

HOUSE BILL REPORT

HB 2723

As Reported By House Committee On:
Revenue

Title: An act relating to appeals of property valuation.

Brief Description: Changing who may appeal a county assessor's property valuation.

Sponsors: Representatives Holm, Romero, Cothern and Wolfe.

Brief History:

Reported by House Committee on:
Revenue, February 8, 1994, DPS.

HOUSE COMMITTEE ON REVENUE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Anderson; Brown; Caver; Cothern; Leonard; Romero; Rust; Thibaudeau and Wang.

Minority Report: Do not pass. Signed by 5 members: Representatives Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Silver; Talcott and Van Luven.

Staff: Bob Longman (786-7139).

Background: County boards of equalization provide the first level of appeal for property owners who dispute their assessed value. Appeals of county boards of equalization decisions are taken to the state board of tax appeals.

County boards of equalization ensure all parcels of property are valued correctly by ruling on appeals of property owners who believe their property has been incorrectly assessed and by examining the county assessment roll and "equalizing" the property values. County boards may review value on their own motion or when an appeal is filed.

Only the owner or person responsible for paying property taxes on any property may petition the county board of equalization for a change in the assessed valuation placed upon the property by the assessor. Appeals by other persons are not permitted, even though a low valuation on one piece

of property may result in higher taxes on other properties. Nor may a taxing district official appeal a low valuation that might erode the district's tax base.

Summary of Substitute Bill: The governing body of the county, city or town, or school district may appeal a property value to the county board of equalization.

Substitute Bill Compared to Original Bill: The original bill allowed individual local government officials to appeal property values. The substitute requires the governing body to make the appeal. The substitute bill also strikes language in the original bill that conditioned the appeal on the local government official's judgment that the property valuation erodes a jurisdiction's tax base and is detrimental to the jurisdiction's other property taxpayers.

Fiscal Note: Requested January 27, 1994.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: When values are reduced for some properties the taxes are shifted to other property owners. Over the past ten years, the share of property taxes paid by residential property has increased from 50 percent to 65 percent. This bill would allow others to appeal to the county board of equalization to protect against tax shifts onto residential taxpayers.

Testimony Against: The assessor sets value at market value. The values set by the assessor do not determine the assessor's budget. This proposal would allow local government officials to appeal values when the assessed value affects budgets. Property values should be set to market value and should not be changed because they might affect budgets.

Witnesses: Dave Wood, People for Fair Taxes (pro); and Fred Saeger, Washington Association of County Officials (con).