

# QUESTIONS

*The following commonly-asked questions and their answers provide an overview of the assessor's responsibilities and the basis for them.*

*One very important fact should be kept in mind* —the assessor performs the function of an appraiser in placing a dollar value on your home or other property.

**The assessor does not establish the dollar amount of taxes required nor does the Assessor bill or collect the taxes. The taxing districts, taxpayers, legal limitations, and assessed value determine the tax rate for each district. The county Treasury Division bills and collects the required tax.**

*A list of questions can be displayed by clicking the Show/Hide Navigation Pane icon . Then, click on the question you're interested in.*

## What kinds of property are taxable?

Under Washington state law, two types of property can be assessed and taxed.

One type is real property (real estate), which is land, improvements attached to the land (buildings, etc.) and improvements to the land (driveways, bulkheads, etc.)

Another type is personal property. Taxable personal property includes agricultural machinery and equipment, manufacturers', contractors' and logging machinery and equipment, office machinery and equipment, and supplies and materials which are not held for sale or do not become an ingredient or component of an article being produced for sale. Furniture and fixtures in commercial use, leased equipment, certain leasehold improvements, franchises and easements of inter-county public utilities, lessee-owned improvements on public land and commercial vessels not subject to excise tax are also assessed and taxed as personal property.

Many types of personal property are exempt from taxation. These include livestock, inventories held solely for resale, intangible personal property such as money and credit-related items, service contracts, sports franchises, trade names, copyrights, customer lists, good name and the like, and personal effects and household goods in actual use by their owner.

## How is the value of real property determined?

In Washington state, assessment for tax purposes means establishing the full market value of your land and the improvements thereon. This is the job of an appraiser. Appraisal methods used in King County follow the Uniform Standards of Professional Appraisal Practice (USPAP). Three approaches may be used to determine real property value. They are:

<b>Market:</b>	The market data (sales comparison) approach.
<b>Cost:</b>	The reproduction or replacement cost new, less accrued depreciation.
<b>Income:</b>	The income or capitalization of economic rents approach.

All three techniques are applied, if appropriate, in appraising improved commercial and industrial properties. The market and cost approaches are the basis of appraisal of improved residential properties. The value of vacant land is most often determined using the market approach. Whenever the Assessor revalues your property, you will receive a "Valuation Change Notice."

# What do the notations on the Valuation Change Notice mean?

KING COUNTY DEPT OF ASSESSMENTS  
500 FOURTH AVENUE ROOM 700A  
SEATTLE, WA 98104-2384

## OFFICIAL PROPERTY VALUE NOTICE

PRESORTED  
FIRST CLASS MAIL  
U. S. POSTAGE PAID  
SEATTLE, WA  
PERMIT NO. 213

ACCOUNT NUMBER: 000000-0000-00

**READ BOTH SIDES**

PROPERTY ADDRESS:  
10000 SE STREETNAME DR  
BELLEVUE, WA 98005

PLEASE REFER TO ACCOUNT NUMBER WHEN INQUIRING

MAIL DATE **7/20/06**

**1 FOR TAXES DUE IN 2007**

<b>2 APPRAISED VALUE</b>		<b>3 VALUE AFTER EXEMPTION</b>
OLD VALUE	NEW VALUE	
LAND		
68,000	68,000	49,000
BLDGS. ETC		
244,000	204,000	167,000
TOTAL		
272,000	272,000	216,000

**5 APPRAISERS WILL BE AVAILABLE TO MEET WITH YOU IN YOUR COMMUNITY 04/20/06-04/29/06 COLE ST BANK COMMUNITY CENTER PLEASE CALL FOR AN APPOINTMENT (206) 555-5555**

MAILING ADDRESS

**JOHN DOE  
MARY DOE  
10000 SE STREETNAME DR  
BELLEVUE WA 98005**

**4 SENIOR EXEMPTION: IF YOU BECOME INELIGIBLE FOR THIS EXEMPTION YOUR TAXES WILL BE BASED ON THE NEW APPRAISED VALUE.**

- 1 Taxes payable in 2007 will be based on values established as of January 1, 2006 (except for new construction, for which the valuation date is July 31, 2006).
- 2 Old and new APPRAISED VALUE on this notice represent the market value of your property established by county appraisers for last year and for this year respectively. Your taxes will be based on this value unless you have a property tax exemption.
- 3 VALUE AFTER EXEMPTION reflects reductions in your value to which you are entitled if you have applied for and qualified for a property tax exemption. You can find out about the various types of property tax exemptions on our web site ([www.metrokc.gov/assessor/](http://www.metrokc.gov/assessor/)).
- 4 This box will contain information about exemptions that apply to the property.
- 5 If a community informational meeting is scheduled, a notice will appear here.

### How is the value of Personal Property determined?

Most personal property assessments are based on information provided by the taxpayer on personal property affidavit forms furnished by the Assessor. The affidavits are mailed to established accounts by January 1 each year, and must be returned to the Assessor by April 30. Affidavits for new businesses reporting for the first time may be mailed after January 1. Extensions of filing date are not granted. A tax penalty of 5% per month will be applied to affidavits received after April 30. The Assessor may waive the penalty if the late filing is due to reasonable cause. A penalty of 25% of the tax due in the following year will be applied for failure to file an affidavit.

The Assessor uses information provided by the taxpayer to determine value, taking into consideration the age, cost, and type of property. When the affidavit is processed and the property valued and entered on the assessment roll, a Personal Property Assessment Notice is mailed to the taxpayer.

### Is property assessed at its full value?

Yes, the state constitution requires property to be assessed at 100% of its true and fair value. The appraisal process is the responsibility of the Assessor, who values property on a cyclical basis according to a revaluation plan filed with the state Department of Revenue. At a minimum, real property must be revalued every four years. King County began an annual revaluation program in 1995.

### What determines the amount of property tax?

The costs of state and local government determine how much property tax will be levied. These include operating costs of schools, city and county government, and other taxing districts such as the Port of Seattle, library, hospital, fire, and sewer districts. A large part of each property tax dollar goes to pay off bonds for such capital costs as school buildings and other public projects.

### How are property tax levies established?

The state constitution, statutory levy limits set by the legislature, and excess levies approved by the voters are used to calculate the total property tax levy. The tax rate on your property is the figure resulting from dividing the dollar amount required for the taxing district by the total value of property within the district, and then adding up the rates of the various districts in which your property is located. The assessed value of your property multiplied by the combined rate produces a tax amount which is your fair share of the total property tax levy in your area. The King County Treasurer issues tax statements and taxes are paid to the King County Treasury Division

### What are the legal limitations on property taxes?

**The 1% constitutional limit:** The primary limitation on property taxes was established by the 17th amendment to the Washington State Constitution in 1972. Article 7, Section 2 of the Constitution and RCW 84.52.050 limit the

total regular property tax levy to a maximum of \$10.00 per \$1,000 of the market value of property. Excluded from this \$10 limit are levies for ports and public utility districts.

**Statutory maximum rates for districts:** RCW 84.52.043 establishes maximum levy rates for the various types of taxing districts (the state, counties, cities and towns, fire districts, and the like). In addition, it establishes a maximum aggregate rate of \$5.90 per \$1,000 of assessed value for counties, cities, fire districts, library districts and other junior taxing districts. The state levy is not subject to the \$5.90 limit, although it is subject to the constitutional \$10 limit. Details of the rate limitations and levy authority for the various taxing districts may be found in the tables on pages 14-15 of this report.

**The levy increase limit:** In 1971, Chapter 84.55 RCW established a limitation on the increase in regular property taxes for taxing districts. The current limitation each year for most districts is 106% of their highest lawful levy since 1985, plus an additional amount to allow for new construction within the district. Referendum 47, passed in 1997 by Washington voters, requires taxing districts with over 10,000 population to establish substantial need to use any amount of this 106% limit that exceeds the rate of inflation, and to approve such an increase by a super-majority vote of its governing body (e.g. a city council).

### The levy increase limit applies to the total amount of regular property tax for a taxing district, not to individual properties.

With majority voter approval, districts may raise the levy limit above 106% in order to exercise more levy authority under the statutory and constitutional limits.

**Excess levies:** Most districts can submit propositions for additional property tax levies to a vote of the people. Local school districts have no regular levy authority (although they are allocated funds from the statewide school levy), so they receive a substantial portion of their funding from voter-approved excess levies. Excess levies must be authorized by a 60% majority of the voters, and **such levies are not subject to any of the limitations described above.**

### What happens if levy limits are exceeded?

The regular levy for each taxing district is reviewed by county authorities for compliance with the levy increase limit, the district's statutory rate limit, and the \$5.90 and 1% limits before the levy is made. If the statutory or levy increase limits are exceeded by an individual district, then their levy is reduced to a lawful amount. The statutes establish a district hierarchy for rate reductions if the aggregate limits are exceeded, and rates are reduced accordingly

# What do the notations on the tax statement mean?

## 2008 KING COUNTY, WA, REAL ESTATE TAX

500 FOURTH AVE, SEATTLE WA 98104-2387

SEE REVERSE SIDE FOR IMPORTANT INFORMATION

PROPERTY TAX ACCOUNT NUMBER RP10

H 000000-0000-00 ①

**KEEP THIS PORTION**

BRING ALL PARTS WHEN PAYING IN PERSON

YOUR NAME  
YOUR MAILING ADDRESS

**LOT BLOCK CODE SEC TWP RG**

COTTAGE LAKE HEIGHTS 7570

PROPERTY ADDRESS: 0000 194TH AV NE

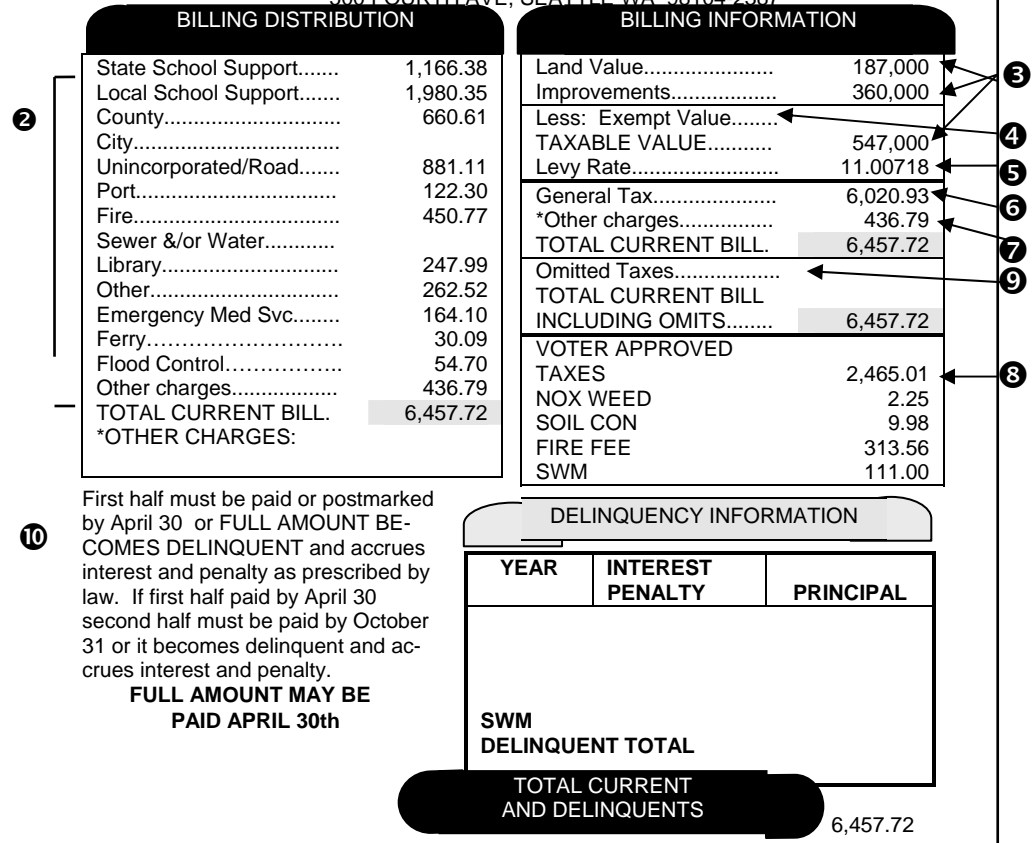
BILLING DISTRIBUTION	
State School Support.....	1,166.38
Local School Support.....	1,980.35
County.....	660.61
City.....	
Unincorporated/Road.....	881.11
Port.....	122.30
Fire.....	450.77
Sewer &/or Water.....	
Library.....	247.99
Other.....	262.52
Emergency Med Svc.....	164.10
Ferry.....	30.09
Flood Control.....	54.70
Other charges.....	436.79
<b>TOTAL CURRENT BILL.</b>	<b>6,457.72</b>
*OTHER CHARGES:	

BILLING INFORMATION	
Land Value.....	187,000
Improvements.....	360,000
Less: Exempt Value.....	
<b>TAXABLE VALUE.....</b>	<b>547,000</b>
Levy Rate.....	11.00718
General Tax.....	6,020.93
*Other charges.....	436.79
<b>TOTAL CURRENT BILL.</b>	<b>6,457.72</b>
Omitted Taxes.....	
<b>TOTAL CURRENT BILL INCLUDING OMITTS.....</b>	<b>6,457.72</b>
VOTER APPROVED TAXES	
TAXES	2,465.01
NOX WEED	2.25
SOIL CON	9.98
FIRE FEE	313.56
SWM	111.00

### DELINQUENCY INFORMATION

YEAR	INTEREST PENALTY	PRINCIPAL
SWM DELINQUENT TOTAL		

**TOTAL CURRENT AND DELINQUENTS** 6,457.72



- ① Identification of your property in Assessor's records.
- ② These figures show the tax dollars allocated to each district within whose boundaries your property lies.
- ③ These figures are the assessed (market) value placed on your property by the Department of Assessments.
- ④ If you are a qualified senior citizen or disabled person with qualifying income, any assessed value exemption to which you may be entitled appears here.
- ⑤ This is the total of all rates (per thousand dollars of assessed value) that the various governmental units have levied to finance their operations in 2008. This total rate varies throughout the county, depending on the amount each government levies. In this example, the total rate is the sum of the following: State School Support: \$2.13233; Local Schools: \$3.62038; County: \$1.20770; Unincorporated Roads: \$1.61081; Port: \$0.22359; Fire District 36: \$0.82408; Library: \$0.45336; Emergency Med Svcs: \$0.30000; Flood Zone: \$0.10000; Ferry: \$0.0500. "Other" levies on this example are for Hospital District 2: \$0.45010 and Northshore Park and Recreation District: \$0.02983.
- ⑥ This is the amount of current year property tax for which you are liable. It was calculated by multiplying the total Levy Rate (5) by the Taxable Value (3) divided by 1,000.
- ⑦ Other charges may include Drainage District Assessments (based on "benefit acres"), State Forest Fire Patrol assessment (based on a per-acre rate established by law), a conservation district fee, noxious weed fee, surface water management (SWM) fees, and/or a Fire District Service Charge. The charges that apply to you will be listed on your bill. Telephone numbers for the agencies imposing them are on the back of the bill.
- ⑧ The amount of your tax bill resulting from voter approval of specific projects (school levies, capital and construction projects, and the like) is shown here. This new information was made a legal requirement for the property tax bill by the 1994 legislature.
- ⑨ Taxes for property value that should have been assessed in prior years but wasn't (for example, a new house). Omitted assessments can be made for up to three years. Taxes are based on the assessed values and levy rates appropriate for each back year.
- ⑩ The 2008 tax statement shown above has two tear-off half-year bills to accommodate payment in two installments.

## How do I qualify for property tax exemptions or deferral?

### If you are a senior citizen or disabled person

RCW 84.36.381 grants property tax exemptions if your total annual income is \$35,000 or less and if you are 61 years of age or older, or you are retired because of physical disability, or if you are a widow or widower at least 57 years of age whose spouse had an exemption at the time of his or her death. Once you have applied for an exemption and received approval, you need file only once every four years to maintain the exemption. The Assessor's office will notify you when it is time to re-file. The exemption ceases immediately upon the death of the qualified person, unless survived by an eligible spouse. Legislation passed in 1995 also provides that the claimant's assessed valuation is frozen as of January 1, 1995 or January 1 of the first year of eligibility, whichever is later. The 2004 legislature increased income criteria, allows Medicare part B insurance premiums as a deduction, and adult family day care facilities and boarding homes are also allowable expenses.

### If you wish to have property tax payments deferred

The claimant must have combined disposable income of \$40,000 or less as defined for the senior citizen exemption in RCW 84.36.383, and must be at least 60 years old at time of filing, or retired because of disability. Chapter 84.38 RCW permits the claimant to defer payment of special assessments and/or real property taxes up to 80% of the amount of the claimant's equity value in the residence. The residence must meet all the requirements for an exemption under the senior citizen exemption (RCW 84.36.381) other than the income and parcel size limits. Deferred taxes become a lien on the property payable upon sale or transfer. A declaration to defer taxes must be filed with the Assessor no later than 30 days before the tax is due. The 2004 legislature changed the wording of the disability section to include mental as well as physical disabilities.

### Qualifying Income Criteria for 2008 Tax

<i>Income (for 2007)</i>	<i>Levies Exempt (in 2008)</i>
\$30,001 - \$35,000	100% of excess levies
\$25,001 - \$30,000	100% of excess levies, plus \$40,000 or 35% of valuation up to \$60,000, whichever is greater, exempt from all property tax.
\$25,000 or less	100% of excess levies, plus up to \$50,000 or 60% of valuation, whichever is greater, exempt from all property tax.

### AVERAGE TAX SAVINGS AVAILABLE TO QUALIFIED SENIOR CITIZENS/DISABLED PERSONS — 2008\*

Income Level	# of Participants	Average Appraised Value	Average Frozen Value	Average Taxable Value After Exemption	Tax Savings*	Savings Percentage
\$25,000 or less	12,831	\$295,109 Rate 8.68790	\$157,704 Rate 8.68790	\$63,082 Rate 6.50119	\$2,153.77	84%
\$25,001 - \$30,000	4,317	\$310,226 Rate 8.68790	\$187,561 Rate 8.68790	\$121,915 Rate 6.87189	\$1,902.62	71%
\$30,001 - \$35,000	3,408	\$318,976 Rate 8.68790	\$216,876 Rate 8.68790	\$216,876 Rate 6.87189	\$1,361.28	49%

\*Tax savings are typical for a single-family residence in the City of Seattle Savings include the effects of freezing the value as well as the effects of further value reduction for each level, and of exemption from excess levies. Figures shown are for illustrative purposes only; actual tax savings depend on the taxable value of the subject parcel.

### **If your property is damaged**

RCW 84.70.010 provides that, if on or before December 31 in any calendar year, any property placed upon the assessment roll in that year is destroyed in whole or in part, the true cash value of such property shall be reduced for that year in an equitable amount as determined in other provisions of the law.

### **If your land is not being used for its “highest and best use”**

Chapter 84.34 RCW (the Open Space Act) provides for current use assessment of farm and agricultural land, timber land, and other open space land. Applications for classification are made to the Assessor for farm and agricultural land and to the County Council for other classifications.

Once land is classified, taxes are based on the current use value of the land rather than its highest and best use. The Assessor must maintain the current use value for as long as the property remains classified. At the same time, a record of the market value of the property is kept. The difference between the current use value and the market value becomes the basis for computing the additional taxes, penalties and interest that may become payable upon a change of use or removal from classifications.

The county-administered Public Benefit Rating System provides additional property tax incentives to property owners. To qualify, the property must possess potential for additional development, and the owner must agree to restrict development and/or provide public access.

### **If you plan to make physical improvements to your home**

RCW 84.36.400 exempts from taxation any physical improvement to a detached single family dwelling for the three assessment years subsequent to the completion of the improvement, up to 30% of the value of the original structure. This can provide substantial tax savings for homeowners who remodel or expand their homes. For example, the owner of a house in Seattle assessed at \$100,000, with an improvement of \$30,000, could save over \$1,100 in property taxes during the course of the exemption. This home improvement exemption may be claimed only once in a 5-year period. Normal maintenance work does not qualify for this exemption.

**Notice to claim the exemption must be filed with the Assessor prior to completion of the improvement.**

### **If you improve eligible historic property**

According to RCW 84.26.030, the actual cost of substantial improvement to eligible historic property (which cost is 25% or greater of the assessed value of the historic structure prior to rehabilitation) may be excluded from the assessed value of such property for a period of ten years. Applications for this exemption are furnished by the Assessor and approved by the Historical Preservation Board of the jurisdiction within which the property is located.

### **If you own timber or timber land**

RCW 84.33.040 exempts all timber on privately and federally owned land from property taxes. Timber is subject to an excise tax paid at the time of harvest and administered by the state Department of Revenue. The timber excise tax is collected by the state for distribution to local taxing districts.

Upon sale, public timber, other than federal, is subject to ad valorem taxation as personal property in addition to the excise tax. However, any property tax paid on this timber may be claimed as a credit against the excise tax.

Forest land is subject to property tax under RCW 84.33.010. Land that has been either classified or designated under the law is assessed in accordance with valuation schedules developed by the Department of Revenue (DOR). The Assessor must determine which land qualifies and then assess the land according to DOR-certified forest land grades.

Land which has no higher nor better use than growing and harvesting timber may be classified as forest land by the Assessor. Land which is being used to grow and harvest timber but which is more valuable for other uses may be designated as forest land by the Assessor upon application by the landowner. To qualify as either classified or designated forest land, a parcel must be at least 20 acres in size and must be devoted primarily to, and used for, growing and harvesting timber. Both classified and designated forest land may be subject to a compensating tax if the use of the land is changed, or upon an owner's request to remove the classification or designation.

### **What publicly-owned property is exempt?**

RCW 84.36.010 allows exemption of taxes to all publicly-owned property, such as that of the federal, state, county, or city governments



### **Is all church-owned property exempt?**

RCW 84.36.020 allows exemption of church-owned property used for church purposes. Property must be used for such things as church, parking, parsonage, convent, and caretaker's residence. The land on which an exemption is granted may not exceed five acres.

### **What other kinds of property are tax-exempt?**

RCW 84.36.030 through 84.36.350 allow tax exemptions for property used in character building, benevolent, protective or rehabilitative social services; camp facilities; veterans and relief organizations; libraries; orphanages; day care centers; nursing homes and hospitals; schools and colleges; art, scientific and historical collections; fire companies; humane societies; musical and artistic associations; public assembly halls; certain public authorities, and sheltered workshops for the disabled.

**Exemption must be claimed annually and ceases upon cessation of the exemption-qualifying use of the property. Applications must be made to the state Department of Revenue.**

### **What if I buy or sell real property?**

RCW 84.60.020 provides for proration of taxes on real property between seller and buyer unless there is an agreement to the contrary.

EXAMPLE: If A sells a house to B on March 1, 1999, A (the seller) is responsible for two months of 1999 tax, and B (the purchaser) is responsible for 10 months of the 1999 tax.

### **If I move, where do I send my address change?**

Please send mailing address changes to:

King County Treasury Division  
500 Fourth Avenue - MS 6A  
Seattle, WA 98104-2387

### **How do I question or appeal the value placed on my property?**

First, you should feel free to contact us. Call or write the Department of Assessments (Room 700B King County Administration Building, 296-7300) if you believe an error has been made in valuing your property. If it appears an error may have been made, the Department can conduct an assessment review and, if indicated, adjust the assessed value of your property (through May 31 of the year preceding the year in which taxes are due).

You can also appeal to the King County Board of Equalization through July 1 of the year before the tax is due, or up to sixty (60) days after you receive a revaluation notice. The Board of Equalization is independent of the Department of Assessments. You must present proof that the Assessor has erred in the appraisal. The information you present to the Board should include sales of comparable properties in your area. You should also submit other pertinent information that demonstrates the difference between the Assessor's value and the correct value.

If you do not agree with the county Board's decision, you may appeal to the State Board of Tax Appeals. You must again present proof that the Assessor has erred in the appraisal.

Assistance may be obtained from the King County Property Tax Advisor at 296-5202.

### **How do I obtain other information and assistance?**

Anyone desiring information or having a question about the assessment of property should call 296-7300 or write the Department of Assessments, Room 700B King County Administration Building, 500 Fourth Avenue, Seattle, WA 98104-2384. Information can also be obtained through our web site at [www.metrokc.gov/assessor](http://www.metrokc.gov/assessor). You may e-mail us at [Assessor.Info@Metrokc.Gov](mailto:Assessor.Info@Metrokc.Gov).

The Assessor's Public Information unit, Room 700A, is open to the public Monday through Friday from 8:00-5:00 for assessment information and research. The service counter is staffed to assist you in finding property information you may be unable to locate on your own. In addition, appraisers are available to assist on more technical questions.

Property information is also available at the following King County Community Service Centers: Northshore, Vashon-Maury Island, Lake Wilderness, Cottage Lake, Sammamish, Fall City, and the Regional Justice Center.