



Property Tax Review

June 2014

Volume 15, Issue 2

Church Fundraising and Changes to Nonprofit Property Tax Exemptions In 2014
By Harold Smith, Exemption & Deferral Program Manager

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Washington has more than 5,000 churches that benefit from property tax exemptions granted to their property. The typical church property is exempt for its buildings and land up to five acres, if it is used wholly for worship and related social activities. Traditionally, churches could loan or rent their property to other nonprofit organizations or schools for charitable activities. However, exempt church property could not be used for commercial purposes, nor could it be loaned or rented to individuals or businesses for them to promote their own business or make money.

Under the Washington Administrative Code, churches are permitted to host occasional, short duration fundraising events that include business activity, but only if the host church receives 51 percent of the net proceeds. This meant that when the church hosted an event, but did not receive a majority of the net proceeds, the vendor is considered to be using the exempt property for their business purposes. This disqualifying activity could make that portion of the property taxable. A specific exception was provided by the legislature for nonprofit farmers markets in 2010. However, festivals, bazaars and street fairs could put a church's exemption at risk, depending on how the net proceeds were shared.

The 2014 Legislature just enacted the Department's request bill, Senate Bill 6405. It provides much needed consistency between all the various exemption categories AND gives churches and other nonprofits new flexibility when they try to share their property with the community. Beginning this year, all nonprofits may rent or loan their property for non-exempt uses on up to 50 days per year. They may also allow their property to be used for business activities on up to 15 of those 50 days.



Special points of interest:

- **Quarterly Reminders (see page 2)**
- **Upcoming Training (see page 9)**

The new law did not change the 51 percent requirement for approved, fundraising events. However, the new 15-day allowance for business activity can be used by nonprofits to host a limited number of events that don't conform, but are still important to churches and other nonprofit organizations. The church can now host a non-conforming festival, street fair, or holiday bazaar as long as they plan carefully and all business uses during the year remain within the 15-day allowance. If you are part of an organization that wants to take advantage of this new opportunity, please contact us at (360) 534-1400. We'll be glad to help you plan under the new law.♦

This Quarter's Reminders

June 1*

Three percent penalty assessed on the current year's delinquent taxes. (RCW 84.56.020)
PUD Privilege Tax is due. (RCW 54.28.040)

June 30*

(On or before) DOR prepares stumpage values for July through December 2013.

DOR determines value of state assessed property and sends Tentative Value Notices

July 1

Appeals to the county Board of Equalization must be filed by today or within 30 days of notification. County legislative authority may extend the deadline up to 60 days by adoption of local ordinance/rule (RCW 84.40.038)

July 8

(On or before the second Monday) County officials and local taxing districts begin preparing estimated budgets for submission to county auditor or chief financial officer, if in a charter county, on or before the second Monday in August. (RCW 36.40.010)

July 15

Assessor certifies the assessment roll to the county board of equalization. Assessor's Certificate of Assessment Rolls to County Board of Equalization submitted to DOR Property Tax Division. (RCW 84.40.320)

County Boards of Equalization meet in open session. Minimum is three days; maximum session is four weeks. (RCW 84.48.010)

July 16

(on or before) Requests for hearings on state assessed public utility values must be received. (RCW 84.12.340)

(Continued on page 3)

Unique Appraisal Problems

By Jordan Dilba, Property and Acquisition Specialist

Have you ever wondered how an infestation of snakes affects one's property assessment? On February 12, Rick Stuart of TEAM Consulting helped property tax professionals from Washington State answer just that as well as other questions regarding unique appraisal situations. Present were staff from a myriad of county assessor offices, representatives from the Department of Revenue, and even members from the Board of Tax Appeals. The day long workshop captivated the attention of participants as Stuart spun yarns about homes impacted by mold, mercury, murder, and meth. More importantly, attendees were enlightened as to how these distinctive conditions require special attention when calculating the affected property's assessment.

The majority of unique properties discussed involved a typical pattern of contamination followed by remediation. When offered for sale on the open market, the property would then be found to be bearing a residual stigma from the event. Stigma is described by the International Association of Assessing Officers (IAAO) as "a blight or perceived blemish or stain on a property resulting from real or perceived risk associated with the property. A stigma may make property less desirable, even though a complete cleanup has been accomplished." In one example, a home was used by renters as a crystal meth cooking lab. Upon their eviction, the owner paid for a full cleanup and got the home certified as habitable again. However, when time came to sell the property, the agent was required to disclose the sordid past of the home to potential buyers. All the offers that were received were below the expected market value, with potential buyers citing the potential of unknown contamination as the reason why. Since so many hazardous and unconventional chemicals are involved in the production of the drug, it would be impossible to test for the presence of all of them. When the property did sell, the difference between the sale price and the fair value of comparable homes was calculated to be the stigma. Stuart stated that typically in cases of cleaned meth labs, a downward adjustment of 15 to 20 percent was extrapolated, though every situation is different.



Throughout the presentation, Stuart kept tying back the discussion to two key appraisal principles to keep in mind when working with difficult properties or their owners. One was that if a property has use, it has value. Many taxpayers erroneously believe that if the cost to cure is higher than the home's value, the assessment should be adjusted to zero. This is inherently false if an owner is still occupying or using the property; they are still enjoying the benefits of ownership which in turn generates value. The second principle was that all adjustments require market based evidence to be considered valid, even with the most complex of appraisals. If an appellant provides an unjustified change in value for a property affected by stigma, it should be challenged. Use your professional appraisal skills, abilities, and contacts to try and locate similarly impaired comparable sales and derive a market based adjustment. If comparables simply do not exist (which happens more often than not), the presumption of correctness must be relied on to defend the originally assessed value.

For formal guidelines on assessing impaired properties, consult the IAAO Standard on the Valuation of Properties Affected by Environmental Contamination. ♦

This Quarter's Reminders

(Continued from page 2)

July 16

(Eleven business days after June 30) Hearings on state assessment of public utility property begin, continuing through July 30. (RCW 84.12.340)

July 31

Assessment date for new construction. (RCW 36.21.080)

August 1

Most taxing district boundaries established for levy collection next year. (RCW 84.09.030)
Nonprofit property tax exemption determination completed by DOR. (RCW 84.36.830)

August 9

(On or before the second Monday) Estimated budgets from county officials and local taxing districts must be submitted to county auditor or, if in charter county, chief financial officer. (RCW 36.40.010)

August 20

Final values of state assessed properties issued.

August 30

DOR estimates the number of acres of public forest land that are available for timber harvest for each county and for each taxing district.

August 31

(On or before) DOR notifies county assessors of properties exempt from property tax. (RCW 84.36.835) New construction placed on current assessment roll at the valuation assessed July 31. (RCW 36.21.070 through 36.21.090)

2014 Summary of Property Tax Legislation

By David Saavedra, Program Coordinator

The following is a summary of the significant property tax legislation approved during the regular session of the 2014 Washington State Legislature. We have included links to the Legislature's site for each of the bills that were adopted. These sites give a very complete picture of how the measures moved through the legislative process and provide copies of the measures that have been enacted into law. We've also provided contact information for our staff members that may be involved in the implementation of the bill or the ongoing administration of related programs.



If you have general questions about the Property Tax Division and our role in the legislative process, please contact us at (360) 534-1400 or DavidS@dor.wa.gov.

2ESHB 1117 - Transfers of real property by deed taking effect at the grantor's death.

This bill allows the transfer of real property by a "transfer on death" deed which takes effect upon the grantor's death. A "transfer on death" (TOD) deed must contain the essential elements and formalities of a properly recordable deed and must state that the transfer to the designated beneficiary is to occur at the transferor's death. The deed must be recorded prior to the transferor's death in the public records office of the county auditor in the county in which the property is located.

A TOD deed is fully revocable during the transferor's lifetime, even if the deed or another instrument contains a contrary provision. Beneficiaries have no present interest in the property until the TOD deed takes effect at the transferor's death. A certified copy of the death certificate is recorded to perfect title.

Beneficiaries need not be notified of the pending interest during the transferor's lifetime in order for the TOD deed to be effective. At the transferor's death, the transferor's interest in the property passes automatically to the beneficiary, subject to applicable taxes and all other interests in the property including liens, mortgages, and other encumbrances. Beneficiaries may disclaim the interest if they do so in writing within nine months of the interest becoming effective. If the beneficiary fails to survive the transferor, the interest lapses.

This bill takes effect June 12, 2014.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1117&year=2013>

DOR Contact: Peggy Davis at peggyd@dor.wa.gov or (360) 534-1410

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2014 Summary of Property Tax Legislation (continued)

Continued from page 3

EHB 1287 - Subjecting federally recognized Indian Tribes to the same conditions as state and local governments for property owned exclusively by the tribe.

This bill extends exemption from property tax to properties owned in-fee exclusively by federally recognized Indian Tribes and used for economic development (business activities). Only properties acquired by such tribe before March 1, 2014 may qualify for the exemption. The key provisions of the bill include:

- Expanding the tribal property tax exemption under RCW 84.36.010 for essential government services to include property used for economic development purposes.
- Imposing a leasehold excise tax (LET) obligation on leasehold interests in tribal property exempt from property taxes under RCW 84.36.010, in much the same manner as users of other public properties are assessed.
- Imposing a payment in lieu of tax (PILT) obligation on the tribe with respect to properties owned by the tribe that are not leased to others, but used for tribal business purposes. The PILT is due if the tax-exempt property is used exclusively for economic development, is located outside of the tribe's reservation and is not otherwise exempt from property taxation by federal law.
- A provision that the PILT amount be determined jointly in good faith negotiation between the tribal owner and the county in which the property is located. The PILT amount may not be more than what the LET would be if the property were subject to LET.
- A requirement that the Department determine the PILT amount if the tribe and county cannot agree.
- A requirement that counties distribute PILT payments to the local taxing districts, including cities, in the same proportion as the LET they would have shared had LET applied with respect to the property.
- Fire protection districts and regional fire protection service authorities to contract with tribes for fire protection if the tribe owns property exempt from property taxes under RCW 84.36.010 within the boundaries of the district or authority.
- A requirement that the Joint Audit and Review Committee (JLARC) to provide an economic impact report to the Legislature by December 1, 2020, evaluating the impacts of the bill.

The bill takes effect June 12, 2014 and expires January 1, 2022. It will apply to taxes levied for collection in 2015 through 2021.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1287&year=2013>

DOR Contacts: For agency-wide implementation questions contact Miki Gearhart at MikiG@dor.wa.gov or (360) 534-1526. For specific application & renewal questions contact Sindy Armstrong at SindyA@dor.wa.gov or (360) 534-1412.

SHB 1634 - Including the value of solar, biomass, and geothermal facilities in the property tax levy limit calculation.

This bill would allow the assessed value of solar, biomass, and geothermal facilities that generate electricity and operate entirely within a single county to be treated like new construction for purposes of calculating levies.

Under current law when calculating the highest lawful levy for a taxing district, an additional dollar amount is added by multiplying the regular property tax levy rate of the district from the preceding year by the increase in assessed value in the district resulting from new construction, increases in assessed value due to construction of electric generation wind turbine facilities classified as personal property, improvements to property, and any increase in the assessed value of state assessed property.

This bill allows an additional dollar amount to be added to the levy by multiplying the regular property tax levy rate of the district from the preceding year by the increase in assessed value in the district resulting from the construction of solar, biomass, and geothermal facilities that generate electricity.

The bill takes effect on June 12, 2014 for property taxes collected in 2015 and thereafter.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=1634&year=2013>

DOR Contact: Diann Locke at DiannL@dor.wa.gov or (360) 534-1427.

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2014 Summary of Property Tax Legislation (continued)

Continued from page 4

SHB 2309 - Providing fairness and flexibility in the payment of property taxes

The bill provides a reduction of penalties and interest on delinquent property taxes and allows new flexibility for county treasurers in the collection of those taxes. The measure provides that:

- Penalties and interest apply only to the delinquent tax (unpaid balance).
- County treasurers may accept partial payments of delinquent property taxes including penalties and interest through electronic means.
- County treasurers are given the authority to waive interest and penalties on property taxes when a taxpayer pays an erroneous amount, but then corrects the payment within 30 days of receiving notice of the error.

The bill takes effect on June 12, 2014 for property taxes collected in 2015 and thereafter.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2309&year=2013>

DOR Contact: Harold Smith at HaroldS@dor.wa.gov or (360) 534-1411.

HB 2446 – Simplifying the procedures for obtaining an order for a property tax refund.

The bill relieves property owners of the necessity to file a claim for refund when the refund is the result of a Board of Equalization, State Board of Tax Appeals, or Court decision, or decisions made by the county treasurer or assessor within 3 years of the tax due date. The refund can also be made without a claim when the county assessor or Department of Revenue approves a property tax exemption authorized under chapter 84.36 RCW within 3 years of the tax due date.

This bill takes effect June 12, 2014. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2446&year=2013>

DOR Contact: Harold Smith at HaroldS@dor.wa.gov or (360) 534-1411.

E2SHB 2493 - Concerning current use valuation for land primarily used for commercial horticultural purposes

Under the Open Space Taxation Act, a property owner of "farm and agricultural land" may have their land assessed at its "current use" rather than its highest and best use, or market value.

Under existing law, land used primarily to grow plants directly in the ground qualifies for current use valuation. Land used primarily to grow plants in containers, whether under a structure or not, such as a greenhouse, does not qualify for current use valuation unless the land is considered incidental to the other classified farm and agricultural land being used primarily to grow plants in the ground. Incidental use cannot exceed 20% of the total classified farm and agricultural land.

This legislation allows land primarily used for commercial horticultural purposes, including growing plants in containers, to qualify for the farm and agricultural land classification under the following provisions:

- The land is not primarily used for the storage, care, or selling of plants purchased from other growers for retail sale;
- Land less than 5 acres used primarily to grow plants in containers does not qualify as "farm and agricultural land" if more than 25% of the land used primarily to grow plants in containers is open to the general public for on-site retail sales;
- If more than 20% of the land used for growing plants in containers is covered by pavement, none of the paved area is eligible for classification as "farm and agricultural land" but may still qualify as "incidental use";
- If the total contiguous land being classified as farm and agricultural land is less than 20 acres, it must meet existing income or investment requirements for "farm and agricultural land" under 20 acres.

This bill takes effect June 12, 2014.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2493&year=2013>

DOR Contact: Leslie Mullin at LeslieMu@dor.wa.gov or (360) 534-1424.

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2014 Summary of Property Tax Legislation (continued)

Continued from page 5

HB 2547 – Relating to the creation of a less than countywide port district within a county containing no port districts

Under the provisions of this bill, a less than countywide port district with an assessed value of \$150 million or more may be created in a county without an existing port district, if the port district is created before December 31, 2020.

This bill takes effect June 12, 2014.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=2547&year=2013>

DOR Contact: Diann Locke at DiannL@dor.wa.gov or (360) 534-1427.

ESB 6031 – Lake and beach management districts

With written approval of a majority of property owners of a lake or beach management district, a district can acquire real property or property rights. These rights may include conservation easements to promote the conservation and stewardship of shorelines and upland properties for conservation or for minimal development. The real property or property rights proposed for acquisition must be in a county located west of the crest of the Cascade mountain range that plans under chapter 36.70A.040 and has a population of more than 40,000 and fewer than 65,000 persons as of April 1, 2013.

The bill also modifies or creates new administrative provisions related to acquiring property, financing, using revenue from special assessments, and the dissolution of districts. A county may impose a special assessment or rates and charges after a district is dissolved to fulfill unpaid financial obligations. A district without bond debt can be dissolved when the county legislative authority finds they have accomplished their reasons why the district was created or by vote of the property owners. The bill also increased the threshold of signatures from 15 to 20 percent when filing a petition to create a district.

This bill takes effect June 12, 2014.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6031&year=2013>

DOR Contact: Diann Locke at DiannL@dor.wa.gov or (360) 534-1427.

SB 6180 - Consolidating designated forest lands and open space timber lands for ease of administration.

This measure allows a county legislative authority to merge its timber land classification into their designated forest land (DFL) program and terminate the timber land classification. The effects of consolidation of these programs include:

- Land classified as timber land before the merger is considered DFL as of the date the land was initially classified as timber land.
- The county assessor must notify timber land owners and the Department of the merger.
- The Department must keep a list on its internet site of counties that have merged its timber land classification with its DFL program.
- An owner of land classified under the timber land classification in a county that is merging the two programs who has submitted a two-year notice of withdrawal request has specific options regarding withdrawal or removal from the programs.

Regardless of whether a county chooses to merge their current use timber land classification with their DFL program, this bill reduces the minimum acreage requirement for the DFL program from 20 acres to five acres, changed the approval date for DFL applications from May 1 to July 1 of the year following application, and also authorizes the assessor to require a timber management plan for DFL, less than 20 acres, if the assessor has reason to believe the land is no longer being used primarily for growing and harvesting timber.

This bill takes effect June 12, 2014. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6180&year=2013>

DOR Contact: Leslie Mullin at LeslieMu@dor.wa.gov or (360) 534-1424.

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2014 Summary of Property Tax Legislation (continued)

Continued from page 6

SB 6216 – Relating to the establishment of county ferry districts.

This bill establishes the procedures and requirements for a county with a population of one million or more to assume the rights, powers, functions, and obligations of a county ferry district established with the same boundaries as the county.

This bill takes effect June 12, 2014.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6216&year=2013>

DOR Contact: Diann Locke at DiannL@dor.wa.gov or (360) 534-1427.

2SSB 6330 - Promoting affordable housing in unincorporated areas of rural counties within urban growth areas

Under current law, the value of new housing construction, conversion and rehabilitation improvements qualifying under chapter 84.14 RCW (New and rehabilitated multiple-unit dwellings in urban centers) is exempt from ad valorem property taxation for 8 to 12 years, depending on certain criteria. The value of the land or non-housing related improvements do not qualify for the exemption. To apply for exemption under current law, an application must be provided to the city or county and the property must meet several requirements including location within a designated area.

Under this measure, a rural county with a population between 50,000 and 71,000 and bordering Puget Sound, for purposes of granting new or rehabilitated multiple-unit housing exemptions, may designate a residential targeted area and offer this exemption. The area must be within the unincorporated area of the rural county, within an urban growth area designated by the county prior to January 1, 2013; and the area must be served by a sewer system. An application for this option of the property tax exemption may not be approved in a residential targeted area in a rural county on or after January 1, 2020.

This bill takes effect June 12, 2014. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6405&year=2013>
DOR Contact: Harold Smith at HaroldS@dor.wa.gov or (360) 534-1411.

SSB 6333 - Concerning tax statute clarifications, simplifications, and technical corrections

When existing statutes become outdated as a result of court cases, are impacted by initiatives, or contain drafting errors, minor changes to the statutes are needed. Additionally, these technical corrections to existing laws may be needed to clarify the statute or improve the tax administration. This large agency bill included several clarifications and technical corrections to property tax statutes:

Designated Forest Land, Compensating Tax - In Section 309 (RCW 84.33.140) the bill clarifies that the treasurer, not the assessor, must mail a notice of the amount of compensating tax due along with the date it is due. The bill also adds the requirement that upon removal, land will be exempt from compensating tax if there is a sale or transfer of property to an entity having the power of eminent domain in anticipation of the exercise of such power based on official action taken by the entity or if confirmed in writing. This makes administration similar to the removal exception in the current use statutes (RCW 84.34.108(6)(b)). This bill takes effect June 12, 2014.

Open Space, Farm and Agricultural, and Timber Lands - Section 311 (RCW 84.34.108) – Clarifies that interest and penalty are also due when land is removed from classification.

Section 312 (RCW 84.34.300) – Clarifies when special benefit assessments for the improvement or construction of sanitary and/or storm sewerage service, or domestic water service, or certain road construction apply when land is removed or withdrawn from classification. Section 313 (RCW 84.34.320) – Provides consistency between certain provisions that apply when the land is either removed or withdrawn from classification. Section 314 (RCW 84.34.330) – Provides consistency that certain provisions apply when the land is either removed or withdrawn from classification. Section 315 (RCW 84.34.370) - Provides consistency that certain provisions apply when the land is either removed or withdrawn from classification.

Continued on page 8

2014 Summary of Property Tax Legislation (continued)

Continued from page 7

Owner Petitions to County Board of Equalization

Section 407 (RCW 84.40.038) - In addition to the July 1 and 30 days after mailing deadlines, a taxpayer can appeal a decision 30 days after information was transmitted or made available electronically to be accessed.

Valuing and Listing Publicly Owned Property

Section 408 (84.40.175) - Clarifies that certain valuation and listing requirements do not apply to publicly-owned property exempt under 84.36.010.

This bill takes effect June 12, 2014.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6333&year=2013>

DOR Contact: Michael Braaten at MichaelB@dor.wa.gov or (360) 534-1428

ESB 6405 - An act providing greater consistency for nonprofit property tax exemptions.

In general, exempt nonprofit properties must be used exclusively for exempt activities and cannot be used for pecuniary gain or to promote business activities. Most nonprofits could only rent or loan their exempt properties to other organizations that qualified for exemption or were conducting charitable activities. Over recent years, the legislature has provided unique exceptions to a few specific exempt categories, but not to others.

ESB 6405 amended a number of sections within chapter 84.36 RCW to provide churches and other nonprofit organizations with new flexibility to share the use of their exempt properties with the community. The bill now applies consistent criteria for all the various nonprofit exempt categories, so that all nonprofits will operate under the same guidelines and limitations, without losing their exemption. These options for sharing exempt property are comparable to those granted to performing arts facilities and museums a few years ago. The key changes allow virtually all nonprofit organizations, including churches to:

- Loan or rent their facilities to others for nonexempt activities on up to 50 days in a calendar year (*Note: Any rental fees or donations charged must not exceed the cost of operation and maintenance for the area rented*),
- Allow the use of their exempt properties for pecuniary gain or to promote business activities on up to 15 of those 50 days.
- Continue to host occasional, short duration fundraising activities outside of these new criteria, as long as the host receives 51% of the net proceeds from the business activity involved. Fund-raising events that don't meet the 51% criteria, like festivals and bazaars, may be hosted by the exempt nonprofit, but must stay within the new, overall 15-day limit on business activity.

While the revisions do not change the exemptions for public assembly halls, performing arts facilities or museums, this is a significant change for all other exemptions. The property tax division is preparing recommendations for the revision of the rules and will develop summaries and Q & A for all major categories of exemptions that benefit from the new flexibility in the use of exempt property.

This bill takes effect June 12, 2014. <http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6405&year=2013>

DOR Contacts: *Sindy Armstrong* at SindyA@dor.wa.gov or (360) 534-1412 or *Linda Smith* at LindaSm@dor.wa.gov or (360) 534-1416.

SB 6505 - Clarifying that marijuana, useable marijuana, and marijuana-infused products are not agricultural products.

This bill excludes land used for the growing, raising, or producing of marijuana, useable marijuana, or marijuana-infused products from benefitting from the Current Use Program under chapter 84.34 RCW. The bill also excludes farm machinery and equipment used for the growing, raising, or producing of marijuana, useable marijuana, or marijuana-infused products from benefitting from the personal property tax exemption for farm machinery and equipment.

This bill takes effect June 12, 2014.

<http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6505&year=2013>

DOR Contact: *Leslie Mullin* at LeslieMu@dor.wa.gov or (360) 534-1424. ♦

Changes to the Abstract of Assessed Values Report

By Beth Leech, Tax Policy Specialist

During the 2014 Legislative Session, two bills were passed that require us to make changes to the Abstract of Assessed Values (Abstract) report. The Research and Fiscal Analysis Division sent a revised copy of the Abstract to each county via email on April 14, 2014. The following changes will be incorporated into the Abstract when requested in September.

SHB 1634 - AN ACT Relating to including the value of solar, biomass, and geothermal facilities in the property tax levy limit calculation

- This bill allows taxing districts to increase levying capacity through the construction of solar, biomass, and geothermal facilities that generate electricity.
- Effective for taxes due in 2015.
- The value of each type of facility added to the assessment roll will be requested on page 1 of the Abstract that assessors file with the Department of Revenue annually:

NEW CONSTRUCTION, IMPROVEMENTS TO PROPERTY, AND WIND TURBINES, SOLAR, BIOMASS, AND GEOTHERMAL FACILITIES (SUBJECT TO STATE LEVY)	
1. Value of new construction added to the 2014 assessment roll.	<input type="text"/>
2. Value of improvements to property added to the 2014 assessment roll.	<input type="text"/>
3. Value of wind turbines added to the 2014 assessment roll.	<input type="text"/>
4. Value of solar facilities added to the 2014 assessment roll.	<input type="text"/>
5. Value of biomass facilities added to the 2014 assessment roll.	<input type="text"/>
6. Value of geothermal facilities added to the 2014 assessment roll.	<input type="text"/>
Total new construction, improvements, and facilities. (Total of 1 through 6 above.)	<input type="text" value="-"/>

The value of wind turbine facilities added to the assessment roll is already requested on the Abstract. The value of solar, biomass, and geothermal facilities will be requested in the same way.

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2014 Upcoming Training *(State/County Personnel ONLY)*

Date	Course	Location	Cost
July 15	Board of Equalization Senior Member Training	Webinar	\$0
July 18	Evaluating Residential Construction	DuPont	\$125
August 4-5	Current Use—Basic	Webinar	\$75
August 7	Current Use—Advanced	Webinar	\$35
August 20-21	Senior Exemption/Deferral Basic Workshop	Webinar	\$75
August 28	Senior Exemption/Deferral Admin Workshop	Webinar	\$60

For further information, contact:

Carol Becerra, Department of Revenue, Property Tax Division
 Phone: (360) 534-1361, Fax: (360) 534-1380, Email: CarolB@dor.wa.gov

Changes to the Abstract of Assessed Values Report (continued)

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SB 6180 - AN ACT Relating to consolidating designated forest lands and open space timber lands for ease of administration

- This bill provides the option for counties to merge the timber land classification under RCW 84.34 into designated forest land (DFL) under RCW 84.33.
- Effective June 12, 2014.
- If your county chooses to merge these land classifications we will ask you to document that merger on page 2 of the Abstract.
- If your timber land and DFL classifications merge, remember that then no value should be reported under timber land:

No.	Category	Acres	Land Value	Improvement Value	Senior Citizen Exempt Value	Total Value
FOREST LAND						
1.	Designated ¹ (RCW 84.33.035 and .130)			report in #6		-
<p>Does the Designated Forest Land above included merged Timber Land? <input checked="" type="radio"/> YES <input type="radio"/> NO</p> <p style="text-align: center;">Current Use Assessments under the Open Space Taxation Act (CH. 84.34 RCW)</p>						
CURRENT USE VALUE						
2.	Open Space					
3.	Farm and Agricultural					
4.	Timber Land ¹ (RCW 84.34.060)		0	report in #6	0	0
5.	Total Current Use Value					
ALL OTHER REAL PROPERTY						
6.	All Other Real Property ²					
TOTAL REAL PROPERTY						
7.	Total of Items 1 to 6					
Current Use Assessments under the Open Space Taxation Act (CH. 84.34 RCW)						
TRUE AND FAIR VALUE						
8.	Open Space					
9.	Farm and Agricultural					
10.	Timber Land	0	0			
11.	Total True and Fair Value					

If you have questions about these changes to the Abstract, please contact Beth Leech at Bethl@dor.wa.gov or (360)534-1513.♦



Join Our Newsletter Distribution List

To be notified when new editions of our quarterly newsletter are available, simply visit the link below and join our email distribution list. Each edition contains articles on a variety of property tax-related topics, a current listing of training opportunities available to assessment personnel, legislative updates, a staff contact list for the Department of Revenue's Property Tax Division, and more.

<https://fortress.wa.gov/dor/efile/SecureForms/content/contactus/email/listservemail.aspx>♦

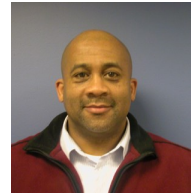
Faces & Places at Property Tax

Scott Turnbull has accepted a promotion within the Property Tax Division's Utility Valuation Section effective in March 2014. Scott has been with DOR since 1992 and joined the Division in January of this year. Scott is a graduate of the University of Montana with a Bachelor's Degree in Finance. He will take over the appraisals of centrally assessed properties previously assigned to Bill Johnson. Scott can be reached at (360) 534-1414 or ScottT@dor.wa.gov.



Scott Turnbull

Kevin Hill has accepted a promotion to join the Division's Utility Valuation Section in the PAS 4 position. He is already valuing private railcars and administering the Public Utility Privilege Tax. He will also assist our senior appraisers in valuing telecommunication and airplane companies. He began his new duties on April 15, 2014. Kevin joined the Property Tax Division back in December of 2012 as our Tax Service Representative, getting high praise for great customer service. Kevin's first career was with the US Army, where he served in Germany, the Middle East, and stateside for over six years as a Recruiting Station Manager and Senior Recruiter Trainer. Kevin has Bachelor's Degrees in Accounting and Business Administration from Saint Martin's University. Kevin can be reached at (360) 534-1422 or KevinH@dor.wa.gov.



Kevin Hill

After 27.5 years at the Department of Revenue, **Bill Johnson** retired in April. Bill has been an accomplished appraiser of centrally assessed properties for our Utilities Valuation Section. He is also proud of many years of service within the WPEA as a Job Rep and shop steward. As he prepared to head out, Bill noted that working for DOR "was a great experience and was rather fun, but now I am off to try other things. I have numerous plans that don't require me to be anywhere in particular, and so it goes."



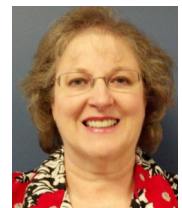
Bill Johnson

Leslie Mullin has accepted a very special, six month assignment to the Interpretations and Technical Advice Division of DOR. She will assist in drafting and revising property tax and excise tax rules, as well as researching and responding to requests for technical and interpretive guidance on property tax and excise tax issues. During Leslie's time with ITA, her teammates will assist with her programs. **Judy Wells** will take over as the Current Use and Accreditation Specialist. **Diann Locke** will be providing guidance on property tax components of Tax Increment Financing programs. **Tarah Kimbrough** will administer the DOR/WSACA Education Program. **Jordan Dilba** will process Board of Equalization Reconvene Requests



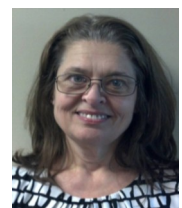
Leslie Mullin

Carol Becerra joined Property Tax as our new Education Coordinator on Monday, June 16. Carol brings more than 20 years of experience as an administrative professional, including positions at the Utilities and Transportation Commission, Department of Ecology, State Gambling Commission, Department of Retirement Systems, and most recently with the Department of Health. Carol is known for her exceptional organizational skills and attention to detail as well as her positive attitude. Carol can be reached at (360) 534-1361 or CarolB@dor.wa.gov.



Carol Becerra

Diana Brown has accepted an appointment as our new Tax Service Representative and arrived on June 2. She has over 20 years experience with a local credit union in several capacities finding answers for customers and providing great customer service. Diana has a *Database Information Technology/Systems Analyst* associate's degree, where she worked with an array of computer systems/databases, which will pay dividends for Property Tax. Diana can be reached at (360) 534-1401 or DianaBr@dor.wa.gov. ♦



Diana Brown

Property Tax Special Notices

Property Tax Special Notices are generally sent to assessors, treasurers, and those stakeholders that we can identify with a specific interest in the particular topic. Prior to being issued, each Special Notice will go through an internal review process. Special Notices are posted on the Department's website at www.dor.wa.gov under Property Tax Publications. You may also receive a copy of a Special Notice by adding your name to the ListServ. This can be done by going to www.dor.wa.gov, clicking "Find Taxes and Rates," then clicking "Property Tax," and one more click to "Join E-mail Service." A notice will usually provide a contact for more information on the topic.

June 17, 2014

Standardized Criteria Established for Exempt Nonprofits

Summarizes the effects of ESB 6405, which was enacted to provide consistency between various property tax exemptions and the manner in which exempt properties may be shared with others. The amended exemption statutes now provide the same limitations on virtually all nonprofit categories, while expanding opportunities for most nonprofits to loan or rent their exempt properties.

http://dor.wa.gov/Docs/Pubs/SpecialNotices/2014/sn_14_ExemptNonprofits.pdf

June 12, 2014

Current Use, Marijuana, and Designated Forest Land Legislation

Discusses **SB 6505**, which clarifies that land used for growing or producing marijuana will not benefit from special valuation programs (RCW 84.34) nor will it qualify under the exemption for farm machinery and equipment.

Discusses **SB 6180** and it provides for the potential consolidation in a county of the designated forest land program (RCW 84.33) and the current use timber land classification (RCW 84.34).

Discusses **SSB 6333** which provided technical corrections to a long list of tax statutes, including property tax corrections in section 309 regarding the current use and designated forest land programs.

Discusses **2ESHB 1117** which provides for the use of a "Transfer on Death Deed" and explains how it might affect transfers of property involved in current use programs.

http://dor.wa.gov/Docs/Pubs/SpecialNotices/2014/sn_14_CurrentUseDFL.pdf

January 10, 2014

Valuation of Publicly Owned Property and Elimination of Leasehold Excise Tax Credit

Passage of **SB 5444** in 2013 provides that assessor's are no longer required to value certain government-owned, exempt property. It permits the assessor to update the value of these properties if they lose their exempt status. The bill also eliminated a leasehold excise credit that was available when the leasehold excise tax exceeded the amount of property tax that would have been billed to a private owner.

http://dor.wa.gov/Docs/Pubs/SpecialNotices/2014/sn_14_PropTaxLegislative.pdf

December 30, 2013

Changes in the statute to clarify inclusion of deferral balances in certificates of delinquency

Passage of **EBH 1421** provided for the inclusion of deferred taxes (RCW 8.37 & RCW 84.38) in foreclosure actions. It also clarifies how monies recovered from the sale of tax-title properties be divided between the state and local taxing districts.

http://dor.wa.gov/Docs/Pubs/SpecialNotices/2013/sn_13_PropTaxLegUpdate.pdf

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