

---

SENATE BILL 5011

---

State of Washington

57th Legislature

2001 Regular Session

By Senators Stevens, Honeyford and Hochstatter

Read first time 01/08/2001. Referred to Committee on State & Local Government.

1 AN ACT Relating to reducing the assessed value of property by  
2 amounts spent on mitigation fees, impact fees, and system improvement  
3 charges; and amending RCW 84.40.030.

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

5 **Sec. 1.** RCW 84.40.030 and 1998 c 320 s 9 are each amended to read  
6 as follows:

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

10 All real property shall be appraised at one hundred percent of its  
11 true and fair value in money and assessed as provided in RCW 84.40.0305  
12 unless specifically provided otherwise by law.

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

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

1 (1) Any sales of the property being appraised or similar properties  
2 with respect to sales made within the past five years. The appraisal  
3 shall be consistent with the comprehensive land use plan, development  
4 regulations under chapter 36.70A RCW, zoning, and any other  
5 governmental policies or practices in effect at the time of appraisal  
6 that affect the use of property, as well as physical and environmental  
7 influences. An assessment may not be determined by a method that  
8 assumes a land usage not permitted, for that property being appraised,  
9 under existing zoning or land use planning ordinances or statutes. The  
10 appraisal shall also take into account: (a) In the use of sales by  
11 real estate contract as similar sales, the extent, if any, to which the  
12 stated selling price has been increased by reason of the down payment,  
13 interest rate, or other financing terms; and (b) the extent to which  
14 the sale of a similar property actually represents the general  
15 effective market demand for property of such type, in the geographical  
16 area in which such property is located. Sales involving deed releases  
17 or similar seller-developer financing arrangements shall not be used as  
18 sales of similar property.

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

31 (3) In valuing any tract or parcel of real property, the true and  
32 fair value of the land, exclusive of structures thereon shall be  
33 determined; also the true and fair value of structures thereon, but the  
34 appraised valuation shall not exceed the true and fair value of the  
35 total property as it exists. In valuing agricultural land, growing  
36 crops shall be excluded.

37 (4) In valuing any tract or parcel of real property, the assessed  
38 value shall be reduced by amounts expended on mitigation fees, impact  
39 fees, or system improvement charges during the assessment year. The

1 department of revenue may adopt rules necessary to implement this  
2 subsection (4).

--- END ---