
SENATE BILL 6025

State of Washington

55th Legislature

1997 Regular Session

By Senators Snyder, Franklin and Rasmussen

Read first time 02/27/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to the valuation of manufacturing machinery and
2 equipment for property tax purposes; amending RCW 84.40.030; creating
3 a new section; and declaring an emergency.

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

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

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

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

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

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

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

12 (2) In addition to sales as defined in subsection (1),
13 consideration may be given to cost, cost less depreciation,
14 reconstruction cost less depreciation, or capitalization of income that
15 would be derived from prudent use of the property. If property is
16 valued using a cost approach, the assessed value shall not reflect any
17 deductions made from the estimation of cost because of the sales and
18 use tax exemptions under RCW 82.08.02565 or 82.12.02565. In the case
19 of property of a complex nature, or being used under terms of a
20 franchise from a public agency, or operating as a public utility, or
21 property not having a record of sale within five years and not having
22 a significant number of sales of similar property in the general area,
23 the provisions of this subsection (2) shall be the dominant factors in
24 valuation. When provisions of this subsection (2) are relied upon for
25 establishing values the property owner shall be advised upon request of
26 the factors used in arriving at such value.

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

32 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
33 collection in 1998 and thereafter.

34 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 immediately.

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