

SENATE BILL REPORT

ESHB 1826

As of March 18, 2011

Title: An act relating to providing taxpayers additional appeal protections for value changes.

Brief Description: Providing taxpayers additional appeal protections for value changes.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Orcutt, Sells, McCune, Rolfes, Angel and Hurst).

Brief History: Passed House: 3/07/11, 96-0.

Committee Activity: Ways & Means: 3/16/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dianne Criswell (786-7433)

Background: All real and personal property in this state is subject to property tax each year based on its value unless a specific exemption is provided by law. The county assessor determines assessed value for each property. 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 then used for determining property tax 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. In the 2009 assessment year, 17 counties revalued property every four years, one county every three years, and one county every two years. For these counties, a proportionate share of the county properties are revalued during each year of the cycle while the other individual property values within the county remain unchanged during the intervening years of the revaluation cycle. Twenty counties in Washington revalue annually based on market value statistical data.

When the assessor changes the property value they provide the property owner with a notice of the change. These revaluation notices are mailed within 30 days of the completed appraisal. If the value of the real property appraised has not changed, then a revaluation notice does not need to be sent to the taxpayer. Generally, in counties using two-, three-, or four-year revaluation cycles, revaluation notices are only sent to taxpayers in the revaluation year and not in the intervening years.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

County boards of equalization provide the first level of appeal for property owners who dispute the assessed value of their properties. This petition must be filed with the board of equalization on or before July 1 or within 30 days of the date the value change notice was mailed, or within a time limit of up to 60 days if an extended period has been adopted by the county. Some exceptions to the filing deadline are allowed: death or serious illness of the taxpayer or the taxpayer's immediate family; the taxpayer was absent from the address where the taxpayer normally receives the assessment or value change notice; incorrect written advice regarding filing requirements received from board of equalization staff, county assessor's staff, or staff of the county property tax advisor; a natural disaster such as flood or earthquake; or delay or loss related to the delivery of the petition by the postal service.

Summary of Bill: A county board of equalization must waive the property tax valuation appeal deadline if a request is made within a reasonable time after the normal filing deadline under the following circumstance: the taxpayer's property was in the revaluation area, the taxpayer was not sent a property value change notice, and the property value did not change from the previous year.

This act applies to taxes levied for collection in 2012 and thereafter.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 14, 2011.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This proposal was brought forward by a constituent who was unable to appeal his assessed value because he did not receive a notice because his property valuation was not adjusted. There are increasing reasons to appeal since values have decreased in the current market. This bill provides a fair opportunity to appeal. The development of this proposal has been a collaboration between assessors and taxpayers.

Persons Testifying: PRO: Representative Orcutt, prime sponsor; Diane Dorey, Lewis County Assessor, Washington Association of County Officials.