

HOUSE BILL REPORT

HB 2629

As Reported by House Committee On: Finance

Title: An act relating to the imposition of a filing fee for certain property assessment appeal petitions.

Brief Description: Authorizing the imposition of a filing fee for certain property assessment appeal petitions.

Sponsors: Representatives Springer, Rodne, Magendanz, Pettigrew, Farrell, Freeman, Moscoso, Senn, Gregerson, Pollet, Tarleton and Bergquist.

Brief History:

Committee Activity:

Finance: 2/6/14, 2/11/14 [DPS].

Brief Summary of Substitute Bill

- Permits a county legislative authority to impose a filing fee for property owners challenging commercial property valuations.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Condotta, Fitzgibbon, Hansen, Lytton, Pollet, Reykdal, Springer, Vick and Wilcox.

Staff: Richelle Geiger (786-7175).

Background:

All real and personal property in Washington is subject to property tax. The tax is calculated by multiplying the property's assessed value by the tax rate.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The county assessor determines the assessed value of property in most circumstances. Property subject to property tax is assessed at 100 percent of its true and fair market value, according to its highest and best use.

Property owners who dispute the assessed value of their property may petition the County Board of Equalization (Board) for a change in the assessed value. The petition must be filed with the Board on or before July 1 of the year of the assessment, within 30 days after the date of an assessment, value change notice, or other notice has been mailed, or within a time limit of up to 60 days if an extended period has been adopted by the county, whichever of the deadlines is later. The filing deadline may be waived under certain circumstances.

A petition to the Board must be properly completed and timely filed. To properly complete a petition, the property owner must provide to the assessor and the Board, prior to the hearing on the petition, any comparable sales, valuation evidence, or other documentary evidence that he or she intends to present at the hearing. This documentary evidence must be filed with the petition, or if it is not available when the petition is filed, no later than seven business days before the hearing.

Summary of Substitute Bill:

A county legislative authority may impose a reasonable filing fee for an owner challenging a commercial property valuation assessment before a county's board of equalization.

Commercial property does not include property used for residential purposes.

If the property owner substantially prevails in the valuation proceeding before the board, filing fees will be returned to the owner.

The fee may be waived in cases of financial hardship. The county may require a petitioner to submit basic documentation establishing the petitioner's eligibility to receive a financial hardship waiver for the filing fee.

The filing fee may not be imposed if the petitioner has not previously appealed the value of any property to the Board.

Substitute Bill Compared to Original Bill:

The county may require a petitioner to submit basic documentation establishing the petitioner's eligibility to receive a financial hardship waiver for the filing fee. The filing fee may not be imposed if the petitioner has not previously appealed the value of any property to the county board of equalization.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill addresses the mounting costs and complexity of commercial property tax appeals and revaluations. It attempts to create fairness by recovering some of the processing cost associated with the commercial property appeal process. Annually, King County spends \$2 million processing commercial property appeals. The fee would be set and collected by the county legislative authority or county board of commissioners.

Processing fees of this nature are common. The state allows counties to impose filing fees to recover costs for other quasi-judicial hearings like district courts and superior courts. Many other states allow local governments to collect filing fees. Washington wants to be in step with other states in this respect.

Persons Testifying: (In support) Representative Springer, prime sponsor; and Lloyd Hara, King County Assessor's Office.

Persons Signed In To Testify But Not Testifying: None.