

SENATE BILL REPORT

SB 5709

As of February 19, 2007

Title: An act relating to real property revaluations and physical inspections for property tax purposes.

Brief Description: Providing for the scheduling of real property revaluations and physical inspections for property tax purposes.

Sponsors: Senators Parlette, Swecker and Carrell.

Brief History:

Committee Activity: Ways & Means: 2/15/07.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Article 7, Section 1 of the State Constitution provides that all taxes must be uniform on the same class of property. This means that taxes must be the same on property of the same value and requires both an equal rate and equality in valuing the property taxed. Further, assessed value must be equal to 100 percent of the fair market value of the property, unless the property qualifies under a special tax relief program.

County assessors revalue property periodically on a regular revaluation cycle. The length of the revaluation cycle varies by county. Of the 39 counties, 19 counties revalue every four years. One county, San Juan, revalues every three years, and one county, Douglas, revalues every two years. The remaining 18 counties revalue every year.

Summary of Bill: Each county in the state is required to revalue property on an annual basis by January, 2010. The Department of Revenue is required to provide the necessary assistance to those counties that are not currently on an annual revaluation cycle.

Appropriation: \$508,000 from the General Fund to the Department of Revenue to assist the counties in changing revaluation cycles.

\$9,000,000 from the General Fund to the Department of Revenue to administer a grant program for counties converting to an annual revaluation system.

Fiscal Note: Requested on February 5, 2007.

Committee/Commission/Task Force Created: No.

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

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.

Staff Summary of Public Testimony: PRO: We favor annual revaluations as we believe it gives predictability and consistency in property taxes. We would like to suggest an amendment to provide disclosure of greater itemization of the levies so you know when they started and when they will expire. We would also like to see language that would lessen the burden of proof when a taxpayer is challenging their assessment from the current clear, cogent and convincing standards to a preponderance of the evidence. We agree going to annual revaluations is a good thing, but we have some counties that have very little growth that may not make sense in the time frame within the bill.

Persons Testifying: PRO: Amber Carter, Association of Washington Business; Julie Murray, Washington Association of Counties.