
SENATE BILL 5914

State of Washington 52nd Legislature 1991 Regular Session

By Senator Roach.

Read first time March 4, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to taxation; and amending RCW 84.40.030, 84.52.043,
2 84.52.043, and 84.40.040.

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

4 **Sec. 1.** RCW 84.40.030 and 1988 c 222 s 14 are each amended to read
5 as follows:

6 All property shall be valued at one hundred percent of its true and
7 fair value in money and assessed on the same basis unless specifically
8 provided otherwise by law. Real property shall be valued at seventy
9 percent of its true and fair value in money and assessed on the same
10 basis unless specifically provided otherwise by law.

11 Taxable leasehold estates shall be valued at such price as they
12 would bring at a fair, voluntary sale for cash without any deductions
13 for any indebtedness owed including rentals to be paid. Notwithstanding
14 any other provisions of this section or of any other statute, when the
15 value of any taxable leasehold estate created prior to January 1, 1971

1 is being determined for assessment years prior to the assessment year
2 1973, there shall be deducted from what would otherwise be the value
3 thereof the present worth of the rentals and other consideration which
4 may be required of the lessee by the lessor for the unexpired term
5 thereof: PROVIDED, That the foregoing provisions of this sentence
6 shall not apply to any extension or renewal, made after December 31,
7 1970 of the term of any such estate, or to any such estate after the
8 date, if any, provided for in the agreement for rental renegotiation.

9 The true and fair value of real property for taxation purposes
10 (including property upon which there is a coal or other mine, or stone
11 or other quarry) shall be based upon the following criteria:

12 (1) Any sales of the property being appraised or similar properties
13 with respect to sales made within the past five years. The appraisal
14 shall take into consideration political restrictions such as zoning as
15 well as physical and environmental influences. The appraisal shall also
16 take into account, (a) in the use of sales by real estate contract as
17 similar sales, the extent, if any, to which the stated selling price
18 has been increased by reason of the down payment, interest rate, or
19 other financing terms; and (b) the extent to which the sale of a
20 similar property actually represents the general effective market
21 demand for property of such type, in the geographical area in which
22 such property is located. Sales involving deed releases or similar
23 seller-developer financing arrangements shall not be used as sales of
24 similar property.

25 (2) In addition to sales as defined in subsection (1),
26 consideration may be given to cost, cost less depreciation,
27 reconstruction cost less depreciation, or capitalization of income that
28 would be derived from prudent use of the property. In the case of
29 property of a complex nature, or being used under terms of a franchise
30 from a public agency, or operating as a public utility, or property not

1 having a record of sale within five years and not having a significant
2 number of sales of similar property in the general area, the provisions
3 of this subsection (2) shall be the dominant factors in valuation.
4 When provisions of this subsection (2) are relied upon for establishing
5 values the property owner shall be advised upon request of the factors
6 used in arriving at such value.

7 (3) In valuing any tract or parcel of real property, the value of
8 the land, exclusive of structures thereon shall be determined; also the
9 value of structures thereon, but the valuation shall not exceed the
10 value of the total property as it exists. In valuing agricultural
11 land, growing crops shall be excluded.

12 **Sec. 2.** RCW 84.52.043 and 1990 c 234 s 1 are each amended to read
13 as follows:

14 Within and subject to the limitations imposed by RCW 84.52.050 as
15 amended, the regular ad valorem tax levies upon real and personal
16 property by the taxing districts hereafter named shall be as follows:

17 (1) Levies of the senior taxing districts shall be as follows: (a)
18 The levy by the state shall not exceed three dollars and sixty cents
19 per thousand dollars of assessed value adjusted to the state equalized
20 value in accordance with the indicated ratio fixed by the state
21 department of revenue to be used exclusively for the support of the
22 common schools; (b) the levy by any county shall not exceed one dollar
23 and eighty cents per thousand dollars of assessed value; (c) the levy
24 by any road district shall not exceed two dollars and twenty-five cents
25 per thousand dollars of assessed value; and (d) the levy by any city or
26 town shall not exceed three dollars and thirty-seven and one-half cents
27 per thousand dollars of assessed value. However any county is hereby
28 authorized to increase its levy from one dollar and eighty cents to a
29 rate not to exceed two dollars and forty-seven and one-half cents per

1 thousand dollars of assessed value for general county purposes if the
2 total levies for both the county and any road district within the
3 county do not exceed four dollars and five cents per thousand dollars
4 of assessed value, and no other taxing district has its levy reduced as
5 a result of the increased county levy.

6 (2) Except as provided in RCW 84.52.100, the aggregate levies of
7 junior taxing districts and senior taxing districts, other than the
8 state, shall not exceed five dollars and ninety cents per thousand
9 dollars of assessed valuation. The term "junior taxing districts"
10 includes all taxing districts other than the state, counties, road
11 districts, cities, towns, port districts, and public utility districts.
12 The limitations provided in this subsection shall not apply to: (a)
13 Levies at the rates provided by existing law by or for any port or
14 public utility district; (b) excess property tax levies authorized in
15 Article VII, section 2 of the state Constitution; (c) levies for
16 acquiring conservation futures as authorized under RCW 84.34.230; and
17 (d) levies for emergency medical care or emergency medical services
18 imposed under RCW 84.52.069.

19 (3) A taxing district may increase its tax rate per thousand
20 dollars of assessed value by no more than one percent per year. This
21 subsection shall not apply to the first levy by or for a newly formed
22 taxing district.

23 **Sec. 3.** RCW 84.52.043 and 1990 2nd ex. sess. c 1 s 519 are each
24 amended to read as follows:

25 Within and subject to the limitations imposed by RCW 84.52.050, the
26 regular ad valorem tax levies upon real and personal property by the
27 taxing districts hereafter named shall be as follows:

28 (1) Levies of the senior taxing districts shall be as follows: (a)
29 The levy by the state shall not exceed three dollars and sixty cents

1 per thousand dollars of assessed value adjusted to the state equalized
2 value in accordance with the indicated ratio fixed by the state
3 department of revenue to be used exclusively for the support of the
4 common schools; (b) the levy by any county shall not exceed one dollar
5 and eighty cents per thousand dollars of assessed value; (c) the levy
6 by any road district shall not exceed two dollars and twenty-five cents
7 per thousand dollars of assessed value; and (d) the levy by any city or
8 town shall not exceed three dollars and thirty-seven and one-half cents
9 per thousand dollars of assessed value. However any county is hereby
10 authorized to increase its levy from one dollar and eighty cents to a
11 rate not to exceed two dollars and forty-seven and one-half cents per
12 thousand dollars of assessed value for general county purposes if the
13 total levies for both the county and any road district within the
14 county do not exceed four dollars and five cents per thousand dollars
15 of assessed value, and no other taxing district has its levy reduced as
16 a result of the increased county levy.

17 (2) Except as provided in RCW 84.52.100, the aggregate levies of
18 junior taxing districts and senior taxing districts, other than the
19 state, shall not exceed five dollars and ninety cents per thousand
20 dollars of assessed valuation. The term "junior taxing districts"
21 includes all taxing districts other than the state, counties, road
22 districts, cities, towns, port districts, and public utility districts.
23 The limitations provided in this subsection shall not apply to: (a)
24 Levies at the rates provided by existing law by or for any port or
25 public utility district; (b) excess property tax levies authorized in
26 Article VII, section 2 of the state Constitution; and (c) levies for
27 acquiring conservation futures as authorized under RCW 84.34.230.

28 (3) A taxing district may increase its tax rate per thousand
29 dollars of assessed value by no more than one percent per year. This

1 subsection shall not apply to the first levy by or for a newly formed
2 taxing district.

3 **Sec. 4.** RCW 84.40.040 and 1988 c 222 s 15 are each amended to read
4 as follows:

5 The assessor shall begin the preliminary work for each assessment
6 not later than the first day of December of each year in all counties
7 in the state. The assessor shall also complete the duties of listing
8 and placing valuations on all property by May 31st of each year, except
9 that the listing and valuation of construction under *RCW 36.21.040
10 through 36.21.080 shall be completed by August 31st of each year, and
11 in the following manner, to wit:

12 The assessor shall actually determine as nearly as practicable the
13 true and fair value of each tract or lot of land listed for taxation
14 and of each improvement located thereon and shall enter one hundred
15 percent of the value of such land and of the total value of such
16 improvements, together with the total of such one hundred percent
17 valuations, opposite each description of property on the assessment
18 list and tax roll.

19 The assessor shall make an alphabetical list of the names of all
20 persons in the county liable to assessment of personal property, and
21 require each person to make a correct list and statement of such
22 property according to the standard form prescribed by the department of
23 revenue, which statement and list shall include, if required by the
24 form, the year of acquisition and total original cost of personal
25 property in each category of the prescribed form, and shall be signed
26 and verified under penalty of perjury by the person listing the
27 property: PROVIDED, That the assessor may list and value improvements
28 on publicly owned land in the same manner as real property is listed
29 and valued, including conformance with the revaluation program required

1 under chapter 84.41 RCW. Such list and statement shall be filed on or
2 before the last day of April. The assessor shall on or before the 1st
3 day of January of each year mail a notice to all such persons at their
4 last known address that such statement and list is required, such
5 notice to be accompanied by the form on which the statement or list is
6 to be made: PROVIDED, That the notice mailed by the assessor to each
7 taxpayer each year shall, if practicable, include the statement and
8 list of personal property of the taxpayer for the preceding year. Upon
9 receipt of such statement and list the assessor shall thereupon
10 determine the true and fair value of the property included in such
11 statement and enter one hundred percent of the same for personal
12 property and seventy percent of the same for real property on the
13 assessment roll opposite the name of the party assessed; and in making
14 such entry in the assessment list, the assessor shall give the name and
15 post office address of the party listing the property, and if the party
16 resides in a city the assessor shall give the street and number or
17 other brief description of the party's residence or place of business.
18 The assessor may, after giving written notice of the action to the
19 person to be assessed, add to the assessment list any taxable property
20 which should be included in such list.