ABC County Assessor’s Office

*Annual Revaluation Frequently Asked Questions*

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***Q: Why change from the current plan to annual revaluation?***

***A:*** The State of Washington has passed a law requiring all county offices to transition to annual revaluation programs by January 1st, 2014, (SSB 5368, 2009 c 308 § 1).

***Q: How are we currently valuing properties in ABC County?***

***A:*** ABC County currently uses a multi-year revaluation cycle, which means that the county is divided into (insert number of reval areas) areas and each area is inspected and revalued once each cycle. This revaluation cycle results in different levels of assessed value throughout the county.

***Q: What is changing?***

***A:*** ABC County is working to implement a plan in which all property values will be reviewed each year instead of cyclically.

***Q.*** ***When will annual revaluation in ABC County begin?***

***A.*** (Each county will answer this differently depending in the implementation of their annual revaluation.)

***Q:*** ***What is the difference between annual revaluation and multi-year/cyclical revaluation?***

***A:*** A county that uses annual revaluation will use appraisal methods based on cost, income, and sales together with statistical methods to annually update the assessed value for each property in the county. This increased frequency of revaluation will generally result in moderate changes in value each year. A multi-year county will update the assessed values for a portion of the county’s parcels each year of the cycle; i.e., one-fourth of the property each year in a 4-year county. This method will generally result in a larger change in one year and then no other change in value for the next three years of a 4-year cycle.

***Q:*** ***How will the annual revaluation 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 (Insert number of inspection areas) inspection areas. Every year, the county’s real property parcels in one inspection area will be physically inspected and revalued. The remaining parcels will be updated using statistical methods that may include 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 is the difference between revaluation and inspection?***

A. Revaluation is a change in assessed value based on a new appraisal or a statistical update using current market data. Inspection is when the assessor/appraiser will physically inspect the property and record property characteristics including condition.

***Q.*** ***How often will my property be inspected?***

***A.*** The assessor is required to physically inspect property at least once during a 6-year period. When new structures are being built, the assessor may visit the property several times during construction to verify completion of the building. When the property is sold the assessor/appraiser may visit the property to verify property characteristics, condition of the property, and terms of the sale.

***Q.***  ***Will ABC 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 several ways.

* New or additional dollars directed by voters
* 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)
* Assessments on new construction
* Increases in the value of state assessed property
* Annexations
* Through the use of banked levy capacity

***Q.*** ***What are some of the advantages of annual revaluation?***

***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 cycle.

***Q.*** ***Has the ABC County Assessor’s office been working towards this goal?***

***A.*** (Each county would need to answer this differently. They would outline all the work that has happened and is currently happening to work towards annual revaluation.)

***Q.*** ***What are the administrative concerns associated with the transition to annual revaluation?***

***A.*** (Each county would need to answer this differently. This where they could address hardware and software changes, staffing changes, budget associated with these issues, etc.)

***Q.*** ***Will annual revaluations cause an increase in my property taxes?***

***A.*** State laws limit the amount of tax imposed by taxing districts regardless of whether property is revalued annually or cyclically. Simply changing to an annual revaluation plan will *generally* not increase taxes on an individual’s parcel.

***Q.*** ***How is new construction handled in annual revaluation?***

***A.*** New construction, destroyed property, land use impacts, and all other statutorily required valuation adjustments will continue to be administered annually.

***Q.*** ***Will the assessor ever revalue my property outside the county’s revaluation cycle?***

***A.*** The law states specific and limited reasons for a revaluation outside of the normal county cycle. If the character of a property changes because of new construction, remodeling, additions, subdivisions, etc, a new assessed value is determined.

***Q.*** ***I noticed that some counties have six year inspection cycles and some have four, why the difference?***

***A.*** RCW 84.41.030 specifies that within an annual county “all taxable real property within a county must be physically inspected at least once each six years.”Each assessor develops a plan that will meet the requirements of state law, while also evaluating current and future budgets, staffing levels, technology and equipment requirements, and impacts of county growth. The Department of Revenue reviews the assessors’ revaluation plans.

***Q.*** ***Who can I contact for further information about annual revaluation?***

***A.*** (Each county will list their days of operation and office hours as well as address, telephone number, email address, web address and if applicable a contact person name. )

*\* These are just example questions. You may add or delete a question and all answers should reflect the current status of your county.*