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SENATE BILL 5053

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State of Washington

55th Legislature

1997 Regular Session

By Senator McCaslin

Read first time 01/13/97. Referred to Committee on Government Operations.

1 AN ACT Relating to property owners' rights to property uses  
2 presumed in assessment calculations; amending RCW 84.40.030, 35.44.047,  
3 and 36.94.220; adding a new section to chapter 35.22 RCW; adding a new  
4 section to chapter 35.63 RCW; adding a new section to chapter 35A.63  
5 RCW; adding a new section to chapter 36.32 RCW; and adding a new  
6 section to chapter 36.70 RCW.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 84.40.030 and 1994 c 124 s 20 are each amended to read  
9 as follows:

10 All property shall be valued at one hundred percent of its true and  
11 fair value in money and assessed on the same basis unless specifically  
12 provided otherwise by law.

13 Taxable leasehold estates shall be valued at such price as they  
14 would bring at a fair, voluntary sale for cash without any deductions  
15 for any indebtedness owed including rentals to be paid.

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

1 (1) Any sales of the property being appraised or similar properties  
2 with respect to sales made within the past five years. The appraisal  
3 shall be consistent with the comprehensive land use plan, development  
4 regulations under chapter 36.70A RCW, zoning, and any other  
5 governmental policies or practices in effect at the time of appraisal  
6 that affect the use of property, as well as physical and environmental  
7 influences. In the event an assessment is determined by a method which  
8 assumes a land usage not permitted under existing zoning or land use  
9 planning ordinances or statutes, the owner may, from the time such  
10 assessment is entered upon the assessment roll, use such property in  
11 the manner assumed in calculating such assessment, notwithstanding the  
12 restrictions of such zoning or land use planning ordinances or  
13 statutes. The appraisal shall also take into account: (a) In the use  
14 of sales by real estate contract as similar sales, the extent, if any,  
15 to which the stated selling price has been increased by reason of the  
16 down payment, interest rate, or other financing terms; and (b) the  
17 extent to which the sale of a similar property actually represents the  
18 general effective market demand for property of such type, in the  
19 geographical area in which such property is located. Sales involving  
20 deed releases or similar seller-developer financing arrangements shall  
21 not be used as sales of similar property.

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

34 (3) In valuing any tract or parcel of real property, the value of  
35 the land, exclusive of structures thereon shall be determined; also the  
36 value of structures thereon, but the valuation shall not exceed the  
37 value of the total property as it exists. In valuing agricultural  
38 land, growing crops shall be excluded.

1       **Sec. 2.** RCW 35.44.047 and 1969 ex.s. c 258 s 7 are each amended to  
2 read as follows:

3       Notwithstanding the methods of assessment provided in RCW  
4 35.44.030, 35.44.040 and 35.44.045, the city or town may use any other  
5 method or combination of methods to compute assessments which may be  
6 deemed to more fairly reflect the special benefits to the properties  
7 being assessed. The failure of the council to specifically recite in  
8 its ordinance ordering the improvement and creating the local  
9 improvement district that it will not use the zone and termini method  
10 of assessment shall not invalidate the use of any other method or  
11 methods of assessment. An assessment may be determined by a method  
12 which assumes a land usage for a particular lot, tract, or parcel not  
13 permitted under existing zoning or land-use planning ordinances or  
14 statutes, provided that the owner may, from the time such assessment is  
15 entered upon the assessment roll, use any such lot, tract, or parcel of  
16 land in the manner assumed in calculating such assessment,  
17 notwithstanding the restrictions of such zoning or land-use planning  
18 ordinances or statutes.

19       **Sec. 3.** RCW 36.94.220 and 1981 c 313 s 3 are each amended to read  
20 as follows:

21       (1) A county shall have the power to establish utility local  
22 improvement districts and local improvement districts within the area  
23 of a sewerage and/or water general plan and to levy special assessments  
24 under a mode of annual installments extending over a period not  
25 exceeding twenty years on all property specially benefited by any local  
26 improvement on the basis of the special benefits to pay in whole or in  
27 part the damages or costs of any improvements ordered in such county.

28       (2) Utility local improvement districts and local improvement  
29 districts may include territory within a city or town only with the  
30 written consent of the city or town, but if the local district is  
31 formed before such area is included within the city or town, no such  
32 consent shall be necessary. Utility local improvement districts and  
33 local improvement districts used to provide sewerage disposal systems  
34 may include territory within a sewer district or within a water  
35 district providing sewerage disposal systems only with the written  
36 consent of the sewer district or such a water district, but if the  
37 local district is formed before such area is included within the sewer  
38 district or such a water district, no consent is necessary. Utility

1 local improvement districts and local improvement districts used to  
2 provide water systems may include territory within a water district or  
3 within a sewer district providing water systems only with the written  
4 consent of the water district or such a sewer district, but if the  
5 local district is formed before such area is included within the water  
6 district or such a sewer district, no consent is necessary.

7 (3) The levying, collection, and enforcement of all public  
8 assessments hereby authorized shall be in the manner now and hereafter  
9 provided by law for the levying, collection, and enforcement of local  
10 improvement assessments by cities and towns, insofar as the same shall  
11 not be inconsistent with the provisions of this chapter. In addition,  
12 the county shall file the preliminary assessment roll at the time and  
13 in the manner prescribed in RCW 35.50.005. The duties devolving upon  
14 the city treasurer under such laws are imposed upon the county  
15 treasurer for the purposes of this chapter. The mode of assessment  
16 shall be in the manner to be determined by the county legislative  
17 authority by ordinance or resolution. As an alternative to equal  
18 annual assessment installments of principal provided for cities and  
19 towns, a county legislative authority may provide for the payment of  
20 such assessments in equal annual installments of principal and  
21 interest. Assessments in any local district may be made on the basis  
22 of special benefits up to but not in excess of the total cost of any  
23 sewerage and/or water improvement made with respect to that local  
24 district and the share of any general sewerage and/or water facilities  
25 allocable to that district. In utility local improvement districts,  
26 assessments shall be deposited into the revenue bond fund or general  
27 obligation bond fund established for the payment of bonds issued to pay  
28 such costs which bond payments are secured in part by the pledge of  
29 assessments, except pending the issuance and sale of such bonds,  
30 assessments may be deposited in a fund for the payment of such costs.  
31 In local improvement districts, assessments shall be deposited into a  
32 fund for the payment of such costs and local improvement bonds issued  
33 to finance the same or into the local improvement guaranty fund as  
34 provided by applicable statute.

35 (4) An assessment may be determined by a method which assumes a  
36 land usage for a particular lot, tract, or parcel not permitted under  
37 existing zoning or land-use planning ordinances or statutes, provided  
38 that the owner may, from the time such assessment is entered upon the  
39 assessment roll, use any such lot, tract, or parcel of land in the

1 manner assumed in calculating such assessment, notwithstanding the  
2 restrictions of such zoning or land-use planning ordinances or  
3 statutes.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 35.22 RCW  
5 to read as follows:

6 Zoning and other land use controls adopted by a first class city  
7 under the authority of its charter are subject to the owner's right to  
8 property uses presumed in assessment calculations provided in RCW  
9 84.40.030, 35.44.047, and 36.94.220.

10 NEW SECTION. **Sec. 5.** A new section is added to chapter 35.63 RCW  
11 to read as follows:

12 County, city, and town zoning and other land use controls are  
13 subject to the owner's right to property uses presumed in assessment  
14 calculations provided in RCW 84.40.030, 35.44.047, and 36.94.220.

15 NEW SECTION. **Sec. 6.** A new section is added to chapter 35A.63 RCW  
16 to read as follows:

17 Code city zoning and other land use controls are subject to the  
18 owner's right to property uses presumed in assessment calculations  
19 provided in RCW 84.40.030, 35.44.047, and 36.94.220.

20 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.32 RCW  
21 to read as follows:

22 Zoning and other land use controls adopted by a charter county  
23 under the authority of its charter are subject to the owner's right to  
24 property uses presumed in assessment calculations provided in RCW  
25 84.40.030, 35.44.047, and 36.94.220.

26 NEW SECTION. **Sec. 8.** A new section is added to chapter 36.70 RCW  
27 to read as follows:

28 County zoning and other land use controls are subject to the  
29 owner's right to property uses presumed in assessment calculations  
30 provided in RCW 84.40.030, 35.44.047, and 36.94.220.

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