

SENATE BILL REPORT

SB 5638

AS PASSED SENATE, MARCH 15, 1993

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

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

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: Do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, Owen, and Winsley.

Staff: Katie Healy (786-7784)

Hearing Dates: February 19, 1993; February 23, 1993

HOUSE COMMITTEE ON REVENUE

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. Sales of the property being sold 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:

The affect of regulating under the GMA is included as another factor in the appraisal of property. The appraisal of property is consistent with the comprehensive land use plan and development regulations under the GMA, zoning, any other governmental policies or practices in effect at the time of appraisal which affects the use of property. These elements are in addition to those already considered in an appraisal.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

This underscores the need for assessors to act more promptly. Sometime zoning considerations have had little effect in the past. With the GMA being considered as part of the appraisal, zoning considerations will have more effect. Easy rezones will no longer be available. The GMA potentially affects property values, so should be considered in appraisals. A suggestion was made that other elements in appraisals be considered as well, such as mapping.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Fred Saeger, Washington Association of County Officials; Glen Hudson, Washington Realtors; Ron Main, King County Council; Paul Parker, Washington Association of Counties

HOUSE AMENDMENT(S):

Only government practices and policies adopted by governing bodies must be considered when setting assessed value. A county assessor, in computing assessed value, must take into consideration any reduction in property values or highest and best use that are the result of a direct government action. Counties, cities, and towns are responsible for providing county assessors information concerning governmental policies or practices, including moratoriums, in effect at the time of appraisal that directly or indirectly affect the value or use of the appraised property.