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SENATE BILL 5056

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State of Washington

55th Legislature

1997 Regular Session

By Senators McCaslin and Roach

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

1 AN ACT Relating to limiting property assessments to permitted land  
2 use; and amending RCW 84.40.030, 35.44.047, and 36.94.220.

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

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

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

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

32 Notwithstanding the methods of assessment provided in RCW  
33 35.44.030, 35.44.040 and 35.44.045, the city or town may use any other  
34 method or combination of methods to compute assessments which may be  
35 deemed to more fairly reflect the special benefits to the properties  
36 being assessed. The failure of the council to specifically recite in  
37 its ordinance ordering the improvement and creating the local  
38 improvement district that it will not use the zone and termini method

1 of assessment shall not invalidate the use of any other method or  
2 methods of assessment. An assessment may not be determined by a method  
3 that assumes a land usage for a particular lot, tract, or parcel not  
4 permitted under existing zoning or land use planning ordinances or  
5 statutes.

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

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

15       (2) Utility local improvement districts and local improvement  
16 districts may include territory within a city or town only with the  
17 written consent of the city or town, but if the local district is  
18 formed before such area is included within the city or town, no such  
19 consent shall be necessary. Utility local improvement districts and  
20 local improvement districts used to provide sewerage disposal systems  
21 may include territory within a sewer district or within a water  
22 district providing sewerage disposal systems only with the written  
23 consent of the sewer district or such a water district, but if the  
24 local district is formed before such area is included within the sewer  
25 district or such a water district, no consent is necessary. Utility  
26 local improvement districts and local improvement districts used to  
27 provide water systems may include territory within a water district or  
28 within a sewer district providing water systems only with the written  
29 consent of the water district or such a sewer district, but if the  
30 local district is formed before such area is included within the water  
31 district or such a sewer district, no consent is necessary.

32       (3) The levying, collection, and enforcement of all public  
33 assessments hereby authorized shall be in the manner now and hereafter  
34 provided by law for the levying, collection, and enforcement of local  
35 improvement assessments by cities and towns, insofar as the same shall  
36 not be inconsistent with the provisions of this chapter. In addition,  
37 the county shall file the preliminary assessment roll at the time and  
38 in the manner prescribed in RCW 35.50.005. The duties devolving upon

1 the city treasurer under such laws are imposed upon the county  
2 treasurer for the purposes of this chapter. The mode of assessment  
3 shall be in the manner to be determined by the county legislative  
4 authority by ordinance or resolution. As an alternative to equal  
5 annual assessment installments of principal provided for cities and  
6 towns, a county legislative authority may provide for the payment of  
7 such assessments in equal annual installments of principal and  
8 interest. Assessments in any local district may be made on the basis  
9 of special benefits up to but not in excess of the total cost of any  
10 sewerage and/or water improvement made with respect to that local  
11 district and the share of any general sewerage and/or water facilities  
12 allocable to that district. In utility local improvement districts,  
13 assessments shall be deposited into the revenue bond fund or general  
14 obligation bond fund established for the payment of bonds issued to pay  
15 such costs which bond payments are secured in part by the pledge of  
16 assessments, except pending the issuance and sale of such bonds,  
17 assessments may be deposited in a fund for the payment of such costs.  
18 In local improvement districts, assessments shall be deposited into a  
19 fund for the payment of such costs and local improvement bonds issued  
20 to finance the same or into the local improvement guaranty fund as  
21 provided by applicable statute.

22 (4) An assessment may not be determined by a method that assumes a  
23 land usage for a particular lot, tract, or parcel not permitted under  
24 existing zoning or land use planning ordinances or statutes.

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