

SENATE BILL REPORT

SB 5073

As of January 19, 1995

Title: An act relating to valuation of new construction.

Brief Description: Concerning the tax value of new construction.

Sponsors: Senators McCaslin, Haugen, Sheldon and Schow.

Brief History:

Committee Activity: Government Operations: 1/25/95.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Staff: Diane Smith (786-7410)

Background: County assessors must make a physical inspection of new construction before the value of the new construction can be added to the tax rolls. This inspection must be made within 12 months of issuance of the building permit. Due to the budgetary cutbacks of the assessor's offices and the dramatic rise in new construction, the assessors are experiencing a lag time of several years before new construction can be added to the tax rolls.

Summary of Bill: The 12-month period is deleted. The county assessor has the option to make a physical appraisal of the new construction covered by the permit, or to place the improvements on the tax rolls at the time notice is received of the final inspection or occupancy permit.

The county assessor may assign the value of the new construction based upon the representations made on the building permit. That value may be adjusted to conform to the value determined at the time a physical inspection is completed. The taxpayer is notified that the assessment is based on the building permit and that the value may be adjusted at a later date. The property owner, or his or her agent, is subject to perjury for false statements made on the building permit. The property owner may also be subject to a penalty, imposed by the county legislative authority, for failure to make a truthful disclosure on the building permit of the actual cost to construct the improvement.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.