
SUBSTITUTE SENATE BILL 5056

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Government Operations (originally sponsored by Senators McCaslin and Roach)

Read first time 01/31/97.

1 AN ACT Relating to limiting property assessments to permitted land
2 use; 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 1994 c 124 s 20 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 The true and fair value of real property for taxation purposes
13 (including property upon which there is a coal or other mine, or stone
14 or other quarry) shall be based upon the following criteria:

15 (1) Any sales of the property being appraised or similar properties
16 with respect to sales made within the past five years. The appraisal
17 shall be consistent with the comprehensive land use plan, development
18 regulations under chapter 36.70A RCW, zoning, and any other
19 governmental policies or practices in effect at the time of appraisal

1 that affect the use of property, as well as physical and environmental
2 influences. An assessment may not be determined by a method that
3 assumes a land usage not permitted, for that property being appraised,
4 under existing zoning or land use planning ordinances or statutes. The
5 appraisal shall also take into account: (a) In the use of sales by
6 real estate contract as similar sales, the extent, if any, to which the
7 stated selling price has been increased by reason of the down payment,
8 interest rate, or other financing terms; and (b) the extent to which
9 the sale of a similar property actually represents the general
10 effective market demand for property of such type, in the geographical
11 area in which such property is located. Sales involving deed releases
12 or similar seller-developer financing arrangements shall not be used as
13 sales of similar property.

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

26 (3) In valuing any tract or parcel of real property, the value of
27 the land, exclusive of structures thereon shall be determined; also the
28 value of structures thereon, but the valuation shall not exceed the
29 value of the total property as it exists. In valuing agricultural
30 land, growing crops shall be excluded.

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