

HOUSE BILL REPORT

2SSB 6053

As Reported By House Committee On:
Local Government
Revenue

Title: An act relating to county assessors.

Brief Description: Modifying procedure for providing assistance to county assessors.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Loveland, Snyder and Haugen).

Brief History:

Reported by House Committee on:
Local Government, February 24, 1994, DPA;
Revenue, February 28, 1994, DPA(REV w/o LG)s.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass as amended. Signed by 11 members: Representatives H. Myers, Chair; Springer, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Moak; Rayburn; Van Luven and Zellinsky.

Staff: Steve Lundin (786-7127).

Background: County assessors list property and establish values of property that are used when property taxes are imposed. State law prescribes procedures to revalue property.

If an assessor wishes to implement a plan to more adequately assess property, the assessor informs the Department of Revenue and the county legislative authority. The Department of Revenue and the county legislative authority each appoint a representative or representatives who constitute a committee. The committee by unanimous vote may determine the number of certified appraiser positions and salaries for these positions to enable the county assessor to revalue property as prescribed in law. The assessor may propose in the budget for the assessors office for each of the next four years that these positions and salaries be provided and the county legislative authority shall allow sufficient funds for these positions.

Summary of Amended Bill: Provisions are altered relating to the committee that may be formed to determine the number and salary of appraisers that are needed by a county assessor to revalue property.

A committee is formed by written request by a county assessor to determine the level and duration of funding that is necessary to complete the listing and valuation of property in the county within the time prescribed in law. The department responds in writing if it will participate in forming the committee and may designate a representative who, together with the assessor and a designated member of the county legislative authority, constitute the committee.

The committee may make unanimous recommendations on the level and duration of funding for appraisers, support staff, computer equipment and software, and other resources necessary for the assessor to adequately maintain and complete the revaluation program within the time required by law. The committee member from the department reports the committee's recommendations and also makes his or her own recommendations to the department.

If the recommendations are unanimous, the department prepares a contract to be signed by the assessor and county legislative authority concerning:

- o a specific funding level for a specified number of years;
- o assurance by the assessor that funds will be used in accordance with the recommendations;
- o a procedure for the county legislative authority to request evaluation by the department of the assessor's performance under the contract; and
- o a provision that the county is not obligated to provide specified funding if the evaluation concludes that the assessor is not meeting the contract requirements.

If insufficient funding exists, the county may delay implementing the plan. The county may use monies from any fund to repay the loan.

The State Assessors' Assistance Fund is created in the custody of the State Treasurer. Monies in the fund are used to make loans to assist counties finance revaluation programs under a contract for these programs. All receipts from repayment of loans and interest on the loans are deposited in the fund. An appropriation is not necessary for expenditures from the fund.

The act takes effect on July 1, 1994, but is null and void if appropriations for the fund are not provided by June 30, 1994.

Amended Bill Compared to Second Substitute Bill: The committee's recommendations must be unanimous. The county may delay implementing the plan if insufficient funding exists. The county may use money in any fund to repay the loan.

Fiscal Note: Available.

Effective Date of Amended Bill: The act takes effect on July 1, 1994 but is null and void if appropriations for the fund are not provided by June 30, 1994.

Testimony For: Several counties have extreme fiscal problems and are unable to appropriate sufficient money to adequately assess property values. The loans will allow these counties to more adequately assess property. By adding values to the tax rolls, more revenues will come in for all taxing districts. This is tax equity.

Testimony Against: None.

Witnesses: Senator Loveland, prime sponsor; Jerry Porter, Pacific County Assessor; Ben Gassaway, Clark County Assessor; Gary Lowe, Washington State Association of Counties; Fred Saeger, Washington Association of County Officials; and Will Rice, Department of Revenue.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass as amended by Committee on Revenue and without amendment by Committee on Local Government. Signed by 15 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Anderson; Brown; Caver; Cothorn; Leonard; Romero; Rust; Silver; Talcott; Van Luven and Wang.

Staff: Rick Peterson (786-7150).

Summary of Recommendation of Committee on Revenue Compared to Recommendation of Committee on Local Government: The Revenue Committee striking amendment incorporates the Local Government striker and makes it clear that a county's obligation to comply with its revaluation plan is not contingent on funding from the loan program.

Fiscal Note: Available.

Effective Date: The bill takes effect July 1, 1994 but is null and void if appropriations for the fund are not provided by June 30, 1994.

Testimony For: The bill will allow assessors to do a "fairer" job of valuing property. Currently, many counties cannot keep up with the revaluation cycle and cannot add all the new construction to the tax roll. This is not fair to other property owners who are paying taxes. The bill will create a revolving loan fund that can help three or four counties a year to get up to date on their revaluation cycles. In 1955 and 1969, the state appropriated money to upgrade the assessment process. This time rather than an appropriation, it is a loan program.

Testimony Against: None.

Witnesses: Will Rice, Department of Revenue; Gary Lowe, Washington State Association of Counties; Jerry Porter, Pacific County Assessor; and Fred Saeger, Washington Association of County Officials.