
SENATE BILL 5153

State of Washington

55th Legislature

1997 Regular Session

By Senators Sellar and Loveland

Read first time 01/16/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to prohibiting separate reporting and valuation of
2 intangible personal property; and amending RCW 84.40.030 and 84.40.040.

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

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

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

28 (4) In valuing property, intangible personal property shall not be
29 valued separately.

30 **Sec. 2.** RCW 84.40.040 and 1988 c 222 s 15 are each amended to read
31 as follows:

32 The assessor shall begin the preliminary work for each assessment
33 not later than the first day of December of each year in all counties
34 in the state. The assessor shall also complete the duties of listing
35 and placing valuations on all property by May 31st of each year,
36 (~~except that the listing and valuation of construction under RCW~~
37 ~~36.21.040 through 36.21.080 shall be completed by August 31st of each~~
38 ~~year,~~) and in the following manner, to wit:

1 The assessor shall actually determine as nearly as practicable the
2 true and fair value of each tract or lot of land listed for taxation
3 and of each improvement located thereon and shall enter one hundred
4 percent of the value of such land and of the total value of such
5 improvements, together with the total of such one hundred percent
6 valuations, opposite each description of property on the assessment
7 list and tax roll.

8 The assessor shall make an alphabetical list of the names of all
9 persons in the county liable to assessment of personal property, and
10 require each person to make a correct list and statement of such
11 property according to the standard form prescribed by the department of
12 revenue, which statement and list shall include, if required by the
13 form, the year of acquisition and total original cost of personal
14 property in each category of the prescribed form, and shall be signed
15 and verified under penalty of perjury by the person listing the
16 property: PROVIDED, That the assessor may list and value improvements
17 on publicly owned land in the same manner as real property is listed
18 and valued, including conformance with the revaluation program required
19 under chapter 84.41 RCW. Such list and statement shall be filed on or
20 before the last day of April. The assessor shall on or before the 1st
21 day of January of each year mail a notice to all such persons at their
22 last known address that such statement and list is required, such
23 notice to be accompanied by the form on which the statement or list is
24 to be made: PROVIDED, That the notice mailed by the assessor to each
25 taxpayer each year shall, if practicable, include the statement and
26 list of personal property of the taxpayer for the preceding year. Upon
27 receipt of such statement and list the assessor shall thereupon
28 determine the true and fair value of the property included in such
29 statement and enter one hundred percent of the same on the assessment
30 roll opposite the name of the party assessed; and in making such entry
31 in the assessment list, the assessor shall give the name and post
32 office address of the party listing the property, and if the party
33 resides in a city the assessor shall give the street and number or
34 other brief description of the party's residence or place of business.
35 The assessor may, after giving written notice of the action to the
36 person to be assessed, add to the assessment list any taxable property
37 which should be included in such list.

1 Notwithstanding the other provisions of this section, the assessor
2 shall not require a taxpayer to report intangible personal property.

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