



**STATE OF WASHINGTON**  
**DEPARTMENT OF REVENUE**

June 30, 2009

**TO:** All County Assessors

**FROM:** Deb Mandeville, Ratio Specialist  
Property Tax Division

**SUBJECT: RECOMMENDATIONS OF RATIO SUBCOMMITTEE**

As noted in the February 2, 2009, memorandum, the WSACA Ratio/Levy Committee voted at their meeting on Tuesday, January 27, 2009, to form a subcommittee to review and discuss some of the types of sales that are occurring in the current market environment and how those sales should be treated in the annual real property ratio study. The subcommittee was comprised of assessors and their staff as well as Department of Revenue staff.

The committee analyzed available data on three types of transactions (bank-owned sales, short sales, and auction sales) and established some recommendations for counties to follow. The recommendations were presented and accepted by the Assessors' Ratio/Levy Committee on June 9, 2009 in Richland.

Unless you are using the temporary codes 30, 31, and 32 for in-house tracking purposes, these codes are now suspended.

### **Recommendations**

- **Short Sales**

The majority of the counties reported that they typically aren't aware that a real estate transaction involves a short sale.

If you are able to determine that the sale was a "short sale," and the sale cannot be invalidated with any of the 26 invalidation codes in the Ratio WAC rules, it should be considered a valid sale for state ratio purposes.

- **Bank-owned Sales**

If the sale involves a bank re-selling a previously foreclosed property, and the sale cannot be invalidated with any of the 26 invalidation codes listed in the Ratio WAC rules, it should be considered a valid sale. These should **not** include transactions that occur when the bank initially forecloses on the property. They should be the transactions between the

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bank and the new purchaser. Extra caution should be utilized in determining that the condition of the property at the time of the sale hasn't changed significantly since the original assessed value was established (i.e., vandalized, plumbing and/or light fixtures removed, cabinets and/or countertops removed, etc.).

- **Auction Sales**

Based on the circumstances of auction sales and the limited amount of available data, auction sales should be coded with a code 27 and the comment "Auction Sale."

There may be occasions when the quantity and quality of this type of sale in a neighborhood may influence the market. In those cases, document your information and contact Deb prior to sending in your ratio reports.

Contact Deb Mandeville at (360) 570-5863 if you have questions or concerns. You may also contact her via e-mail at [debm@dor.wa.gov](mailto:debm@dor.wa.gov)

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