

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5056**

55th Legislature  
1997 Regular Session

Passed by the Senate February 26, 1997  
YEAS 46 NAYS 0

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**President of the Senate**

Passed by the House April 10, 1997  
YEAS 98 NAYS 0

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**Speaker of the  
House of Representatives**

Approved

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5056** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5056**

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Passed Legislature - 1997 Regular Session

**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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