
SUBSTITUTE SENATE BILL 5082

State of Washington

58th Legislature

2004 Regular Session

By Senate Committee on Land Use & Planning (originally sponsored by Senators Stevens, Benton, Mulliken, Roach, Honeyford and McCaslin)

READ FIRST TIME 01/30/04.

1 AN ACT Relating to reducing the assessed value of property by
2 amounts spent on mitigation fees, impact fees, and system improvement
3 charges; and amending RCW 84.40.030.

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

5 **Sec. 1.** RCW 84.40.030 and 2001 c 187 s 17 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, and any other

1 governmental policies or practices in effect at the time of appraisal
2 that affect the use of property, as well as physical and environmental
3 influences. An assessment may not be determined by a method that
4 assumes a land usage not permitted, for that property being appraised,
5 under existing zoning or land use planning ordinances or statutes. The
6 appraisal shall also take into account: (a) The amounts expended on
7 mitigation fees, impact fees, or system improvement charges since the
8 last appraisal, for purposes of reducing the value by those amounts;
9 (b) in the use of sales by real estate contract as similar sales, the
10 extent, if any, to which the stated selling price has been increased by
11 reason of the down payment, interest rate, or other financing terms;
12 and (~~(b)~~) (c) the extent to which the sale of a similar property
13 actually represents the general effective market demand for property of
14 such type, in the geographical area in which such property is located.
15 Sales involving deed releases or similar seller-developer financing
16 arrangements shall not be used as sales of similar property.

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

29 (3) In valuing any tract or parcel of real property, the true and
30 fair value of the land, exclusive of structures thereon shall be
31 determined; also the true and fair value of structures thereon, but the
32 valuation shall not exceed the true and fair value of the total
33 property as it exists. In valuing agricultural land, growing crops
34 shall be excluded.

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