
HOUSE BILL 2939

State of Washington

66th Legislature

2020 Regular Session

By Representatives Walsh, Jenkin, Boehnke, Shea, Van Werven, and Young

Read first time 02/14/20. Referred to Committee on Finance.

1 AN ACT Relating to the valuation of property for purposes of
2 state property tax levies; and amending RCW 84.40.030.

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

4 **Sec. 1.** RCW 84.40.030 and 2014 c 140 s 29 are each amended to
5 read as follows:

6 (1) ~~((All))~~ (a) Except as otherwise provided in (b) of this
7 subsection, all property must be valued at one hundred percent of its
8 true and fair value in money and assessed on the same basis unless
9 specifically provided otherwise by law.

10 (b) For purposes of state property tax levies, all property must
11 be valued at seventy-five percent of its true and fair value in money
12 and assessed on the same basis unless specifically provided otherwise
13 by law.

14 (2) Taxable leasehold estates must be valued at such price as
15 they would bring at a fair, voluntary sale for cash without any
16 deductions for any indebtedness owed including rentals to be paid.

17 (3) The true and fair value of real property for taxation
18 purposes (including property upon which there is a coal or other
19 mine, or stone or other quarry) must be based upon the following
20 criteria:

1 (a) Any sales of the property being appraised or similar
2 properties with respect to sales made within the past five years. The
3 appraisal must be consistent with the comprehensive land use plan,
4 development regulations under chapter 36.70A RCW, zoning, and any
5 other governmental policies or practices in effect at the time of
6 appraisal that affect the use of property, as well as physical and
7 environmental influences. An assessment may not be determined by a
8 method that assumes a land usage or highest and best use not
9 permitted, for that property being appraised, under existing zoning
10 or land use planning ordinances or statutes or other government
11 restrictions. The appraisal must also take into account: (i) In the
12 use of sales by real estate contract as similar sales, the extent, if
13 any, to which the stated selling price has been increased by reason
14 of the down payment, interest rate, or other financing terms; and
15 (ii) the extent to which the sale of a similar property actually
16 represents the general effective market demand for property of such
17 type, in the geographical area in which such property is located.
18 Sales involving deed releases or similar seller-developer financing
19 arrangements may not be used as sales of similar property.

20 (b) In addition to sales as defined in subsection (3)(a) of this
21 section, consideration may be given to cost, cost less depreciation,
22 reconstruction cost less depreciation, or capitalization of income
23 that would be derived from prudent use of the property, as limited by
24 law or ordinance. Consideration should be given to any agreement,
25 between an owner of rental housing and any government agency, that
26 restricts rental income, appreciation, and liquidity; and to the
27 impact of government restrictions on operating expenses and on
28 ownership rights in general of such housing. In the case of property
29 of a complex nature, or being used under terms of a franchise from a
30 public agency, or operating as a public utility, or property not
31 having a record of sale within five years and not having a
32 significant number of sales of similar property in the general area,
33 the provisions of this subsection must be the dominant factors in
34 valuation. When provisions of this subsection are relied upon for
35 establishing values the property owner must be advised upon request
36 of the factors used in arriving at such value.

37 (c) In valuing any tract or parcel of real property, the true and
38 fair value of the land, exclusive of structures thereon must be
39 determined; also the true and fair value of structures thereon, but
40 the valuation may not exceed the true and fair value of the total

1 property as it exists. In valuing agricultural land, growing crops
2 must be excluded. For purposes of this subsection (3)(c), "growing
3 crops" does not include marijuana as defined under RCW 69.50.101.

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