

WASHINGTON VOTERS FOR FAIR PROPERTY TAX

Filed

JAN 05 2009

SECRETARY OF STATE

MISSION STATEMENT

The mission of the WA Voters for Fair Property Tax is to define the true and fair value of all real property as the cost of acquisition and cap the assessment rate at 1 percent per year during the period of ownership.*

PROCESS:

1. If owned prior to Jan. 1, 2005 the taxable value of the real property will be taken from 2005 Real Property Tax Statement.
2. If purchased on or after Jan 1, 2005, the taxable value will be the purchase price or property plus construction costs.
3. The taxable value, during ownership, is capped at 1% increase per annum creating a new tax base.
4. A new taxable value shall be established when property is sold.

RESULTS:

1. Is revenue neutral for the taxing authorities.
2. Maintains affordable housing statewide and preserves communities.
3. Assures that property owners are not taxed out of their homes, farms, businesses or land.
4. Stops taxing property owners based on what their neighbor pays for or does with their property.
5. Stops taxing real property on unrealized capital gains (market value).
6. Reduces the impact of inflation for by stabilizing the assessment growth rate.
7. Allows property owners to anticipate, budget for, and pay a predictable tax.
8. Improves the efficiency of government by streamlining the assessment process.
9. Encourages support of local bonds and levies.
10. Protects property owners from arbitrary assessments.
11. Rewards pride in property ownership.

*by amending RCW 84.40.030

1/4/2009

Basis of valuation, ~~assessment, appraisal~~ — One hundred percent of true and fair value — Exceptions — Leasehold estates — Real property — ~~Appraisal~~ — Comparable sales.

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

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

The true and fair value of real property for taxation purposes (including property upon which there is a coal or other mine, or stone or other quarry) shall be based upon the following criteria and increased one percent per year thereafter:

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

For real property owned prior to January 1, 2005, the true and fair value shall be the total assessed value of buildings, enclosures and structures and land as stated on the 2005 Real Property Tax Statement notice or the purchase price if acquired on or after Jan. 1, 2005.

(2) ~~In addition to sales as defined in subsection (1) of this section, consideration may be given to cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income that would be derived from prudent use of the property, as limited by law or ordinance. Consideration should be given to any agreement, between an owner of rental housing and any government agency, that restricts rental income, appreciation, and liquidity; and to the impact of government restrictions on operating expenses and on ownership rights in general of such housing. In the case of property of a complex nature, or being used under terms of a franchise from a public agency, or operating as a public utility, or property not having a record of sale within five years and not having a significant number of sales of similar property in the general area, the provisions of this subsection shall be the dominant factors in valuation. When provisions of this subsection are relied upon for establishing values the property owner shall be advised upon request of the factors used in arriving at such value.~~

For real property acquired on or after January 1, 2005, the true and fair value shall be the price the seller and the buyer agree upon at the time of the sale by a written sales agreement or by the documented cost of the real property including construction costs of the infrastructure and structures thereon.

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

For real property taxation purposes, if the county assessor believes that the price that the buyer and seller have agreed upon is not representative of the true and fair value of said property, they may challenge that price by hiring two (2) independent CRRA licensed appraisers to appraise said property.

- A. If the averaged property value of those appraisals is less than 110% of the agreed selling price then the true and fair value shall be the agreed sales price and the Assessor shall pay for the appraisals.
- B. If the averaged property value of those appraisals is greater than 110% of the agreed selling price then the true and fair value shall be the averaged property value and the buyer shall pay for the appraisals.

(4) For inherited real property and taxation purposes the true and fair value of the real property shall continue to be the total assessed value as shown on the real property tax statement for the year of inheritance.