

# HOUSE BILL REPORT

## ESHB 2485

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### As Passed Legislature

**Title:** An act relating to reducing property tax assessments in response to government restrictions.

**Brief Description:** Reducing property tax assessments in response to government restrictions.

**Sponsors:** By House Committee on Government Operations (originally sponsored by Representatives H. Sommers, Rust, Reams, Scheuerman, Regala, Kessler, Costa, Chopp, Murray, Conway, Valle, Tokuda, Basich, Wolfe, Patterson, Dellwo and Linville).

**Brief History:**

**Committee Activity:**

Government Operations: 1/26/96, 2/2/96 [DPS].

**Floor Activity:**

Passed House: 2/12/96, 97-0.

Senate Amended.

House Concurred.

Passed Legislature.

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### HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Goldsmith, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Conway; R. Fisher; Hargrove; Honeyford; Hymes; Mulliken; Scheuerman; D. Schmidt; Van Luven and Wolfe.

**Staff:** Steve Lundin (786-7127).

**Background:** Each county assessor is required to establish an active program to revalue all real property in the county at least once each four years; that includes a physical inspection of property at least once each six years.

The county assessor is required to mail a notice of any change in true and fair value of real property and any improvements on the real property to the taxpayer within 30 days of the appraisal. Provisions are made for the owner or person responsible for

paying taxes on any property to petition the county Board of Equalization for a change in the assessed valuation. An appeal must be filed with the Board of Equalization on or before July 1 of the year of the appraisal or within 30 days after the notice of a change in assessment was mailed, whichever is later. The Board of Equalization hears the appeal and renders its decision.

Any taxpayer or taxing district feeling aggrieved by the decision of a county Board of Equalization may appeal the decision to the state Board of Tax Appeals within 30 days of when the decision was mailed to the taxpayer. The Board of Tax Appeals hears the appeal and renders its decision. Decisions of the Board of Tax Appeals are appealable to superior court.

In addition, the assessor may cancel or correct assessments on the assessment or tax rolls which are due to "manifest error" in the description, double assessments, or clerical errors, if the cancellation or correction does not involve the revaluation of the property.

**Summary of Bill:** The "manifest error" procedure to correct assessment errors on the assessment or tax rolls is altered by adding a new procedure to revalue property. Under the new procedure, the assessor may revalue property on the assessment or tax roll if the taxpayer produces proof that an authorized land use authority has made a "definitive change" in the property's land use designation and the assessor and taxpayer sign an agreement on the true and fair value of the property. A correction under the new procedure may not be made for an assessment more than three years prior to the year in which the error is discovered.

If assessments are reduced under the new procedure, a taxpayer is eligible for a refund in taxes that were paid based upon the higher valuation.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This is one of a number of bills addressing concerns over taxing property after land use restrictions have been increased.

**Testimony Against:** The 60-day time period is too short. Without clarification, it is possible that under the language of the original bill values could not be increased during the normal revaluation cycle if someone requested reconsideration of his or her value.

**Testified:** Representative Rust, secondary sponsor; and Fred Saeger, Washington Association of County Officials.