
Finance Committee

HB 2611

Brief Description: Requiring annual revaluations of property for property tax purposes.

Sponsors: Representatives McIntire, Condotta, Hunt, Lantz, Haigh and Chase.

Brief Summary of Bill

- Requires all counties to revalue real property annually by January 1, 2012.

Hearing Date: 1/25/08

Staff: Rick Peterson (786-7150).

Background:

Property subject to property tax is assessed at its true and fair value. In most cases, this is the market value in the property's highest and best use. The values are set as of January 1. These values are used for determining property bills to be collected in the following year.

County assessors establish new assessed values on a regular revaluation cycle. The length of revaluation cycles vary by county. Nineteen counties revalue every four years, one county uses a three year revaluation cycle and one county is on a two-year schedule. For these counties a proportionate share of the county is revalued during each year of the cycle. Individual property values are not changed during the intervening years of the revaluation cycle. Eighteen counties are on a program of annual updates. Values are adjusted annually based on market value statistical data.

As part of the revaluation plan properties are physically inspected. Physical inspections must be done at least once every four years for counties using four, three, or two year revaluation cycles. Annual revaluation counties must physically inspect each property at least once every six years.

Summary of Bill:

By January 1, 2012 all counties must revalue real property annually. The Department of Revenue will provide guidance and financial assistance to counties converting to annual revaluations. The

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Department of Revenue is appropriated \$254,000 in fiscal year 2009 and \$254,000 in fiscal year 2010 from the General Fund for this purpose .

The Department of Revenue will operate a grant program to assist counties with converting to annual revaluations and for replacing computer systems used for revaluations. Grants are limited to \$500,000 per county. The Annual Property Revaluation Grant Account is created and appropriated \$5 million in fiscal year 2009, and \$5 million in fiscal year 2010 from the general fund for this purpose.

Appropriation: None.

Fiscal Note: Requested on January 15, 2008.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.