

Stevens County Assessor's Office

Annual Real Property Revaluation Assessment Plan

Questions and Answers

Q: Why change from the current plan?

A: The State of Washington has passed a law requiring all County Offices to transition to annual revaluation programs by 2014, (SSB 5368). The law includes State-directed grant funding to support system transition cost. The Washington State Department of Revenue has been given funds to hire staff to assist counties with the conversion to annual revaluation.

Q: Will Stevens County generate more property tax revenue from annual revaluations?

A: Not necessarily. Washington has a budget based property tax system. Revenues are set, determined, and increased in only two ways: (1) New or additional dollars are directed by voters or, (2) Budget increases limited to 1% are passed by resolution or ordinance after public hearing by taxing district legislative authorities (i.e. Commissioners or County/City Councils).

Q: I thought I-747 limited assessed values to 1% increase.

A: No. I-747 (now a statute) limits budgets to 1%. Previously, budgets could be raised up to 6% per year. When assessed values go up, the levy rate the property owner pays (per one thousand dollars of assessed value) goes down. Assessments determine the distribution of the tax liability. Budgets determine the actual tax amount. See the graph in "**Property Tax Explanation**".

Q: Why do I see a large increase every fourth year?

A: Previously, we were on a four year revaluation cycle. In fact, during the three years of not being revalued, most property owner's taxes stay about the same or go down—unless there is a voter approved levy. Then, in the fourth year, the assessed values are updated to reflect the current market level. The new assessed values redistribute the tax burden to the revaluation area causing a large increase.

Q: How will an annual valuation program function?

A: The new program will begin with the 2010 valuation year, and will affect valuations for property taxes due in 2011. The county's parcels will be split into 6 inspection areas. Every year, 1/6th of the county's real property parcels will be physically inspected and revalued. The remaining 5/6th of the parcels will be statistically updated using adjustments derived from analysis of recent comparable market sales. This sales analysis will dictate statistical adjustments in different classifications of properties by type and location. Every property will be statistically reviewed each year.

Q: What are some of the advantages to operation on an annual valuation plan?

A: Uniformity: Property is assessed every year according to current market data. Under the previous 4-year cyclical system, only one area of the county was inspected and valued per year. The remaining areas could not be revalued; therefore, they may not have reflected the current market conditions.

Equity: The tax responsibility is distributed more equitably. Annual revaluation means that all properties are reviewed annually, so all property owners pay a more equitable share in each tax year.

Predictability: Taxpayers and taxing districts know what to expect. Annual revaluation reduces large increases or decreases in assessed values that sometimes result from a multi-year

Q: When will we see the effects of annual revaluation?

A: The new annual revaluation program will begin in the 2010 valuation year. The first few years will be the most complex and difficult to implement because we will be equalizing the whole county. In order to achieve county-wide uniformity, increases or decreases in assessments may vary widely between properties while we transition to the annual review of all parcels. Therefore the benefit of predictability will not take full effect till 2014 when the conversion is completed.

Q: What are the administrative concerns associated with transition?

A: Modern computer technology is essential. The office has operated with a four-year-revaluation cycle software system for many years. Major software modifications and upgrades were needed. Effective Jan 1, 2008, the current system software support provider announced termination of support. The Office was required to replace the old system. There is no additional cost in the new system for the software enhancements needed to support annual revaluations.

Q: Will the Assessor's Office require additional staff or operating budget?

A: The current plan does not include a proposal to add additional staff although the number of staff has been reduced by five over the past few years. The automated efficiencies of the new and more powerful software and hardware will streamline office functions. Experiences from existing annual revaluation operations in other similar counties were researched to aid in the transition. Because we have already laid a lot of ground work with laptops and digitized maps, no additional costs, other than postage, are anticipated.

Q: Where can I find more information on the annual conversion?

A: An electronic information packet is available online at the website: www.co.stevens.wa.us. For additional information, go to the Department of Revenue site www.dor.wa.gov and enter the keywords "**Annual Revaluation**". Also, Al Taylor, the Stevens County Assessor is available to answer your questions.