
SUBSTITUTE SENATE BILL 6170

State of Washington

54th Legislature

1996 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senators Winsley and Haugen)

Read first time 02/02/96.

1 AN ACT Relating to consideration of health and environmental
2 regulations in the valuation of real property; and amending RCW
3 84.40.030.

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

5 **Sec. 1.** RCW 84.40.030 and 1994 c 124 s 20 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, federal, state, and local

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

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

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

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