

2 **SHB 2213** - H AMD 055

3 By Representatives Scott and Rust

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5 On page 11, after line 28, insert the following:

6 "Sec. 601. RCW 84.40.030 and 1994 c 124 s 20 are each amended to  
7 read as follows:

8 All property shall be valued at one hundred percent of its true and  
9 fair value in money and assessed on the same basis unless specifically  
10 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.

14 The true and fair value of real property for taxation purposes  
15 (including property upon which there is a coal or other mine, or stone  
16 or other quarry) shall be based upon the most probable and most  
17 reasonable use of the real property using the following criteria:

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

33 (2) In addition to sales as defined in subsection (1),  
34 consideration may be given to cost, cost less depreciation,  
35 reconstruction cost less depreciation, or capitalization of income that  
36 would be derived from prudent use of the property. In the case of  
37 property of a complex nature, or being used under terms of a franchise

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

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

13 Renumber the remaining sections consecutively and correct the title  
14 accordingly.

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