
SUBSTITUTE HOUSE BILL 1349

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Revenue (originally sponsored by Representatives Rust, Talcott, Leonard, Foreman, Linville, Fuhrman, Wang, Holm, Brown, Romero, Thibaudeau, Roland, Cothorn, Vance, Pruitt, Jacobsen, Ballasiotes, Edmondson, Campbell, Brough, Chandler, Wood, Horn, Miller, King, Kremen, Wolfe, Long, Sheahan, Forner, Cooke, R. Meyers, Morton, Flemming, Morris, Reams, Sehlin, Thomas, Casada and Basich)

Read first time 02/26/93.

1 AN ACT Relating to taxation of property affected by growth
2 management regulations; and amending RCW 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
15 the assessment year 1973, there shall be deducted from what would
16 otherwise be the value thereof the present worth of the rentals and
17 other consideration which may be required of the lessee by the lessor
18 for the unexpired term thereof: PROVIDED, That the foregoing
19 provisions of this sentence shall not apply to any extension or

1 renewal, made after December 31, 1970 of the term of any such estate,
2 or to any such estate after the date, if any, provided for in the
3 agreement for rental renegotiation.

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

7 (1) Any sales of the property being appraised or similar properties
8 with respect to sales made within the past five years. The appraisal
9 shall ~~((take into consideration political restrictions such as))~~ be
10 consistent with the comprehensive land use plan, development
11 regulations under chapter 36.70A RCW, zoning, and any other
12 governmental policies or practices adopted by the governing body of a
13 local government and in effect at the time of appraisal that affect the
14 use of property, as well as physical and environmental influences. The
15 appraisal shall also take into account, (a) in the use of sales by real
16 estate contract as similar sales, the extent, if any, to which the
17 stated selling price has been increased by reason of the down payment,
18 interest rate, or other financing terms; and (b) the extent to which
19 the sale of a similar property actually represents the general
20 effective market demand for property of such type, in the geographical
21 area in which such property is located. Sales involving deed releases
22 or similar seller-developer financing arrangements shall not be used as
23 sales of similar property.

24 (2) In addition to sales as defined in subsection (1),
25 consideration may be given to cost, cost less depreciation,
26 reconstruction cost less depreciation, or capitalization of income that
27 would be derived from prudent use of the property. In the case of
28 property of a complex nature, or being used under terms of a franchise
29 from a public agency, or operating as a public utility, or property not
30 having a record of sale within five years and not having a significant
31 number of sales of similar property in the general area, the provisions
32 of this subsection (2) shall be the dominant factors in valuation.
33 When provisions of this subsection (2) are relied upon for establishing
34 values the property owner shall be advised upon request of the factors
35 used in arriving at such value.

36 (3) In valuing any tract or parcel of real property, the value of
37 the land, exclusive of structures thereon shall be determined; also the
38 value of structures thereon, but the valuation shall not exceed the

1 value of the total property as it exists. In valuing agricultural
2 land, growing crops shall be excluded.

--- END ---