

HOUSE BILL REPORT

SB 5638

As Reported By House Committee On:
Revenue

Title: An act relating to taxation of property affected by growth management regulations.

Brief Description: Modifying property tax valuation of property affected by growth management regulations.

Sponsors: Senators Skratek, Drew, Roach, Haugen, Quigley, M. Rasmussen and Oke.

Brief History:

Reported by House Committee on:
Revenue, March 26, 1993, DPA.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass as amended. Signed by 13 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Brown; Cothorn; Morris; Romero; Rust; Silver; Talcott; Thibaudeau; Van Luven; and Wang.

Staff: Rick Peterson (786-7150).

Background: All property is valued at 100 percent of its value and assessed on the same basis, unless otherwise provided by law. The true and fair value of real property is based upon certain criteria. Sale of the property being assessed or comparable property sold within the last five years is considered. Zoning, physical and environmental influences are evaluated. Other elements are also considered, such as the market demand for properties of a certain type.

In 1990, the Growth Management Act (GMA) was passed into law in an effort to encourage development in urban areas where adequate public facilities and services are already available, and to reduce urban sprawl. Property value may be affected in areas regulating under the GMA.

Summary of Amended Bill: Property appraisals for property tax purposes are required to be consistent with the local comprehensive land use plan, development regulations under growth management planning, zoning, and other government

policies or practices in effect at the time of the appraisal that effect the use of the property.

Amended Bill Compared to Original Bill: The amended bill clarifies that only government practices and policies adopted by governing bodies must be considered when setting assessed value. This amendment conforms the bill to its companion House bill (SHB 1349) which moved out of the House Revenue Committee earlier in the session.

Fiscal Note: Available.

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

Testimony For: This underscores the need for assessors to act more promptly. Sometimes zoning considerations have had little effect on assessed values in the past. With the GMA being considered as part of the appraisal, zoning considerations will have more effect. The GMA potentially affects property values, so it should be considered in appraisals.

Testimony Against: None.

Witnesses: Paul Parker, Washington State Association of Counties; and Ron Main, King County (both in favor).