
SENATE BILL 5638

State of Washington

53rd Legislature

1993 Regular Session

By Senators Skratek, Drew, Roach, Haugen, Quigley, M. Rasmussen and Oke

Read first time 02/05/93. Referred to Committee on Government Operations.

1 AN ACT Relating to taxation of property affected by growth
2 management regulations; and amending RCW 84.40.030.

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.

9 Taxable leasehold estates shall be valued at such price as they
10 would bring at a fair, voluntary sale for cash without any deductions
11 for any indebtedness owed including rentals to be paid.
12 Notwithstanding any other provisions of this section or of any other
13 statute, when the value of any taxable leasehold estate created prior
14 to January 1, 1971 is being determined for assessment years prior to
15 the assessment year 1973, there shall be deducted from what would
16 otherwise be the value thereof the present worth of the rentals and
17 other consideration which may be required of the lessee by the lessor
18 for the unexpired term thereof: PROVIDED, That the foregoing
19 provisions of this sentence shall not apply to any extension or

1 renewal, made after December 31, 1970 of the term of any such estate,
2 or to any such estate after the date, if any, provided for in the
3 agreement for rental renegotiation.

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

7 (1) Any sales of the property being appraised or similar properties
8 with respect to sales made within the past five years. The appraisal
9 shall ~~((take into consideration political restrictions such as))~~ be
10 consistent with the comprehensive land use plan, development
11 regulations under chapter 36.70A RCW, zoning, and any other
12 governmental policies or practices in effect at the time of appraisal
13 that affect the use of property, as well as physical and environmental
14 influences. The appraisal shall also take into account, (a) in the use
15 of sales by real estate contract as similar sales, the extent, if any,
16 to which the stated selling price has been increased by reason of the
17 down payment, interest rate, or other financing terms; and (b) the
18 extent to which the sale of a similar property actually represents the
19 general effective market demand for property of such type, in the
20 geographical area in which such property is located. Sales involving
21 deed releases or similar seller-developer financing arrangements shall
22 not be used as sales of similar property.

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

35 (3) In valuing any tract or parcel of real property, the value of
36 the land, exclusive of structures thereon shall be determined; also the
37 value of structures thereon, but the valuation shall not exceed the

1 value of the total property as it exists. In valuing agricultural
2 land, growing crops shall be excluded.

--- END ---