
SENATE BILL 6370

State of Washington 52nd Legislature 1992 Regular Session

By Senators Metcalf, Thorsness and McCaslin

Read first time 01/27/92. Referred to Committee on Governmental Operations.

1 AN ACT Relating to valuation of property; and amending RCW
2 84.40.030.

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

4 **Sec. 1.** RCW 84.40.030 and 1988 c 222 s 14 are each amended to read
5 as follows:

6 All property shall be valued at one hundred percent of its true and
7 fair value in money and assessed on the same basis unless specifically
8 provided otherwise by law.

9 Taxable leasehold estates shall be valued at such price as they
10 would bring at a fair, voluntary sale for cash without any deductions
11 for any indebtedness owed including rentals to be paid.
12 Notwithstanding any other provisions of this section or of any other
13 statute, when the value of any taxable leasehold estate created prior
14 to January 1, 1971 is being determined for assessment years prior to

1 the assessment year 1973, there shall be deducted from what would
2 otherwise be the value thereof the present worth of the rentals and
3 other consideration which may be required of the lessee by the lessor
4 for the unexpired term thereof: PROVIDED, That the foregoing
5 provisions of this sentence shall not apply to any extension or
6 renewal, made after December 31, 1970 of the term of any such estate,
7 or to any such estate after the date, if any, provided for in the
8 agreement for rental renegotiation.

9 The true and fair value of real property for taxation purposes
10 (including property upon which there is a coal or other mine, or stone
11 or other quarry) shall be based upon the following criteria:

12 (1) Any sales of the property being appraised or similar properties
13 with respect to sales made within the past five years. The appraisal
14 shall take into consideration political restrictions such as zoning,
15 growth management restrictions, environmental regulations, and any
16 other governmental restrictions on the use of property as well as
17 physical and environmental influences. The appraisal shall also take
18 into account, (a) in the use of sales by real estate contract as
19 similar sales, the extent, if any, to which the stated selling price
20 has been increased by reason of the down payment, interest rate, or
21 other financing terms; and (b) the extent to which the sale of a
22 similar property actually represents the general effective market
23 demand for property of such type, in the geographical area in which
24 such property is located. Sales involving deed releases or similar
25 seller-developer financing arrangements shall not be used as sales of
26 similar property.

27 (2) In addition to sales as defined in subsection (1),
28 consideration may be given to cost, cost less depreciation,
29 reconstruction cost less depreciation, or capitalization of income that
30 would be derived from prudent use of the property. In the case of

1 property of a complex nature, or being used under terms of a franchise
2 from a public agency, or operating as a public utility, or property not
3 having a record of sale within five years and not having a significant
4 number of sales of similar property in the general area, the provisions
5 of this subsection (2) shall be the dominant factors in valuation.
6 When provisions of this subsection (2) are relied upon for establishing
7 values the property owner shall be advised upon request of the factors
8 used in arriving at such value.

9 (3) In valuing any tract or parcel of real property, the value of
10 the land, exclusive of structures thereon shall be determined; also the
11 value of structures thereon, but the valuation shall not exceed the
12 value of the total property as it exists. In valuing agricultural
13 land, growing crops shall be excluded.