



CHELAN COUNTY PROPERTY OWNER'S GUIDE TO THE ASSESSMENT PROCESS

Chelan County Assessor, Wes Cornelius

assessor@co.chelan.wa.us
www.co.chelan.wa.us/assessor

350 Orondo Ave, Suite 206
Wenatchee, WA 98801
(509) 667-6365



TABLE OF CONTENTS

INTRODUCTION	2
ROLE OF ASSESSOR	2
ANNUAL REVALUATION	3
ASSESSMENT PROCESS	3
PHYSICAL INSPECTION VS. REVALUATION	4
Physical Inspection	4
Physical Inspection Cycle Schedule	4
Revaluation	4
FEE APPRAISAL VS. MASS APPRAISAL	5
MASS APPRAISAL PROCESS	5
APPRAISED VALUE VS ASSESSED VALUE	6
SALES ANALYSIS	6
Neighborhood Codes	7
NOTICE OF VALUE	8
EXEMPTIONS	8
Designated Forest Land (RCW 84.33)	9
DOR Nonprofits (RCW 84.36)	9
Historical Exemption (RCW 84.26)	10
Multi-family Tax Exemption (RCW 84.14 & WCC 5.88)	10
Public Benefit Rating System (RCW 84.34.055)	11
Senior/Disabled Person Exemption (RCW 84.36)	11
Single Family Remodel Exemption (RCW 84.36.400)	12
SALES DATA AVAILABLE	12
Monthly sales reports	12
Parcel and Sales Search	12
Interactive GIS Map	13
APPEAL PROCESS	14
Chelan County Assessor	14
Chelan County Board of Equalization	15
APPLICABLE WASHINGTON STATE LAWS	15

INTRODUCTION

Welcome to the Chelan County Property Owner's Guide to the Assessment Process. This guide is intended to provide property owners in Chelan County with a clear and practical understanding of how property values are determined and maintained for tax purposes.

The property assessment system plays a critical role in ensuring that property taxes are distributed fairly and equitably across the community. Because market conditions change over time, property values must be reviewed and updated regularly using consistent, data-driven methods. This guide explains how the Chelan County Assessor's Office carries out that responsibility in accordance with Washington State law.

Inside, you will find an overview of the Assessor's role, the annual revaluation process, and the steps involved in determining property values. The guide also explains key concepts such as mass appraisal versus fee appraisal, how sales data is analyzed, and the difference between appraised value and assessed value. In addition, it outlines exemption programs, provides references to applicable state laws and administrative rules, and walks you through what to expect when you receive your Notice of Value.

Understanding your assessment is important, and this guide is designed to help you navigate that process with confidence. It also explains how to review your property information and the options available if you have questions or wish to appeal your assessed value.

The Chelan County Assessor's Office is committed to transparency, accuracy, and fairness in the assessment process, and we hope this guide serves as a helpful resource for you.

ROLE OF ASSESSOR

The primary role of the Assessor's Office is to determine the value of all taxable real and personal property in Chelan County in a fair and equitable manner for property tax purposes. Under Washington law, all taxable property must be assessed at 100% of its true and fair market value, based on its highest and best use. To do this, the Assessor analyzes comparable property sales and the cost to replace improvements. There are three primary approaches used to value real property.

- Market or sales approach: Comparison of a property with the characteristics of similar properties that have recently been sold.
- Cost approach: Estimate of the replacement cost of a structure, and adjusting that estimated value to account for depreciation and obsolescence.
- Income approach: For Commercial/industrial property; an analysis of a property's value based on its capacity to generate revenue for the owner.

ANNUAL REVALUATION

In 2009, the Washington State Legislature passed a law (SSB 5368) requiring all counties to implement annual property valuations by January 1, 2014. Chelan County began this transition earlier, in 2008, by adopting Harris Govern PACS Appraisal, which supports annual updates and integrates with online systems.

Annual updates mean the Chelan County Assessor reviews and adjusts your property's value every year. Each property is physically inspected once every four years, while values in between inspections are updated through statistical analysis based on market changes, new construction, or boundary adjustments.

Annual revaluation improves **uniformity, equity, and predictability**. Uniformity ensures all properties are assessed each year using current market data, rather than rotating updates that may not reflect real-time conditions. Equity means property taxes are distributed more fairly, since each property's assessed value is reviewed annually, helping ensure taxpayers pay a proportional share—especially for statewide and countywide levies. Predictability reduces large swings in value that can occur with multi-year cycles, resulting in more stable and gradual changes in both assessed values and property taxes.

ASSESSMENT PROCESS

In Washington, all taxable property must be assessed at 100% of its true and fair market value using three standard approaches: cost, sales, and income (primarily for commercial property). For residential properties, assessors first establish a base value using the cost approach and then adjust it using sales data to reflect current market conditions. Values are determined through mass appraisal, meaning properties are assessed based on trends within defined market areas rather than individually, and any market adjustments must be applied uniformly to similar properties.

A property's assessed value represents the combined total of land and all improvements, such as structures or agricultural features. Physical inspections occur every four years, while market conditions are analyzed annually, with Chelan County revaluing properties each year since 2010. Only valid, arm's-length sales are used in analysis, and it is illegal to set a value based solely on a property's sale price.

Assessment accuracy is measured using a sales ratio (assessed value divided by sale price), and because mass appraisal relies on averages, some properties will be over- or under-assessed; Chelan County targets a ratio of 85–90% to minimize over-assessment. Property values are established as of January 1 of the assessment year using sales from the prior year. Market adjustments account for the difference between construction costs and actual buyer behavior, and may include certain excluded sales—such as foreclosures—if they meaningfully impact the market. In practical terms, your 2026

property taxes are based on your 2025 assessed value, which is largely derived from 2024 sales data.

PHYSICAL INSPECTION VS. REVALUATION

All properties are revalued annually as part of the County’s ongoing update process. Each year, one-quarter of all real property is physically inspected, with the County divided into four inspection cycle areas. Properties outside the current inspection area are updated through statistical analysis rather than an in-person review. These updates reflect changes in the real estate market, new construction, or boundary adjustments. Assessed values are adjusted using recent comparable sales data, with market trends applied across similar property types and neighborhoods through a process known as mass appraisal.

Physical Inspection

An inspection occurs when an appraiser physically reviews your property from the exterior to verify and update characteristics such as square footage and condition; appraisers do not enter homes. Each property in Chelan County is inspected once every four years as part of a four-cycle system, with approximately 12,000 parcels reviewed annually. Properties with new construction are inspected after completion, typically during June and July, and may also be reviewed to confirm details related to property characteristics or recent sales. After any visit, appraisers leave a business card explaining the reason for the inspection. If a reassessment results in a change to the property’s value, the owner is notified by mail through a Notice of Value. If a reassessment results in a change to the property’s value, the owner is notified by mail through a Notice of Value, which is typically mailed out sometime in late September.

Physical Inspection Cycle Schedule

Cycle 1	Cycle 2	Cycle 3	Cycle 4
Stemilt Basin, South Wenatchee, Monitor & Cashmere	North Wenatchee, Sunnyslope & Entiat	Blewett Pass, Leavenworth, Plain & Lake Wenatchee	Lake Chelan, Manson & Stehekin
2021-2022	2022-2023	2023-2024	2024-2025
2025-2026	2026-2027	2027-2028	2028-2029
2029-2030	2030-2031	2031-2032	2032-2033

Revaluation

Revaluation is the annual update of a property’s assessed value using current market data through appraisal or mass appraisal methods. Properties not scheduled for a

physical inspection are still reviewed each year through statistical analysis. Adjustments are made when supported by market trends, new construction, or boundary changes, using recent comparable sales to guide updates across similar property types and locations.

FEE APPRAISAL VS. MASS APPRAISAL

Fee appraisal and mass appraisal both estimate property value using similar principles, but they differ in scope and purpose. A fee appraisal is an individual property valuation, typically prepared for a specific purpose such as refinancing or purchasing a home. It relies on comparable sales that closely match the subject property and may also consider cost and income data to determine a single property's market value as of a specific date.

In contrast, a mass appraisal is used by county assessors to value large groups of properties for property tax purposes. Because assessors must analyze thousands of parcels each year, they use standardized methods and statistical analysis to evaluate groups of similar properties based on location, property type, and market influences. Rather than focusing on one property at a time, mass appraisal examines patterns in large sets of sales data to determine value trends and apply those results consistently across many properties.

In Washington State, assessors use mass appraisal techniques to update property values annually so they reflect 100% of true and fair market value as of January 1, as required by law. If these annual updates result in a change in value, property owners receive a notice of value.

MASS APPRAISAL PROCESS

The mass appraisal process begins by valuing land as if vacant, using recent, valid sales within a defined market area to determine whether adjustments are needed; if sales are limited, values may remain unchanged while trends are monitored, with the law allowing up to a five-year look-back. Assessors analyze these sales by comparing prior assessed values to sale prices to create sales ratios, which reflect how the market behaves based on buyer and seller preferences. These ratios are ordered and adjusted so the overall average falls within a target range of 85–90%, and that market adjustment is then applied uniformly to all properties in the area.

Improvements, such as structures, are valued separately using standardized cost data (Marshall & Swift) to estimate replacement cost new, less depreciation, factoring in quality, age, and condition. Because properties typically sell for more or less than construction cost, additional market adjustments are derived from improved property sales using the same ratio analysis process. These adjustments are applied to the improvement values, while land values remain set.

Unlike fee appraisals that rely on a few comparable properties, mass appraisal uses all qualifying sales within a market area to ensure consistency and equity across many properties, generally producing results aligned with broader market analyses.

APPRAISED VALUE VS ASSESSED VALUE

In Washington State, the appraised value and assessed value of a property are typically the same. The appraised value represents the Assessor’s estimate of your property’s true and fair market value as of January 1, based on comparable sales and market conditions. The assessed value is the official value used to calculate property taxes and is generally set at 100% of that market value, unless the property qualifies for a special program or exemption. In most cases, property taxes are based on this assessed value, with any applicable reductions applied afterward.

SALES ANALYSIS

Each year, the Chelan County Assessor’s Office compares recent sale prices to assessed values as part of our annual statistical update. When assessed values differ significantly from market sales, we apply market adjustments to bring those values in line with current market conditions, as required by Washington State law.

We have a separate handout for each inspection cycle area that summarizes the sales data used in our annual analysis for the 2026 assessment year (taxes payable in 2027). The data is organized by neighborhood within each valuation cycle and by three sales ratio report types—STATS, DOR, and MH.

The **STATS** report includes all qualified “arms-length” sales used to determine market adjustments for each neighborhood. These sales typically involve warranty deeds or real estate contracts occurring within the 12-month analysis period. The **DOR** report includes sales from May 1 through April 30, which aligns with criteria used by the Washington State Department of Revenue to review our work. The **MH** report includes mobile home sales, which are analyzed separately because they often sell differently than stick-built homes.

The sales ratio compares a property’s assessed value to its sale price and indicates whether properties are assessed at, above, or below market value. As shown in the Market Sales Analysis Summary for each cycle area, we review average ratios by neighborhood and consider the number of qualified sales in each category when determining whether adjustments are needed.

The year-to-year (Y2Y) percentage reflects the change between the current and prior year’s assessed values. This figure can be influenced not only by market changes, but also by factors such as new construction, boundary line adjustments, or changes in exemption status. A value of 0% or N/A indicates there were not enough qualified sales to support a market adjustment in that neighborhood.

Neighborhood Codes

Every property in Chelan County is assigned a neighborhood code (e.g. **1CSHN01R01**) for market sales analysis purposes. Neighborhoods are defined as the market area where properties are grouped because they sell similarly to one another. To find the sales that were used for analysis in your neighborhood you'll want to look up your neighborhood code using the instructions below and locate the sales that match your neighborhood by looking at the column in the sales data labeled "hood".

There are two ways to determine the neighborhood code for your property. If you have your notice of value from our office you'll see the neighborhood code directly under "Reference no:" which is directly above the large blue text "THE PROPERTY IDENTIFICATION NUMBER LISTED ABOVE CORRESPONDS WITH YOUR TAX STATEMENT(S)".

Please read enclosures for more assessment information

NOTICE OF VALUE

Date: 6/20/2025

This value supersedes any prior notification.
Assessment Year: 2025 Tax Year: 2026

PROPERTY IDENTIFICATION #: 58158 - 222032400050	Tax Area: 66
Brief Legal Description: T 22N R 20EWM S 32 E2SE 80.0000 ACRES	
Property Address: UNASSIGNED WENATCHEE, WA 98801 <small>(Please notify us if our record of your property or mailing address is incorrect.)</small>	

PLEASE READ REVERSE SIDE FOR INFORMATION REGARDING YOUR PROPERTY ADDRESS AND IMPORTANT TAX RELIEF PROGRAMS.

35000**G49**0.4455**1/2*****SNGLP



Chelan County Assessor
350 Orondo Suite 206
Wenatchee, WA 98801

Reference No:
1SQKM01A0

NEIGHBORHOOD CODE

THE PROPERTY IDENTIFICATION NUMBER LISTED ABOVE CORRESPONDS WITH YOUR TAX STATEMENT(S).


Or visiting our website at www.co.chelan.wa.us/assessor and using the Parcel and Sale Search to look up the property.

▼ **Property**

Account

Property ID:	58158	Abbreviated Legal Description:	T 22N R 20EWM S 32
Geographic ID:	222032400050	Agent Code:	
Type:	Real		
Tax Area:	66 - 246 F1 WVFD	Land Use Code	83
Open Space:	Y	DFL	N
Historic Property:	N	Remodel Property:	N
Multi-Family Redevelopment:	N		
Township:	22N	Section:	32
Range:	20EWM	Legal Acres:	80.0000

Location

Address:	UNASSIGNED WENATCHEE, WA 98801	Mapsco:	
Neighborhood:	Cycle 1 Squilchuck_upper Mission Creek Div 1 Ag	Map ID:	1SQKM01A01
Neighborhood CD:	1SQKM01A01 		

NOTICE OF VALUE

Property owners receive a Notice of Value by mail each year if the Assessor’s Office determines there has been a change in their property’s assessed value. The notice compares the previous year’s assessed value with the current year’s assessed value, which is used to calculate taxes for the following year and reflects any exemptions or deferrals on record. Notices are typically mailed in June, and if there is no change in value, a notice is not sent. In some cases, a previous value may not appear—such as when parcel size or acreage has changed, or for mobile homes that were not located in the county the prior year.

The notice includes two addresses: the physical property (Situs) address and the owner’s mailing address. The Situs address is assigned to the parcel by the Chelan County Public Works Department, while the mailing address is used by the Assessor’s Office to send notices.

For mailing address updates or questions, contact the Assessor’s Office at (509) 667-6365.

For questions about the Situs address, contact the Public Works Department at (509) 667-6340.

EXEMPTIONS

Washington State offers a variety of property tax exemption and special valuation programs that can reduce the taxable value of property for qualifying uses and individuals. These programs include exemptions for senior citizens and persons with disabilities, nonprofit organizations, historic properties, multi-family housing, and single-family remodels, as well as special classifications for land used in farming, forestry, and open space.

Some programs—such as Farm & Agricultural, Designated Forest Land, and Open Space—value land based on its **current use** rather than its highest and best market value, which can lower property taxes. Other programs provide partial or temporary exemptions on improvements or freeze property values under certain qualifications. Most programs require an application and approval process, and eligibility criteria must be maintained.

It is important to understand that these programs create a **tax shift**, not a tax reduction overall. While they reduce taxes for qualifying properties, the total amount of property taxes collected by local taxing districts does not change. Instead, the tax responsibility is redistributed among all other taxable properties.

Designated Forest Land (RCW 84.33)

As a way to encourage commercial forestry and sound forestry practices, landowners may apply to have their property designated as forest land. This designation results in a lower assessed value and reduced property taxes.

To qualify, the land must be primarily used for growing and harvesting timber and consist of at least five (5) acres. Residential home sites (minimum of one acre) are not included in the five-acre minimum. The designation may include incidental uses that are compatible with timber production, provided those uses do not exceed ten percent of the total land area. Land with amenities necessary for the production, preparation, or sale of timber products may also qualify. Landowners must comply with all applicable forest practice laws and regulations.

Applications are processed through the Assessor's Office. The application form is available on our website at:

www.co.chelan.wa.us/assessor/pages/current-use-exemptions

A timber management plan must be submitted with the application. The application fee is \$750, which includes recording fees for the Notice of Approval filed with the County Auditor (two pages).

DOR Nonprofits (RCW 84.36)

Qualifying nonprofit organizations may be eligible to apply with the State Department of Revenue (DOR) to receive an exemption on their personal and real property taxes, depending on the use of the property. Typical organizations that receive property tax exemptions include schools, churches, cemeteries, hospitals, social service agencies, character-building organizations, nursing homes, homes for the aging, museums, performing arts facilities, and public meeting halls. For details about the exemption, click on the link below.

For questions regarding nonprofit property tax exemptions, please call the DOR Property Tax Division at (360) 534-1400, or to verify if your approved DOR nonprofit

exemption has been applied to the assessment rolls, contact our office at (509) 667-6375 or email erin.fonville@co.chelan.wa.us

Farm & Ag (RCW 84.34.020)

The 1970 Open Space Taxation Act allows property owners to have their farm and agricultural lands valued at their current use rather than at their highest and best use. The Open Space Farm & Ag program is for any parcel of land that is devoted primarily to the production of agricultural commodities for commercial purposes. If a residence exists on farms less than 20 acres, a one-acre residence site is excluded.

There are income requirements for 3 out of the last 5 years based on the amount of property to be classified:

- Less than 5 acres require an annual gross income from agricultural products of \$1,500 total.
- 5 to 20 acres require an annual gross income for agricultural products of \$200 per acre.
- 20 acres or more do not require a specific amount, but there must be sufficient income to ascertain that the property is a commercial-scale farm.

Applications are processed through the Assessor's Office. The application form is available on our website at www.co.chelan.wa.us/assessor/pages/current-use-exemptions. The application must include proof of gross income for the commercial operation along with a farm plan. The application fee is \$600, which includes the recording fees for the Notice of Approval form that is recorded with the County Auditor (2 pages).

Historical Exemption (RCW 84.26)

The exemption is for improvements made to historic properties that are currently listed on the local and/or national register of historic places. The historic exemption places a special valuation on the assessed value of the historic property, as approved by the local review board, for up to 10 years. For more information on the exemption you can contact our office at (509) 667-6375 or the City of Wenatchee at (509) 888-3200. You can also visit the City's Historic Preservation Website at www.wenatcheewa.gov/government/community-development/historic-preservation

Multi-family Tax Exemption (RCW 84.14 & WCC 5.88)

The Multi-Family Tax Exemption (MFTE), authorized under RCW 84.14 and implemented locally through City of Wenatchee Code Chapter 5.88, is a program that encourages multi-family housing development in designated areas. It provides a **temporary**

property tax exemption on the value of new residential improvements (not the land).

The exemption typically lasts **8 or 12 years**, depending on whether the project includes required affordable housing units. Projects must be located within approved areas, meet development requirements, and remain compliant with program guidelines.

The MFTE reduces property taxes for a limited time to support housing development, while the land and non-qualifying portions of the property remain taxable.

Public Benefit Rating System (RCW 84.34.055)

The Board of Chelan County Commissioners adopted the Open Space Public Benefit Rating System (PBRS) for open-space lands in 1998 to provide a method for determining the public benefit to Chelan County for the designation of open space lands under the current use taxation program. Any land area in which preservation in its present use would conserve or enhance natural resources, protect streams or water supply, promote conservation, enhance the value to the public, enhance recreation opportunities, or preserve historic sites may qualify for a property tax reduction. Agricultural, forest, and residential lands do not qualify for the program. The PBRS system and the amount of property tax reduction are based on the number of eligibility points for which the land qualifies. The rating factors include priority resources, public access, and bonus categories where variable points are accrued concerning special conditions.

Applications are processed through the Community Development Department. For information on the program, application process, and application fees, please contact them at (509) 667-6225 or visit their website at <https://www.co.chelan.wa.us/community-development>.

Senior/Disabled Person Exemption (RCW 84.36)

If you are a senior citizen or a person with a disability and own and occupy your primary residence in Washington State, you may qualify for a property tax exemption program that can reduce your taxes. Under this program, your property value may be frozen (capped) at the level established in the year you qualify. You may also be exempt from excess and special levies, and in some cases a portion of regular levies. If your assessed value increases, you will continue to pay taxes based on the frozen value. If your assessed value decreases, your taxes will be based on the lower value. Any new construction added to your property will be included in your value in the year it is completed.

To qualify, you must have a combined disposable household income of \$48,000 or less, be at least 61 years old (turning 62 by December 31), unable to work due to a disability, or a veteran with a 100% service-connected disability, and you must own and occupy the home as your principal residence for at least six months each year.

For more information about the Senior/Disabled Persons property tax reduction program, contact our Program Exemption Administrator in the Assessor's Department at (509) 667-6364 or email assessor.sr.pgm@co.chelan.wa.us

Single Family Remodel Exemption (RCW 84.36.400)

If you make physical improvements to a single-family residence owned by you through an addition, remodel, structural corrections, repairs, or other improvements, including constructing an accessory dwelling unit that adds to the value or condition of the existing residence, then you may qualify for a three-year exemption up to 30 percent of the pre-improvement residence value of the physical improvement. Physical improvements do not include normal maintenance items. An application for the exemption must be filed with the assessor's office prior to the completion of the project.

The intent of this law is to give you tax relief after spending money to improve your home, your neighborhood, and your community. For more information and to request an application, please contact our office at (509) 667-6375 or email erin.fonville@co.chelan.wa.us.

SALES DATA AVAILABLE

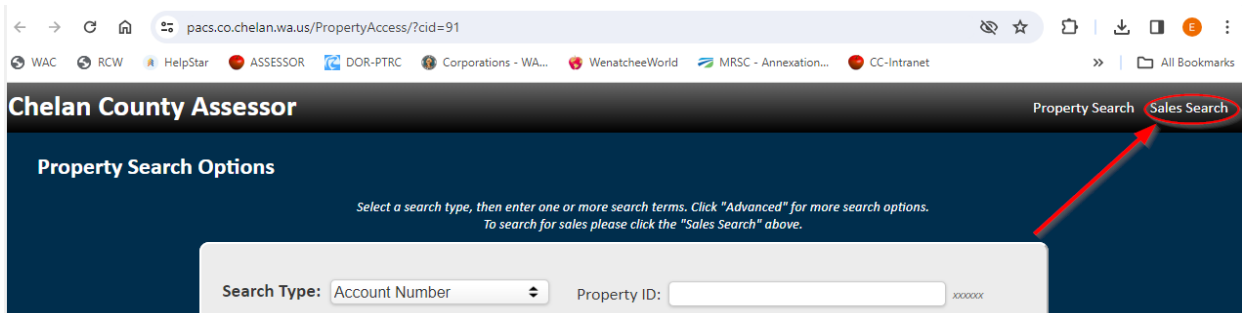
The sales data we use in our market sales analysis for assessment purposes is available to Chelan County property owners on our www.co.chelan.wa.us/assessor website. There are three ways to look up sales data: monthly sales report, parcel and sales search, and interactive map.

Monthly sales reports

Monthly sales are available as downloadable Microsoft Excel (.xls) files under the **Monthly Sales Report** tab on the Assessor's homepage at www.co.chelan.wa.us/assessor. Data is available from June 2012 to the present, and new reports are typically posted by the 6th of each month for the previous month's sales.

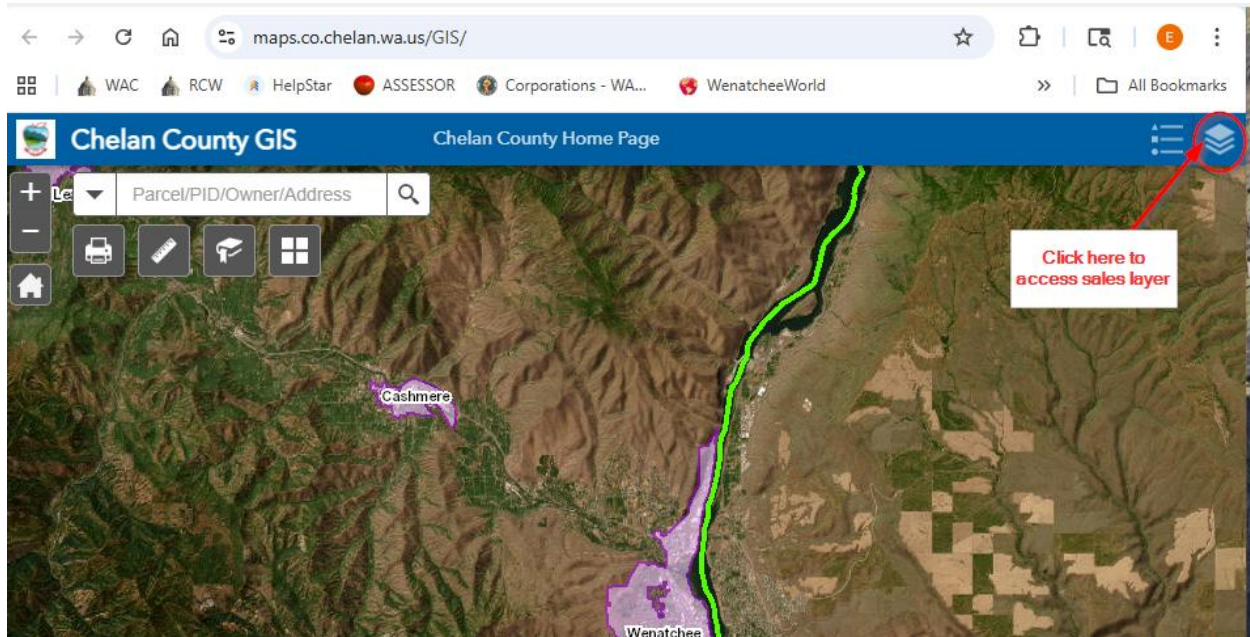
Parcel and Sales Search

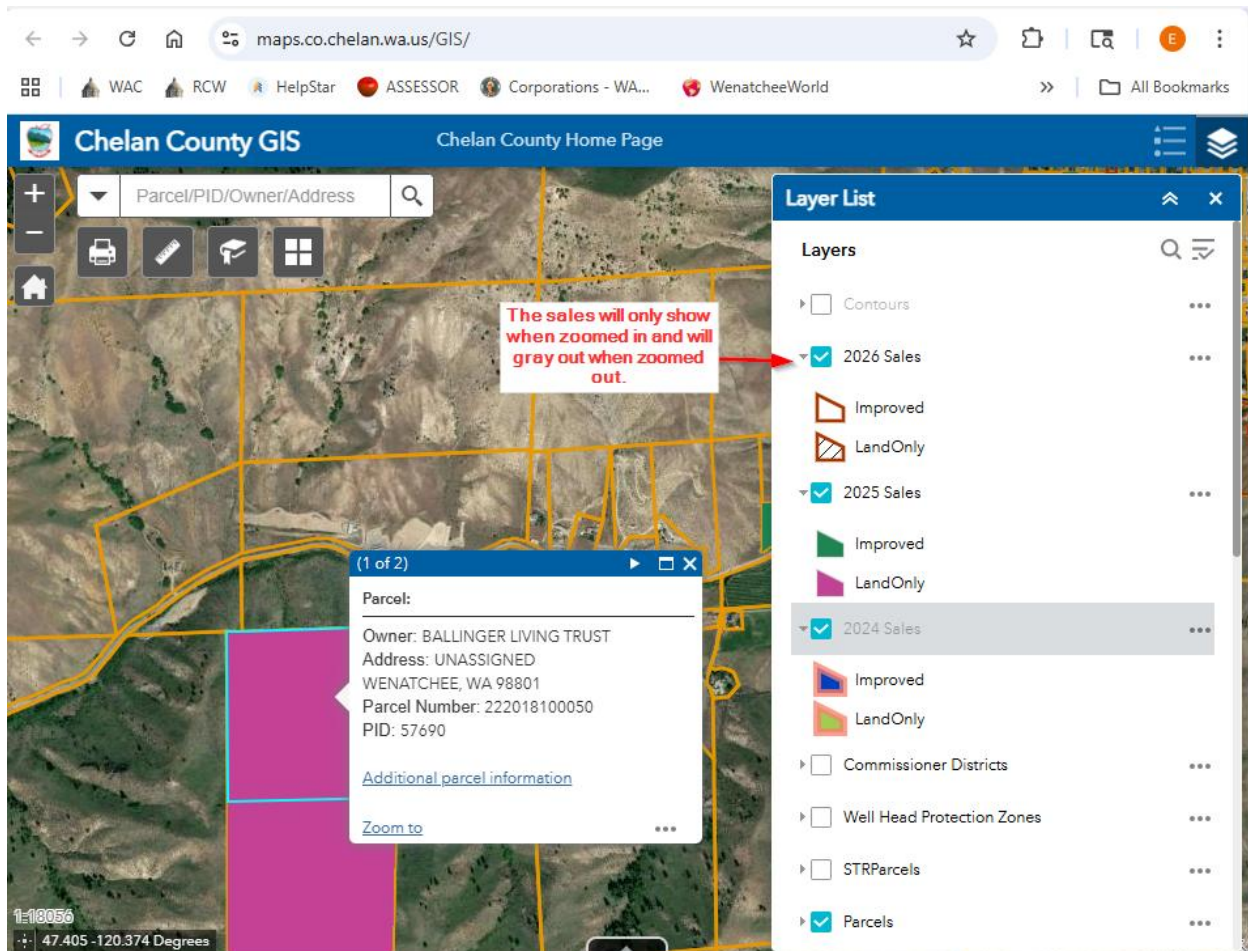
Through our **Parcel and Sales Search** application, you can customize our sale data based on the criteria you are looking for. To access the parcel and sale search, click on the picture of the red cabin on our home page. Agree to the disclaimer to continue, and then select "Sales Search" on the top right corner of the Property Search Options window. Enter your criteria and click on the search button.



Interactive GIS Map

Through our **Interactive Map** application, you can view our sales data on the Chelan County GIS map. To access the interactive map, click on the picture of the white lap top on our home page, which will take you to the information page on GIS-Mapping. Click on the Interactive Map link, and then Continue on the GIS Disclaimer window to access the interactive map. Once on the map, you can search by navigating the map to the area you are interested in or using the search bar in the left-hand corner to search by parcel number (aka geoid), PID, owner, or address. To add the sales data to the map, click on the layer icon on the left-hand side and select the sales data from the list. We have 2024–2026 sales available on the interactive map.





APPEAL PROCESS

Chelan County Assessor

If you believe your assessed value does not reflect fair market value, we encourage you to contact our office. Property owners can speak with a County appraiser to review their property record and verify that all information is accurate. In many cases, manifest errors can be corrected without the need for a formal hearing.

If, after working with an appraiser, you still disagree with your assessed value, you may file an appeal with the Chelan County Board of Equalization (BOE). Appeals must be filed or postmarked by July 1 of the assessment year or within 30 days of the mailing date on your Notice of Value, whichever is later.

To protect your right to appeal, we recommend submitting a petition while you are working with an appraiser. If your concerns are resolved, you may withdraw your appeal.

Our office is always available to answer questions and review your assessed value at any time.

You can contact our office at (509) 667-6365, visit us in person at 350 Orondo Avenue, Wenatchee or send us an email at assessor@co.chelan.wa.us.

Chelan County Board of Equalization

The Board of Equalization (BOE) provides an independent and impartial forum for property owners to appeal decisions made by the County Assessor's Office. If you disagree with your property's assessed value or another determination affecting your property, the BOE will hear your appeal and issue a decision based on the evidence presented.

The Board consists of three citizens appointed by the Chelan County Commissioners and operates separately from the Assessor's Office to ensure a fair process and protect due process rights.

The BOE reviews a variety of appeals, including real and personal property valuations, exemption denials (such as senior/disabled or home improvement), forest land and current use classifications, and other property tax exemption decisions.

Contact information:

Chelan County Board of Equalization
400 Douglas Street, Suite 201
Wenatchee, WA 98801

(509) 667-6565

BOE@co.chelan.wa.us

www.co.chelan.wa.us/board-of-commissioners/pages/board-of-equalization

APPLICABLE WASHINGTON STATE LAWS

RCW 84.04.030- "Assessed value of property."

"Assessed value of property" shall be held and construed to mean the aggregate valuation of the property subject to taxation by any taxing district as placed on the last completed and balanced tax rolls of the county preceding the date of any tax levy.

RCW 84.04.040- "Assessment year," "fiscal year."

The assessment year contemplated in this title and the fiscal year contemplated in this title shall commence on January 1st and end on December 31st in each year.

RCW 84.04.090- "Real property."

The term "real property" for the purposes of taxation shall be held and construed to mean and include the land itself, whether laid out in town lots or otherwise, and all buildings, structures or improvements or other fixtures of whatsoever kind thereon, except improvements upon lands the fee of which is still vested in the United States, or in the state of Washington, and all rights and privileges thereto belonging or in any wise appertaining, except leases of real property and leasehold interests therein for a term less than the life of the holder; and all substances in and under the same; all standing timber growing thereon, except standing timber owned separately from the ownership of the land upon which the same may stand or be growing; and all property which the law defines or the courts may interpret, declare and hold to be real property under the letter, spirit, intent and meaning of the law for the purposes of taxation. The term real property shall also include a mobile home which has substantially lost its identity as a mobile unit by virtue of its being permanently fixed in location upon land owned or leased by the owner of the mobile home and placed on a permanent foundation (posts or blocks) with fixed pipe connections with sewer, water, or other utilities: PROVIDED, That a mobile home located on land leased by the owner of the mobile home shall be subject to the personal property provisions of chapter 84.56 RCW and RCW 84.60.040.

RCW 84.40.020- Assessment date—Average inventory basis may be used—Public inspection of listing, documents, and records.

All real property in this state subject to taxation shall be listed and assessed every year, with reference to its value on the first day of January of the year in which it is assessed. Such listing and all supporting documents and records shall be open to public inspection during the regular office hours of the assessor's office: PROVIDED, That confidential income data is hereby exempted from public inspection as noted in RCW 42.56.070 and 42.56.210. All personal property in this state subject to taxation shall be listed and assessed every year, with reference to its value and ownership on the first day of January of the year in which it is assessed: PROVIDED, That if the stock of goods, wares, merchandise or material, whether in a raw or finished state or in process of manufacture, owned or held by any taxpayer on January 1 of any year does not fairly represent the average stock carried by such taxpayer, such stock shall be listed and assessed upon the basis of the monthly average of stock owned or held by such taxpayer during the preceding calendar year or during such portion thereof as the taxpayer was engaged in business.

RCW 84.40.030- Basis of valuation, assessment, appraisal—One hundred percent of true and fair value—Exceptions—Leasehold estates—Real property—Appraisal—Comparable sales.

(1) All property must 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.

(2) Taxable leasehold estates must 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.

(3) 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) must be based upon the following criteria:

(a) Any sales of the property being appraised or similar properties with respect to sales made within the past five years. The appraisal must 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 must also take into account: (i) 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 (ii) 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 may not be used as sales of similar property.

(b) In addition to sales as defined in subsection (3)(a) 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 must be the dominant factors in valuation. When provisions

of this subsection are relied upon for establishing values the property owner must be advised upon request of the factors used in arriving at such value.

(c) In valuing any tract or parcel of real property, the true and fair value of the land, exclusive of structures thereon must be determined; also the true and fair value of structures thereon, but the valuation may not exceed the true and fair value of the total property as it exists. In valuing agricultural land, growing crops must be excluded. For purposes of this subsection (3)(c), "growing crops" does not include cannabis as defined under RCW [69.50.101](#).

RCW 84.41.041- Physical inspection and valuation of taxable property required—Adjustments during intervals based on statistical data.

(1) Each county assessor must cause taxable real property characteristics to be reviewed in accordance with international association of assessing officers standards for physical inspection and valued at least once every six years in accordance with RCW [84.41.030](#), and in accordance with a plan filed with and approved by the department of revenue. Such revaluation plan must provide that all taxable real property within a county must be revalued and these newly determined values placed on the assessment rolls each year. Property must be valued at one hundred percent of its true and fair value and assessed on the same basis, in accordance with RCW [84.40.030](#), unless specifically provided otherwise by law. During the intervals between each physical inspection of real property, the valuation of such property must be adjusted to its current true and fair value, such adjustments to be made once each year and to be based upon appropriate statistical data.

(2) The assessor may require property owners to submit pertinent data respecting taxable property in their control including data respecting any sale or purchase of said property within the past five years, the cost and characteristics of any improvement on the property and other facts necessary for appraisal of the property.

WAC 458-07-010- Valuation and Revaluation of Real Property—Introduction.

The Washington state Constitution requires that all taxes be uniform upon the same class of property within the territorial limits of the authority levying the tax. In order to comply with this constitutional mandate and ensure that all taxes are uniform, all real property must be valued in a manner consistent with this principle of uniformity. Also, to comply with statutory and case law, the county assessor must value all taxable real property in the county on a regular, systematic, and continuous basis. All taxable real

property within a county must be valued or revalued annually, and each county assessor must review all taxable real property characteristics in accordance with the International Association of Assessing Officers' standards for physical inspections. All taxable real property within a county must also be physically inspected at least once every six years, per RCW [84.41.030](#). The assessor must adhere to a revaluation plan that will ensure equality and uniformity in the valuation of real property, and must use proper appraisal methods. The administrative rules in this chapter describe and explain the processes to be used by the county assessor in valuing and revaluing real property for purposes of taxation.

WAC 458-07-015- Revaluation of Real Property.

(1) **Appropriate statistical data defined.** The assessor must revalue real property at its current true and fair value using appropriate statistical data. RCW [84.41.041](#). For purposes of this chapter, "appropriate statistical data" means the data required to accurately adjust real property values and includes, but is not limited to, data reflecting costs of new construction and real property market trends.

(2) **Comparable sales data.** In gathering appropriate statistical data and determining real property market trends, the assessor must consider current sales data. "Current sales data" means sales of real property that occurred within the past five years of the date of appraisal and may include sales that occur in the assessment year. To the extent feasible, and in accordance with generally accepted appraisal practices, the assessor shall compile the statistical data into categories of comparable properties. Comparability is most often determined by similar use and location and may be based upon the following use classifications:

- (a) Single family residential;
- (b) Residential with from two to four units;
- (c) Residential with more than four units;
- (d) Residential hotels, condominiums;
- (e) Hotels and motels;
- (f) Vacation homes and cabins;
- (g) Retail trade;
- (h) Warehousing;
- (i) Office and professional service;
- (j) Commercial other than listed;

(k) Manufacturing;

(l) Agricultural; and

(m) Other classifications as necessary.

(3) **Appraisal processes.** Appropriate statistical data shall be applied to revalue real property to current true and fair value using one or more of the following processes:

(a) Multiple or linear regression;

(b) Sales ratios;

(c) Physical inspection; or

(d) Any other appropriate statistical method that is recognized and accepted with respect to the appraisal of real property for purposes of taxation.

(4) **Physical inspection cycles.**

(a) For purposes of this chapter, "physical inspection" means, at a minimum, an exterior observation of the property to determine whether there have been any changes in the physical characteristics that affect value. The property improvement record must be appropriately documented in accordance with the findings of the physical inspection. The assessor must physically inspect all taxable real property at least once within a six-year time period, and review all taxable real property characteristics in accordance with the International Association of Assessing Officers' physical inspection standards.

(b) Physical inspection of all the property in the county shall be accomplished on a proportional basis in cycle, with approximately equal portions of taxable property of the county inspected each year. Physical inspections of properties outside of the areas scheduled for physical inspection under the plan filed with the department, in accordance with WAC [458-07-025](#) Revaluation of real property—Plan submitted to department of revenue, may be conducted for purposes of validating sales, reconciling inconsistent valuation results, calibrating statistical models, valuing unique or nonhomogeneous properties, administering appeals or taxpayer reviews, documenting digital images, or for other purposes as necessary to maintain accurate property characteristics and uniform assessment practices. All properties shall be placed on the assessment rolls at current true and fair value as of January 1st of the assessment year.

(c) In any year, when the area of the county being physically inspected is not completed in that year, the portion remaining must be completed before beginning the physical inspection of another area in the succeeding year. All areas of the county must be physically inspected within the cycle established in the revaluation plan filed with the department.

(5) **Revaluation after a value is certified for the current year.** In certain circumstances the assessor is authorized to revalue real property, using appraisal judgment, after a value is certified for the current year. These revaluations must not be arbitrary or capricious, nor violate the equal protection clauses of the federal and state Constitutions, nor the uniformity clause of the state Constitution. The assessor may disregard the certified value for the current year and change a property valuation, as appropriate, in the following situations:

(a) If requested by a property owner, when a notice of decision pertaining to the value of real property is received under RCW 36.70B.130 Notice of decision—Distribution; local project review, chapter 35.22 RCW First-class cities, chapter 35.63 RCW Planning commissions, chapter 35A.63 RCW Planning and zoning in code cities, or chapter 36.70 RCW Planning Enabling Act;

(b) When the owner or person responsible for payment of taxes on any real property petitions the assessor for a reduction in the assessed value in accordance with RCW 84.40.039, within three years of adoption of a restriction by a government entity;

(c) When there has been a "definitive change of land use designation" by an authorized land use authority, and the revaluation is in accordance with RCW 84.48.065;

(d) When a bona fide mistake has been made by the assessor in a prior valuation made within the current valuation cycle. The change in property valuation is not retroactive to the prior year;

(e) When property has been destroyed, in whole or in part, and is entitled to a reduction in value in accordance with chapter 84.70 RCW; or

(f) When property has been subdivided or merged.

(6) **Change of value notice.** Revaluation, or change of value notices, must be mailed or transmitted electronically by the assessor to the taxpayer when there is any change in the assessed value of real property, not later than thirty days after an appraisal or adjustment in value.

WAC 458-07-030- True and Fair Value—Defined—Criteria—Highest and Best Use—Data From Property Owner.

(1) **True and fair value—Defined.** All property must be valued and assessed at one hundred percent of true and fair value unless otherwise provided by law. "True and fair value" means market value and is the amount of money a buyer of property willing but not obligated to buy would pay a seller of property willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might in reason be applied.

(2) **True and fair value—Criteria.** In determining true and fair value, the assessor may use the sales (market data) approach, the cost approach, or the income approach, or a combination of the three approaches to value. The provisions of (b) and (c) of this subsection, the cost and income approaches, respectively, shall be the dominant factors considered in determining true and fair value in cases of property of a complex nature, or property being used under terms of a franchise granted by a public agency, or property being operated as a public utility, or property not having a record of sale within five years and not having a significant number of sales of comparable property in the general area. When the cost or income approach is used, the assessor shall provide the property owner, upon request, with the factors used in arriving at the value determined, subject to any lawful restrictions on the disclosure of confidential or privileged tax information.

(a) **Sales.** Sales of the property being appraised or sales of comparable properties that occurred within five years of January 1st of the assessment year are valid indicators of true and fair value. In valuing property, the following shall be considered:

(i) Any governmental policies or practices, regulations or restrictions in effect at the time of appraisal that affect the use of property, including a comprehensive land use plan, developmental regulations under the Growth Management Act (chapter 36.70A RCW), and zoning ordinances. No appraisal may assume a land usage or highest and best use not permitted under existing zoning or land use planning ordinances or statutes or other government restrictions, unless such usage is otherwise allowed by law;

(ii) Physical and environmental influences that affect the use of the property;

(iii) When a sale involves a real estate contract, the extent, if any, to which the down payment, interest rate, or other financing terms may have increased the selling price;

(iv) The extent to which the sale of a comparable property actually represents the general effective market demand for property of that type, in the geographical area in which the property is located; and

(v) Sales involving deed releases or similar seller-developer financing arrangements shall not be used as sales of comparable property in determining value.

(b) **Cost.** In determining true and fair value, consideration may be given to cost, cost less depreciation, or reconstruction cost less depreciation.

(c) **Income.** In determining true and fair value, consideration may be given to the 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.

(d) **Manuals.** Appraisal manuals or guides published or approved by the department of revenue shall be considered in conjunction with the three approaches to value. The data contained in these manuals or guides must be analyzed and adjusted by the assessor to consider time, location, and any other applicable factors to properly reflect market value in the county.

(3) **True and fair value—Highest and best use.** Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.

(4) **Valuation of land and improvements.** In valuing any lot, tract, or parcel of real property, the assessor must determine the true and fair value of the land, excluding the value of any structures on the land and excluding the value of any growing crops. The assessor must also determine the true and fair value of any structure on the land. The total value of the land and the structures must not exceed one hundred percent of the true and fair value of the total property as it exists at the time of appraisal.

(5) **Valuation data from property owners.** The assessor may require property owners to submit pertinent data regarding property in their control, including sales data, costs and characteristics of improvements, and other facts necessary for appraisal of the property.

WAC 458-53-080- Real Property Sales Sample Selection

(1) **Sales included.** Except as provided in subsection (2) of this section, the sales study shall consider all transactions involving a warranty deed or a real estate contract that occurred during the twelve-month period described in WAC [458-53-070\(2\)](#). Sales of mobile homes located on land owned by the owner of the mobile home shall also be included in the real property ratio study when the mobile home meets the definition of real property as defined in RCW [84.04.090](#). Sales of mobile homes on leased land should be included in the invalid sales report utilizing a code 27 and the comment "MH on leased land." In the case of a county generated sales study (see WAC [458-53-100](#)), the county may use a representative sample of all such transactions with the prior written approval of the department.

(2) **Sales excluded.** Sales or transfers of real property involving instruments other than a warranty deed or real estate contract shall not be considered in the sales study. The following types of sales transactions are examples of sales to be excluded from the sales study, regardless of the type of sale instrument used. Differences from the numerical coding designations set forth in this example may be used by individual counties with prior approval from the department.

NUMERICAL CODE	TYPE OF TRANSACTION
1	Family - A sale between relatives.
2	Transfers within a corporation by its affiliates or subsidiaries.
3	Administrator, guardian or executor of an estate.
4	Receiver or trustee in bankruptcy or equity.
5	Sheriff or bailee.
6	Tax deed.
7	Properties exempt from taxation (nonprofit, government, etc.).
8	Individual sales with assessment-to-sales ratios of less than twenty-five percent or greater than one hundred seventy-five percent except as provided in WAC <u>458-53-070</u> .
9	Quitclaim deed.
10	Gift deed; love and affection deed.
11	Seller's or purchaser's assignment of contract or deed - Transfer of interest.
12	Correction deed.
13	Trade - Exchange of property between same parties.
14	Deeds involving partial interest in property, such as one-third or one-half interest. (If transfer involves total interest i.e., one hundred percent of the property, sale is valid.)
15	Forced sales - Transfers in lieu of imminent foreclosure, condemnation or liquidation.

16	Easement or right of way.
17	Deed in fulfillment of contract.
18	Property physically improved after sale.
19	Timber or forest land.
20	Bare lots platted within the twelve-month time period described in WAC <u>458-53-070(2)</u> , with less than twenty percent sold.
21	Plottage - When a larger unit of land is being assembled and an adjoining property is sold at a price significantly different from the price of property of a similar type.
22	\$1,000 sale or under.
23	Lease - Assignment, option, leasehold.
24	Classified as "current use" under chapter <u>84.34</u> RCW as of date of sale.
25	Change of use where rezoning takes place.
26	Current year segregations that have not been appraised.
27	Other - Necessary to identify reason.