



December 2009

Volume 10, Issue 4

A Holiday Message

By Brad Flaherty, Assistant Director, Property Tax Division

Inside this issue:

<i>Annual Revaluation Grant Program to Begin</i>	2
<i>Current Use: Two-Year Death Window</i>	3-4
<i>Online Training</i>	5
<i>Valuation Advisories</i>	5-6
<i>Statewide Utility Values</i>	6
<i>Property Tax: Special Notices</i>	7
<i>Faces & Places at Property Tax</i>	8
<i>Got a Property Tax Question?</i>	8

Another year is almost complete. As I look back on the last 12 months and realize how much has been accomplished, I am daunted by the tasks that still confront all of us during these difficult times. Budget cuts necessitated by the economic recession have had substantial impacts on individuals, businesses, and government organizations. The demand for governmental services continues to increase, and the public expects more from each of us.

Often people forget that the nameless, faceless organization called *government* is actually made up of dedicated individuals impacted by the same economic conditions and pressures faced by everyone else. For this reason, I want to take this opportunity to acknowledge the challenges faced by everyone in the property tax assessment community. We appreciate everything you have done this past year to provide taxpayers with quality service in these very difficult times.

In the best of times, the work of government employees is difficult. In times such as these with drastic budget cuts, reductions in personnel, and volatile property values, it can seem almost



impossible. Yet, even under these circumstances, assessors and their staffs have maintained their commitment to providing the best possible service to taxpayers. Recognizing this, many tax professionals outside of government have made a special effort to be constructive and sensitive to these challenges.

We all realize that there likely will be more budget constraints ahead, but we can and will get through the next couple of years. However, before we look too far ahead and start planning on how to meet the challenges of the upcoming year, we should pause. On behalf of all of us at the Department of Revenue's Property Tax Division, I want to thank each and every one of you for the effort you make in the administration of the property tax system in the state of Washington. The work you perform is essential in making sure the property tax system functions in an effective manner to collect taxes that fund vital governmental services. Without each of your individual contributions, this would not be possible.

Thank you again and have a wonderful...

Holiday Season.♦

Special points of interest:

- **Quarterly Reminders (see page 2)**
- **Upcoming Training (see page 3)**

This Quarter's Reminders

January 1

Existing real and personal property is valued for taxes due next year. (RCW 84.36.005 and RCW 84.40.020)

January 15

County assessor delivers tax roll to county treasurer and provides county auditor with an abstract of the tax rolls showing total amount of taxes collectible in each taxing district. (RCW 84.52.080)

Also in January...

► Property taxes can be paid once the treasurer has provided notification that the tax roll (based on last year's assessments) has been completed. (RCW 84.56.020)

March 1

Counties' new revaluation plans are due. (RCW 84.41.041, WAC 458.07.025)

March 15

Utility company annual returns are due. Penalties apply. (RCW 84.12.230 and 260) PUD Privilege Tax Annual Reports are due.

March 31

Nonprofit property tax exemption applications are due. Penalties apply. (RCW 84.36.815; 825) Property tax assistance claims for widows/widowers of qualified veterans are due. (RCW 84.39.020)

April 30

Personal property listing forms are due to the county assessor. Penalties apply. (RCW 84.40.020, 040, 060 and 130) Taxes are due. If taxes are less than \$50, full payment is due. If taxes are \$50 or more, one half of the payment is due. Second half payment is due October 31. (RCW 84.56.020) PUD Privilege Tax billings are issued.

For a complete version of the *Property Tax Calendar*, visit the Department of Revenue's website at this link: http://dor.wa.gov/Docs/Pubs/Prop_Tax/PropCal.pdf ♦

Annual Revaluation Grant Program to Begin in 2010

By Marilyn O'Connell, Grant Administrator

The County Performance and Administration section of the Department of Revenue's Property Tax Division is pleased to announce that grant funding will be available starting in 2010 to assist cyclical revaluation counties in converting to annual valuation.* Amendments have been made to RCW 84.41.041 and 82.45.180 and the state statutes now mandate that cyclical counties begin doing annual revaluation by January 1, 2014 and physical inspections of every parcel at least once every six years.

The legislation is written to specifically prioritize funding for counties that are currently doing cyclical property tax assessment, which means that parcel valuations are only updated during a property inspection year, typically every four years. Going to annual property tax assessment means that counties will now be doing a statistical update of all parcels based on an annual analysis of sales data and market factors. The advantages to this method are more equitable valuations, an increased ability to respond to a changing real estate market, and greater uniformity of assessments.

In addition, the legislation has directed the Department of Revenue to provide the necessary guidance to help counties achieve annual revaluation, including items in areas such as: appropriate data collection methods and coding, neighborhood and market delineation, statistical analysis, valuation guidelines, and training. The Department's Annual Revaluation Team is available to provide information and assistance in any of these areas and has compiled information which can be distributed to those who request it.

A grant committee was formed by the Department which included a diverse group of county assessors who represented both annual and cyclical counties from all parts of the state. They provided valuable input in helping to develop the grant program. Discussions included topics such as what types of hardware, software or training would qualify for funding; what types of counties have the greatest need for funding; and the necessity for counties to identify needs vs. wants before making purchase decisions.

The grant application packet will be available in the first quarter of 2010, with the first applications being reviewed after July 1, 2010. This will be a reimbursement program which continues until the end of 2013 and is predicated on the real estate excise tax collections. The fund will receive \$5 from every real estate transaction during that time period. As the state has experienced a downturn in transactions this past year, the projected funding may be less than what had been originally anticipated, so it will be important for interested counties to assess their situation early and get their applications in as soon as possible after grant information has been distributed.

For additional information, contact Marilyn O'Connell at (360) 570-5881 or by e-mail at

MarilynO@dor.wa.gov ♦

**RCW 84.41.180(1) The department of revenue shall administer a grant program to assist counties with, in priority order: a) converting to an annual revaluation system for property tax valuation; b) replacing computer software used for revaluations in counties where the software was purchased from commercial vendors and will not be supported by the vendor or others after January 1, 2010 or; c) the acquisition of software and integral hardware in counties currently administering an annual revaluation program where the assessor's property records are not stored in an electronic format or where the current software does not have the capacity to store, manage, and process property record components used in the valuation process. A county may use grant money to purchase computer hardware or software, repair or upgrade existing computer hardware or software, or provide necessary training related to computer hardware or software. No county is eligible for grants under this section totaling more than five hundred thousand dollars.*

~ 2010 ~ Upcoming Training

(State/County Personnel ONLY)

February 23

Mass Appraisal & Report Writing
Lacey \$125

February 9 10

IAAO 155 Workshop Depreciation
Analysis
Olympia \$125

February 11

Valuation of Unique Properties
Workshop
Olympia \$100

February 25

STARS (Statistical Tool for Analytics
and Ratio Studies)
Webinar *Free*

March 2 3

USPAP
Ellensburg \$125

March 4

USPAP Update
Ellensburg \$100

March 9

Annual Revaluation Techniques
Olympia *Free*

March 16

Annual Revaluation Techniques
Moses Lake *Free*

April 12 15

Fundamentals of the Assessor's Office
Dupont \$150

April 20 21

Ratio Study/Statistics Workshop
Ellensburg \$125

For further information, contact:

Patty Concepcion
Education Coordinator
Washington Department of Revenue
Property Tax Division
P.O. Box 47471
Olympia, WA 98504 7471
Phone: (360) 570 5866
E Mail: PattyC@dor.wa.gov

Current Use Program

Two-Year Death Window Exception

By Leslie Mullin, Current Use Specialist

Over the past few months, we've been receiving numerous phone calls regarding the two-year death window exception for land classified as current use under chapter 84.34 RCW or designated as forest land under chapter 84.33 RCW. For the purposes of this article, the information will address the Current Use Program under chapter 84.34 RCW, because the treatment of forest land under chapter 84.33 RCW is essentially the same.

After reviewing the information provided by the Department in previous memos and newsletters, we decided to address this topic in a basic question and answer format.

Q: Does the two-year death window exception apply to all land classified in the current use program and designated forest land?

A: Yes, as long as all of the following requirements are met:

- The land has been continuously classified since 1993;
- The deceased owner held at least a 50% ownership in the land; and
- The heir sells or transfers the land within two years of the date of death of the owner.

Q: What is meant by "continuously classified since 1993?"

A: The two-year death window exception only applies to land classified as of 1993 or before and where there has been no break in classification. Any land initially classified (not reclassified) after 1993 would not be eligible for the two-year death exception window.

The following examples **would qualify** for the two-year death exception window:

- Initial application submitted in 1992, approved in 1993 (effective 1/1/93 assessment), for taxes due in 1994, still classified on the date of death of the owner in 2009, and the owner held at least 50% ownership in the land.
- Initial application submitted in 1992, approved in 1993 (effective 1/1/93 assessment), for taxes due in 1994, reclassified in 2002, still classified on the date of death of the owner in 2009, and the owner held at least 50% ownership in the land.

The following examples **would not qualify** for the two-year death exception window:

- Initial application submitted in 1988, approved in 1989 (effective 1/1/89 assessment), for taxes due in 1990, and was removed from classification in 2001. Owner then submitted a new application for the same parcel of land in 2006, approved in 2007 (effective 1/1/07 assessment), for taxes due in 2008, and still classified on the date of death of the owner in 2009.
- Initial application submitted in 1995, approved in 1996 (effective 1/1/96 assessment), for taxes due in 1997, still classified on the date of death of the owner in 2009, and the owner held at least 50% ownership in the land.

(Continued on page 4)



Washington Department of Revenue
Property Tax Division



*Attn: Newsletter Editor
PO Box 47471
Olympia, WA 98504-7471*

*Phone: 360-570-5864
Fax: 360-586-7602
E-mail: HaroldS@dor.wa.gov*

The Property Tax Review is published by the Department of Revenue's Property Tax Division. Comments and suggestions for featured topics should be forwarded to our newsletter editor.

DESCRIPTION OF PROGRAM OR SERVICE	CONTACT	PHONE NUMBER	E MAIL ADDRESS
Property Tax Administration/Policy	Brad Flaherty Assistant Director	(360) 570-5860	BradF@dor.wa.gov
Property Tax Program Coordinator	David Saavedra	(360) 570-5861	DavidS@dor.wa.gov
General Information FAX	Receptionist	(360) 570-5900 (360) 586-7602	
SPECIFIC TOPICS			
Accreditation	Leslie Mullin	(360) 570-5865	LeslieMu@dor.wa.gov
Accreditation Testing	Patty Concepcion	(360) 570-5866	PattyC@dor.wa.gov
Advisory Appraisals	Howard Hubler	(425) 356-4850	HowardH@dor.wa.gov
Appraisals & Audits for Ratio Study	Rick Bell Dave McKenzie	(509) 663-9748 (360) 256-2125	RickB@dor.wa.gov DaveM@dor.wa.gov
Annexation/Boundary Change Rules	Diann Locke	(360) 570-5885	DiannL@dor.wa.gov
Boards of Equalization	Diann Locke	(360) 570-5885	DiannL@dor.wa.gov
County Performance & Admin. Program	Kathy Beith	(360) 570-5868	KathyB@dor.wa.gov
Current Use/Open Space Assessment	Leslie Mullin	(360) 570-5865	LeslieMu@dor.wa.gov
Designated Forest Land	Leslie Mullin	(360) 570-5865	LeslieMu@dor.wa.gov
Destroyed Property	Kathy Beith	(360) 570-5868	KathyB@dor.wa.gov
Education & Training for County Personnel	Patty Concepcion	(360) 570-5866	PattyC@dor.wa.gov
Exemption & Deferral Program	Harold Smith	(360) 570-5864	HaroldS@dor.wa.gov
Forest Tax General Information		1-800-548-8829	
Forms	Leslie Mullin	(360) 570-5865	LeslieMu@dor.wa.gov
Governmental & Miscellaneous Exemptions	Mike Braaten	(360) 570-5862	MichaelB@dor.wa.gov
Industrial Property Valuation	Howard Hubler	(425) 356-4850	HowardH@dor.wa.gov
Legislation	Mike Braaten	(360) 570-5862	MichaelB@dor.wa.gov
Levy Assistance	Diann Locke	(360) 570-5885	DiannL@dor.wa.gov
Mobile Homes	Pete Levine	(360) 570-5884	PeteL@dor.wa.gov
Nonprofit/Exempt Organizations	Sindy Armstrong	(360) 570-5870	SindyA@dor.wa.gov
Personal Property	Pete Levine	(360) 570-5884	PeteL@dor.wa.gov
Railroad Leases	Bill Johnson	(360) 570-5882	BillJ@dor.wa.gov
Ratio Study	Deb Mandeville	(360) 570-5863	DebM@dor.wa.gov
Real Property	Howard Hubler	(425) 356-4850	HowardH@dor.wa.gov
Revaluation	Cindy Boswell	(509) 663-9747	CindyB@dor.wa.gov
Revaluation <input type="checkbox"/> Annual Revaluation Project <input type="checkbox"/> County Revaluation Plans	Cindy Boswell R. C. Cavazos	(509) 663-9747 (425) 356-4848	CindyB@dor.wa.gov RC@dor.wa.gov
Senior Citizens/Disabled Homeowners, Exemption/Deferral	Peggy Davis	(360) 570-5867	PeggyD@dor.wa.gov
Utilities Management <input type="checkbox"/> Certification of Utility Values to Counties <input type="checkbox"/> Code Area/Taxing District Boundary Changes & Maps <input type="checkbox"/> Public Utility Assessment <input type="checkbox"/> PUD Privilege Tax	Neal Cook Ha Haynes Jane Ely Jay Fletcher Paul Hutt	(360) 570-5877 (360) 570-5879 (360) 570-5894 (360) 570-5876 (360) 570-5869	NealC@dor.wa.gov HaH@dor.wa.gov JaneE@dor.wa.gov JayF@dor.wa.gov PaulHu@dor.wa.gov