

SENATE BILL REPORT

SB 5588

As of February 11, 2015

Title: An act relating to Washington's property assessment appeal procedures.

Brief Description: Concerning Washington's property assessment appeal procedures.

Sponsors: Senators Roach, Lias, Habib, Mullet, Frockt, Miloscia, Fain, Hobbs, Chase, Hasegawa, Hill, Keiser and Fraser.

Brief History:

Committee Activity: Government Operations & Security: 2/12/15.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Staff: Karen Epps (786-7424)

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. The true and fair value of real property for taxation purposes may be assessed using the sales – market data – approach, the cost approach, the income approach, or a combination of the three. Under these respective approaches, the assessor considers the following: (1) sales within the past five years of properties comparable to the property being appraised; (2) the cost, cost less depreciation, or reconstruction cost less depreciation; and/or (3) the capitalization of income that would be derived from prudent use of the property. By administrative rule, assessors may require property owners to submit pertinent data regarding property in their control, including sales data, costs and characteristics of improvements, and other facts necessary for appraisal of the property. Property subject to property tax is assessed at its true and fair value.

Property owners who dispute the assessed value of their property may petition the County Board of Equalization (Board) for a change in the assessed value. The petition must be filed with the Board on or before July 1 of the year of the assessment; within 30 days after the date of an assessment, value change notice, or other notice has been mailed; or within a time limit of up to 60 days if an extended period has been adopted by the county, whichever of the deadlines is later. The filing deadline may be waived under certain circumstances.

When a petition is filed with the Board for review of a tax claim or valuation dispute, the county assessor must make available to the taxpayer upon request a compilation of

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comparable sales and other valuation criteria, if any, utilized by the assessor in establishing the property's valuation. Within 60 days of a taxpayer's request, but at least 14 business days prior to a taxpayer's appearance before the Board, the county assessor must make the requested information available to the taxpayer, as well as provide to the taxpayer and the Board any new evidence supporting the county assessor's valuation, if applicable.

A taxpayer who lists comparable sales on the notice of appeal must not subsequently change those sales, unless the taxpayer has found new evidence supporting the taxpayer's proposed valuation. The taxpayer must provide any additional evidence to the county assessor and the Board at least seven business days prior to the hearing. If assessor or the taxpayer fail to follow the requirements for submitting evidence, the Board may continue the hearing or refuse to consider sales not submitted in a timely manner.

Summary of Bill: Within 60 days of a taxpayer's request for review of a tax claim or valuation dispute, the county assessor must make valuation criteria and comparable sales available to a taxpayer at least 21 business days prior to the hearing. The valuation criteria and/or comparable sales may not be subsequently changed by the county assessor unless the assessor has found new evidence, in which case the county assessor must provide the additional evidence to the taxpayer and the Board at least 21 business days prior to the hearing. A taxpayer who lists comparable sales on a notice of appeal may not change the sales unless the taxpayer has found new evidence supporting the taxpayer's proposed valuation in which case the taxpayer must provide the additional evidence to the county assessor and the Board at least 21 business days prior to the hearing.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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