

SENATE BILL REPORT

SB 5082

As Reported By Senate Committee On:
Land Use & Planning, January 29, 2004

Title: An act relating to reducing the assessed value of property by amounts spent on mitigation fees, impact fees, and system improvement charges; and amending RCW 84.40.030.

Brief Description: Reducing assessed values of real property by the amounts expended on mitigation fees, impact fees, or system improvement charges during the assessment year.

Sponsors: Senators Stevens, Benton, Mulliken, Roach, Honeyford and McCaslin.

Brief History:

Committee Activity: Land Use & Planning: 2/3/03; 1/22/04, 1/29/04 [DPS, DNP].

SENATE COMMITTEE ON LAND USE & PLANNING

Majority Report: That Substitute Senate Bill No. 5082 be substituted therefor, and the substitute bill do pass.

Signed by Senators Mulliken, Chair; Morton, Murray and T. Sheldon.

Minority Report: Do not pass.

Signed by Senator Kline.

Staff: Genevieve Pisarski (786-7488)

Background: Current statute requires that all property shall be valued at 100 percent of its true and fair value and assessed on the same basis.

Summary of Substitute Bill: The appraisal of a tract or parcel must consider amounts expended on mitigation fees, impact fees, or system improvement charges for purposes of reducing the value.

Substitute Bill Compared to Original Bill: The requirement to reduce assessed value is replaced by a requirement that the same factors be considered in appraisal.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The amounts of these land use fees become part of the market value and result in double taxation. This does not open the door to split roll taxation; it's not a rate change. This applies only to new construction on the first round of valuation. Yet, the higher value affects the whole area.

Testimony Against: These land use fees should not be singled out. This opens the door to split roll taxation. It shifts the burden to other taxpayers. Concern about impact fees should be directed at lowering or eliminating those particular fees; property taxes pay for other things that will continue to be provided and need to be funded.

Testified: Dean Takko, Cowlitz County Assessor (con); Mark Leandeo, WA Assn. of County Assessors (con); Larry Soehren, Building Owners and Managers Assn. (pro); Eric Menhenney, WAA (pro); Genesee Adkins, 1000 Friends of WA (con).