
SENATE BILL 6703

State of Washington

58th Legislature

2004 Regular Session

By Senators Benton, Mulliken and Stevens

Read first time 02/02/2004. Referred to Committee on Ways & Means.

1 AN ACT Relating to the determination of assessed value for property
2 taxes; adding a new section to chapter 84.40 RCW; and creating a new
3 section.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 84.40 RCW
6 to read as follows:

7 (1) Unless the context clearly requires otherwise, the following
8 definitions apply throughout this section.

9 (a) "Base value" means the true and fair value of real property on
10 January 1, 2004, or the true and fair value on January 1st of any year
11 in which there is a change in ownership.

12 (b) "Adjusted value" means the base value of real property, plus
13 the true and fair value of new construction and improvements to real
14 property occurring after January 1st of the year used to determine base
15 value.

16 (c)(i) "Change of ownership" means a transfer of a present interest
17 in real property, including a transfer of the beneficial use of real
18 property.

1 (ii) "Change of ownership" includes, except as provided in (c) of
2 this subsection:

3 (A) Contracting to convey the title to or ownership of real
4 property upon the fulfillment of one or more stated conditions if the
5 right to possession of the property is transferred currently;

6 (B) The creation, transfer, or termination of a joint tenancy
7 interest;

8 (C) The creation, transfer, or termination of a tenancy-in-common
9 interest;

10 (D) The vesting of a right of possession or enjoyment of a
11 remainder or reversionary interest that occurs upon the termination of
12 a life estate or other similar precedent property interest;

13 (E) An interest that vests in persons other than the trustor if a
14 revocable trust becomes irrevocable; and

15 (F) The transfer of stock of a cooperative housing corporation,
16 vested with legal title to real property, that conveys to the
17 transferee the exclusive right to occupancy and possession of the
18 property or a portion of the property.

19 (iii) "Change of ownership" does not include:

20 (A) A transfer between co-owners that results in a change in the
21 method of holding title to the real property transferred without
22 changing the proportional interests of the co-owners in the real
23 property, such as a partition of a tenancy in common;

24 (B) A transfer for the purpose of merely perfecting title to the
25 real property;

26 (C) The creation, assignment, termination, or reconveyance of a
27 security interest in real property, or the substitution of a trustee
28 under a security instrument;

29 (D) A transfer of real property by the trustor, or by the trustor's
30 spouse, or by both, into a trust for so long as the transferor is the
31 sole present beneficiary of the trust, or the trust is revocable, or
32 any transfer of real property by a trustee of such trust back to the
33 trustor;

34 (E) A transfer of real property by an instrument whose terms
35 reserve to the transferor an estate for years or an estate for life.
36 However, the termination of an estate for years or life estate
37 constitutes a change of ownership;

1 (F) A transfer of real property between or among the same parties
2 for the purpose of correcting or reforming a deed to express the true
3 intention of the parties, if the original relationship between the
4 grantor and grantee is not changed; or

5 (G) An interspousal transfer of real property, including, but not
6 limited to:

7 (I) Transfers to a trustee for the beneficial use of a spouse, or
8 the surviving spouse of a deceased transferor, or by a trustee of the
9 trust to the spouse of the trustor;

10 (II) Transfers that take effect upon the death of a spouse;

11 (III) Transfers to a spouse or former spouse in connection with a
12 property settlement agreement or decree of dissolution of marriage or
13 legal separation; and

14 (IV) The creation, transfer, or termination, solely between
15 spouses, of any co-owner's interest.

16 (2) The assessed value of real property shall be its adjusted
17 value.

18 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
19 collection in 2006 and thereafter.

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