2), § 458-53-070, filed 8/1/83; WSR 82-08-061 (Order PT 82-3), § 458-53-070, filed 4/6/82; WSR 79-11-029 (Order PT 79-3), § 458-53-070, filed 10/11/79. Formerly WAC 458-52-060.]

**WAC 458-53-080 Real property sales sample selection.** (1) **Sales included.** Except as provided in subsection (2) of this section, the sales study shall consider all transactions involving a warranty deed or a real estate contract that occurred during the eight-month period described in WAC 458-53-070(2). Sales of mobile homes shall also be included in the real property ratio study when the mobile home meets the definition of real property as defined in RCW 84.04.090. In the case of a county generated sales study (see WAC 458-53-100), the county may use a representative sample of all such transactions with the prior written approval of the department.

(2) **Sales excluded.** Sales or transfers of real property involving instruments other than a warranty deed or real estate contract shall not be considered in the sales study. The following types of sales transactions are examples of sales to be excluded from the sales study, regardless of the type of sale instrument used. Differences from the numerical coding designations set forth in this example may be used by individual counties with prior approval from the department.

NUMERICAL CODE	TYPE OF TRANSACTION
1	Family - a sale between relatives.
2	Transfers within a corporation by its affiliates or subsidiaries.
3	Administrator, guardian or executor of an estate.
4	Receiver or trustee in bankruptcy or equity.
5	Sheriff or bailee.
6	Tax deed.
7	Properties exempt from taxation (nonprofit, government, etc.).
8	Individual sales with assessment-to-sales ratios of less than twenty-five percent or greater than one hundred seventy-five percent except as provided in WAC 458-53-070.
9	Quitclaim deed.
10	Gift deed; love and affection deed.
11	Seller's or purchaser's assignment of contract or deed - transfer of interest.
12	Correction deed.
13	Trade - exchange of property between same parties.

NUMERICAL CODE	TYPE OF TRANSACTION
14	Deeds involving partial interest in property, such as one-third or one-half interest. (If transfer involves total interest i.e., one hundred percent of the property, sale is valid.)
15	Forced sales - transfers in lieu of imminent foreclosure, condemnation or liquidation.
16	Easement or right of way.
17	Deed in fulfillment of contract (on a current transaction, a contract with a fulfillment deed is a valid sale).
18	Property physically improved after sale.
19	Timber or forest land.
20	Bare lots platted within the eight-month time period described in WAC 458-53-070(2), with less than twenty percent sold.
21	Plottage - when a larger unit of land is being assembled and an adjoining property is sold at a price significantly different from the price of property of a similar type.
22	\$1,000 sale or under.
23	Lease - assignment, option, leasehold.
24	Classified as "current use" under chapter 84.34 RCW as of date of sale.
25	Change of use where rezoning takes place.
26	Current year segregations that have not been appraised.
27	Other - necessary to identify reason.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-080, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-080, filed 6/29/84; WSR 83-16-050 (Order PT 83-2), § 458-53-080, filed 8/1/83; WSR 79-11-029 (Order PT 79-3), § 458-53-080, filed 10/11/79.]

**WAC 458-53-095 Property values used in the ratio study.** The following property values shall be included in the ratio study:

(1) **Assessed values.** Values determined by county assessors according to the provisions of chapters 84.40 RCW (Listing of property) and 84.41 RCW (Revaluation of property).

(2) **Forest land values.** Values of forest land classified or designated under chapter 84.33 RCW and values of timberland classified under chapter 84.34 RCW.

(3) **Current use values.** Values of land (except timber land) and improvements classified under chapter 84.34 RCW (current use assessment). Values of land (except timber land) and improvements classified under chapter 84.34 RCW shall be included as a separate class for counties when those values equal or exceed fifteen percent of the total assessed value of locally assessed real property in the county.

(4) **Advisory values.** Advisory values supplied to the assessor by the department, but only if the property falls within the sales study provided for in WAC 458-53-070 or

458-53-100 or is selected in the appraisal or audit study in accordance with WAC 458-53-130 and 458-53-140.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-095, filed 2/8/96, effective 3/10/96.]

**WAC 458-53-100 County generated sales studies. (1) Sales data provided by county.** When sales data is provided to the department by counties in accordance with these rules and subject to audit by the department, the data shall be used by the department to determine the indicated real property ratio. The data provided shall be in the form of two reports, a report consisting of data from valid sales, and a report listing those sales deemed to be invalid.

(2) **Report of valid sales.** The county generated sales report consisting of data from valid sales shall include the following information for each valid sale:

- (a) The real estate excise tax affidavit number.
- (b) The parcel number(s), or other file identification number(s).
- (c) The date of sale.
- (d) The sale price of the transaction.
- (e) The sale price of the transaction reduced by one percent.
- (f) The land use code for the sale property.
- (g) The current assessed value on the county's assessment roll for the sale property.
- (h) A ratio determined by dividing the assessed value by the adjusted sale price (the adjusted sale price is the amount determined in (e) of this subsection).

(3) **Summary of valid sales data.** The county generated sales report shall also contain a summary of the sales information arranged according to land use categories and assessed value strata designated by the department for each county. The summaries for each stratum shall include:

- (a) The total number of sales;
- (b) The total assessed value of all sale property;
- (c) The total adjusted sale price for all sales;
- (d) The total average assessed value; and
- (e) The total average adjusted sale price.

(4) **Report of invalid sales.** The county generated sales report consisting of data from invalid sales shall include the following information for each invalid sale:

- (a) The real estate excise tax affidavit number.
- (b) The parcel number(s), or other file identification number(s).
- (c) The date of sale.
- (d) The sale price of the transaction.
- (e) The sale price of the transaction reduced by one percent.
- (f) The land use code for the sale property.
- (g) The current assessed value on the county's assessment roll for the sale property.
- (h) A ratio determined by dividing the assessed value by the adjusted sale price (the adjusted sale price is the amount determined in (e) of this subsection).

(i) The appropriate numerical code (see WAC 458-53-080) or the matching description of the reason for determining that the sale was invalid. If numerical code number 27 is used, the reason for determining that the sale was invalid shall be described.

(5) **Sales report—When submitted.** The county generated sales report shall be submitted as soon as possible following the close of the assessment rolls on May 31st and, for sales of property involving new construction, as soon as possible following August 31st.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-100, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075 and 84.08.010(2). WSR 89-09-021 (Order PT 89-5), § 458-53-100, filed 4/12/89. Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-100, filed 6/29/84; WSR 83-16-050 (Order PT 83-2), § 458-53-100, filed 8/1/83; WSR 82-08-061 (Order PT 82-3), § 458-53-100, filed 4/6/82; WSR 79-11-029 (Order PT 79-3), § 458-53-100, filed 10/11/79.]

**WAC 458-53-105 Review procedures for county studies. (1) Department to monitor compliance.** The department shall review a sales assessment study produced by a county in order to monitor compliance with the rules in this chapter.

(2) **Elements to be verified.** Elements of the county sales study that may be verified include, but are not limited to:

- (a) Property identification;
- (b) Land use code classification;
- (c) Properties reported on real estate excise tax affidavits that were transferred using a warranty deed or real estate contract;
- (d) Sales month identification;
- (e) Deletion practices and identification;
- (f) Computation procedures, including whether the sales value used was one hundred percent or whether the sales value was reduced by one percent;
- (g) Sales and assessment values; and
- (h) Revaluation assessment practices.

(3) **Findings to be discussed with assessor.** Ratio study review findings will be discussed with the individual county assessor and/or the assessor's staff upon completion of the department's review. Any errors in data or procedure discovered shall be corrected for the current and future year's studies.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-105, filed 2/8/96, effective 3/10/96.]

**WAC 458-53-130 Real property appraisal studies.**

(1) **Review of prior year's sales.** In order to determine which strata do not have sufficient sales to produce a sales sample representative of the level of assessment, the department shall review a county's prior year's sales studies. This review will determine the number of appraisals necessary to be added to the sales sample.

(2) **Selection of properties for appraisal.** The properties to be appraised by the department shall be selected on a statistically accepted random basis such as stated numerical sequence or random number tables.

(3) **Department appraisals.** Appraisals conducted by the department shall include a physical appraisal of the subject property in order to assure that the most accurate estimate of market value is determined, and shall not be conducted on the basis of mass appraisal techniques. The value determined will be the value as of January 1 of the assessment year, or for appraisals involving new construction, the value as of July 31.

(4) **Review with county.** The department shall review completed appraisals with the assessor and/or the assessor's staff. After the review is complete, the appraisals shall be included with the sales data for computation of the real property ratio.

(5) **Allocation of real and personal property values.** Allocation of value between real and personal property of the total value of appraised property for purposes of the ratio study will be determined using each assessor's method of classifying real and personal property.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-130, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 86-21-004 (Order PT 86-6), § 458-53-130, filed 10/2/86; WSR 84-14-039 (Order PT 84-2), § 458-53-130, filed 6/29/84; WSR 79-11-029 (Order PT 79-3), § 458-53-130, filed 10/11/79. Formerly WAC 458-52-070.]

**WAC 458-53-135 Indicated real property ratio—Computation.** (1) **Determination of ratio for assessed value strata.** For each real property stratum, average assessed value and average market value shall be determined from the results of selected sales and appraisal studies. The average assessed value of the samples for each stratum divided by the average market value of the samples determines the ratio for each assessed value stratum.

(2) **Determination of indicated market value.** The actual total assessed value for each stratum divided by the ratio for each assessed value stratum, as determined by using the calculation set forth in subsection (1) of this section,

determines the indicated market value of each stratum for the county.

(3) **Addition of county assessed values for current use and forest land—Assessor's certification of values.** The county assessed values of current use land and improvements (chapter 84.34 RCW) and forest land (chapter 84.33 RCW) as indicated on the current certification provided by the assessor to the county board of equalization are added to the actual total assessed value for the county. Ratios for current use land and improvements and for forest land are applied to the county assessed values to determine indicated market values.

(a) A copy of the assessor's certification to the board of equalization shall be filed with the department by July 15th, or when the rolls for the current assessment year are completed, whichever is later. The certification form shall be properly completed with all required information.

(b) If a copy of the assessor's certification is not received from an assessor prior to September 1, the assessor's abstract of assessed values for the current year may be used, when available. If not available, the assessed values from the abstract of the previous year may be used.

(4) **Determination of county indicated ratio.** The sum total of the county assessed values is divided by the sum of the indicated market values to determine the county indicated real property ratio.

(5) **Example.** The following illustration, using simulated values and ratios, indicates simplified ratio study computation procedures for real property.

STEP 1  
STRATUM AVERAGE VALUE & RATIO COMPUTATIONS

Type of Land Use	Stratum	Number of Samples	Average Assessed Value of Samples	Average Market Value of Samples	Stratum Ratio
SINGLE FAMILY RESIDENCE	0 - 75,000	400	\$ 35,000	\$ 45,000	77.8
	75,000 - 150,000	400	100,000	125,000	80.0
	150,000 - +	100	195,000	230,000	84.8
MULTIFAMILY RESIDENCE	0 - 125,000	40	50,000	60,000	83.3
	125,000 - +	15	225,000	265,000	84.9
COMMERCIAL/ MANUFACTURING	0 - 500,000	40	140,000	165,000	84.8
	500,000 - +	25	2,000,000	2,350,000	85.1
AGRICULTURAL	0 - 125,000	35	60,000	65,000	92.3
	125,000 - +	35	300,000	330,000	90.9
OTHER	0 - 100,000	75	30,000	36,000	84.0
	100,000 - +	40	250,000	290,000	86.2

**STEP 2**  
**APPLICATION OF STRATUM RATIOS TO ACTUAL COUNTY ASSESSED VALUES**

Type of Land Use	Stratum	(1) Actual County Real Property Assessed Value	(2) Ratio	(3) County Market Value Related to Actual Assessed Value Col. 1 ÷ Col. 2
SINGLE FAMILY RESIDENCE	0 - 74,999	\$500,000,000	77.8	\$642,673,522
	75,000 - 149,999	250,000,000	80.0	312,500,000
	150,000 - +	250,000,000	84.8	294,811,321
MULTIFAMILY RESIDENCE	0 - 124,999	85,000,000	83.3	102,040,816
	125,000 - +	65,000,000	84.9	76,560,660
COMMERCIAL/ MANUFACTURING	0 - 499,999	245,000,000	84.8	288,915,094
	500,000 - +	200,000,000	85.1	235,017,626
AGRICULTURAL	0 - 124,999	110,000,000	92.3	119,176,598
	125,000 - +	95,000,000	90.9	104,510,451
OTHER	0 - 99,999	90,000,000	84.0	107,142,857
	100,000 - +	75,000,000	86.2	87,006,961
CURRENT USE LAND (CHAPTER 84.34 RCW)		125,500,000	95.2	131,827,731
CURRENT USE IMP (CHAPTER 84.34 RCW)		50,000,000	84.0	59,523,810
FORESTLAND (CHAPTER 84.33 RCW)		2,950,000	100.0	2,950,000
AND TIMBERLAND (CHAPTER 84.34 RCW)				
		<hr/> \$2,143,450,000		<hr/> \$2,564,657,447 = 83.6

**(6) Department may consider general trends in property values.** The department may consider the relationship between the market value trends of real property and the assessed value increases or decreases made by the assessor during the year in each county as checks of the validity of the results of the sales and appraisal studies. The assistant director of the property tax division of the department may authorize modification of the results of the sales and appraisal study in any county where there is a demonstrable showing by an assessor to the assistant director that the sales and appraisal study is inconclusive or does not result in a reasonable and factual determination of the relationship of assessed values to market value such that a significant variation results from the previous year not deemed by the assistant director to conform with general trends in property values.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-135, filed 2/8/96, effective 3/10/96.]

**WAC 458-53-140 Personal property ratio study. (1)**

**Introduction.** This rule provides information about the personal property ratio study, including the basis for a county's personal property ratio, the determination of strata for each county, and the effect of the discovery of omitted property on the ratio study.

**(2) Basis for personal property ratio.** The basis for a county's personal property ratio will be valuation data with respect to personal property from the three years preceding the current assessment year.

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**(3) Stratification of rolls.** Determination of strata for each county will be made by the department to ensure the selection of a representative audit sample and will be reviewed periodically. After the strata have been determined, the department will notify the counties of the strata limits and each county must provide the department with the following, taken from the county's assessment rolls:

(a) A representative number of samples, as determined by the department, in each stratum, together with:

(i) The name and address of the taxpayer for each sample;

(ii) The assessed value for each sample; and

(iii) The actual number of samples;

(b) The total number of personal property accounts in each stratum; and

(c) The total assessed value in each stratum.

**(4) Omitted property.** If the department discovers omitted property in a county, the results of the department's audit will be included in the ratio study.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.48.075. WSR 02-14-031, § 458-53-140, filed 6/24/02, effective 7/25/02; WSR 96-05-002, § 458-53-140, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-140, filed 6/29/84; WSR 79-11-029 (Order PT 79-3), § 458-53-140, filed 10/11/79. Formerly WAC 458-52-080.]

**WAC 458-53-160 Indicated personal property ratio—Computation. (1) Determination of ratio for assessed value strata.** For each personal property assessed

(6/24/02)



value stratum, excluding properties identified in WAC 458-53-070 (4)(a), an average assessed value, and an average market value shall be determined from the results of selected audit studies. The average assessed value for each stratum divided by the average market value determines the ratio for each assessed value stratum.

(2) **Determination of indicated market value.** The actual total assessed value of the county for each stratum divided by the ratio for each assessed value stratum, as determined by using the calculation set forth in subsection (1) of this section, determines the indicated market value of each stratum for the county.

(3) **Additional categories.**

(a) The actual county total assessed values of properties identified in WAC 458-53-070 (4)(a) are added as a separate category to the total county assessed value. A ratio determined for these properties is applied against the total

assessed value for the category to determine the indicated total market value for the category.

(b) If ten percent or more of the total personal property assessed value of a county consists of publicly owned timber sold by competitive bid to private purchasers, the assessed value of the timber is added as a separate category to the total county assessed value. A ratio determined for this property is applied against the total assessed value for this category to determine the indicated total market value for this category.

(4) **Determination of county indicated ratio.** The sum of the actual total county assessed values is divided by the sum of the indicated market values to determine the county indicated personal property ratio.

(5) **Example.** The following illustration, using simulated values and ratios, indicates the ratio computation procedures for personal property.

STEP 1 - STRATUM AVERAGE VALUE AND RATIO COMPUTATIONS

	(1)	(2)	(3)	(4)
Stratum	Number of Samples	Average Assessed Value of Samples	Average Market Value of Samples	Stratum Ratio (Col. 2 ÷ Col. 3)
\$ 0 - 74,999	25	\$ 17,000	\$ 22,000	.773
75,000 - 249,999	15	124,000	235,000	.528
Over - 250,000	10	850,000	960,000	.885

STEP 2 - APPLICATION OF STRATUM RATIOS TO ACTUAL COUNTY ASSESSED VALUES

Stratum	(1) Actual County Personal Property Assessed Values	(2) Ratio	(3) County Market Value Related to Actual Assessed Value (Col. 1 ÷ Col. 2)
\$ 0 - 74,999	\$21,500,000	.773	\$ 27,813,713
75,000 - 249,999	23,000,000	.528	43,560,606
Over - 250,000	50,000,000	.885	56,497,175
WAC 458-53-070 (4)(a) Properties	0		0
Totals	\$94,500,000		÷ \$127,871,499 = 73.9

County Indicated

Personal Property Ratio

73.9%

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-160, filed 2/8/96, effective 3/10/96; WSR 94-05-064, § 458-53-160, filed 2/11/94, effective 3/14/94. Statutory Authority: RCW 84.48.075. WSR 87-12-029 (Order PT 87-5), § 458-53-160, filed 5/29/87; WSR 86-21-004 (Order PT 86-6), § 458-53-160, filed 10/2/86; WSR 84-14-039 (Order PT 84-2), § 458-53-160, filed 6/29/84; WSR 79-11-029 (Order PT 79-3), § 458-53-160, filed 10/11/79. Formerly WAC 458-52-100.]

**WAC 458-53-200 Certification of county preliminary and indicated ratios—Review.** (1) **Preliminary ratio certified to assessor.** The department shall annually determine the real property and personal property preliminary ratios for each county and shall certify these ratios to the county assessor on or before the first Monday in September.

(6/24/02)

(2) **Request for review.** Upon request of the assessor, a landowner, or an owner of an intercounty public utility or private car company, the department shall review the county's preliminary ratio with the requesting party and may make any changes indicated by such review. This review shall take place between the first and third Mondays of September. If the department does not certify the preliminary ratios as

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required by subsection (1) of this section, the review period shall extend for two weeks from the date of certification.

(3) **Certification of indicated ratios.** Prior to equalization of assessments pursuant to RCW 84.48.080 and after the third Monday of September, the department shall certify to each county assessor the indicated real and personal property ratios for that county.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-200, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-200, filed 6/29/84; WSR 79-11-029 (Order PT 79-3), § 458-53-200, filed 10/11/79. Formerly WAC 458-52-140.]

**WAC 458-53-210 Appeals.** If an assessor, landowner, or owner of an intercounty utility or private car company has reviewed the ratio study as provided in WAC 458-53-200, that person or company may appeal the department's indicated ratio determination, as certified for that county, to the state board of tax appeals pursuant to RCW 82.03.130(5). The appeal to the state board of tax appeals must be filed not later than fifteen days after the date of mailing of the certification.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.48.075. WSR 96-05-002, § 458-53-210, filed 2/8/96, effective 3/10/96. Statutory Authority: RCW 84.48.075. WSR 84-14-039 (Order PT 84-2), § 458-53-210, filed 6/29/84; WSR 79-11-029 (Order PT 79-3), § 458-53-210, filed 10/11/79. Formerly WAC 458-52-150.]