

Understanding Property Taxes in Washington State (particularly as it applies to Whitman County)

Overview

This document is intended to be a walk through of how property taxes work in the state of Washington. It covers a description of taxation districts, the roles of various people and boards within the county, and some details about exemptions. This won't address the legal problems with the approach that Whitman County has chosen to take recently, but it will explain the county assessment plans that have been adopted. Instead, it simply is meant to help property owners understand taxation – past, present, and lawful – so that when they do read our other documents concerning the taxation problem, they have a sound basis for understanding the issues at hand.

Understanding Taxation Districts

Every person who owns property belongs to a variety of tax districts. These are geographical areas that have taxing authority. For example, if you live in Pullman City and look at the breakdown on your tax bill of the tax districts, you would see items like CITY, COUNTY, EMS, HOSPITAL, PARK & REC, PORT, SCHOOL DISTRICTS, STATE SCHOOL PT1, and STATE SCHOOL PT2. If you lived in the county areas outside of Pullman City limits, you would be missing CITY and HOSPITAL, but have added COUNTY ROAD, FIRE, and LIBRARY.

For each of these tax districts, there is a state law that mandates that the maximum they can increase their collected taxes each year is 1%. This law applies on a per-tax-district basis. So, a 1% increase in the hospital taxation district would only apply to those within Pullman City limits that are part of that tax district. A 1% increase in the county taxation district would apply to everyone in the county, as we all belong to that tax district.

But, the key takeaway is that unless there was some valid reason that your property values actually increase more than the peers in your tax district (maybe you added a pool or a shed or an addition to your home), you should likely only see about a 1% increase in your taxes per year. In most years, this increase might actually even be a little lower than 1%, but still higher than 0%, because there is new construction that is diluting the amount of that 1% increase in the taxation district's allowed collection that is applied to your existing property values. This shows up as a decrease in what is called the levy rate. A simplistic way of describing the calculation of the levy rate is the total a taxation district is allowed to collect divided by the sum total of property values in a taxation district. Then, when this levy rate is multiplied by your property values, it gives your proportion of the taxation they are allowed to collect that is your portion.

The one exception to this 1% rule is when there is a "voted on" tax increase. An example of this for Pullman was the hospital levy that went into effect in 2024 and ended up being about \$75

per \$1000 of assessed value (based on the valuations at the time of passing in 2022). These “voted on” tax increases are exempt from the 1% rule at the time of passing, but then are a fixed amount collected annually over the duration of the bond/levy. As such these should have a decreasing levy rate every single year as more properties are added to the tax district.

Understanding how are Assessments Made and How are Taxes Collected

The County Assessor is responsible for conducting the assessments of properties in the county. The results of these assessments are used to calculate the current-year levy rates for each taxation district, which determines the amount of property taxes owed by each property owner. This information is then handed off to the County Treasurer to collect the amounts due. If you are buying a home through a mortgage company, you likely never make this payment yourself because your monthly payment to the mortgage company includes escrow payments for your property taxes, and they pay it in two installments each year.

There are three key aspects to this question, as it pertains to Whitman County:

1. How has valuation/assessment been done in the past?
2. How are valuation/assessment supposed to be done according to state law?
3. How is the Whitman County Assessor currently doing it?

Historical Valuation/Assessment Procedures

Historically, the Revaluation/Assessment process in Whitman County has been a train wreck, to put it mildly. There had been an utterly haphazard approach to revaluation going back decades. Some properties were assessed on a 6 year cycle when the county did a physical inspection. Others had gone from at least 2010 to present without having been revalued. Even some newer properties were being valued at 50-60% of their fair market value. Prior to the 2023 assessments, which were applied in the 2024 tax year, most of the county had an assessed value that is about 30-40% of fair market value. There had been handfuls of home sales and new builds that from about 2021 onward that were being valued at about 80% of fair market value. Then, beginning in the 2024 tax year there were two groups that were almost uniformly raised to 80% of fair market value:

1. Residential properties on the south side of Pullman
2. Home sales throughout the county that occurred in 2022

Valuation/Assessment Procedures According to State Law

State law has laws that govern how county assessors must conduct the business of revaluation/assessment. The two that are most pertinent regarding the current issues of Whitman County are:

- [RCW 84.40.030 \(1\)](#) 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.

- [RCW 84.41.030 \(1\)](#) Each county assessor must maintain an active and systematic program of revaluation on a continuous basis. All taxable real property within a county must be revalued annually, and all taxable real property within a county must be physically inspected at least once every six years.

In summary, the county assessor should at a minimum be

1. revaluing all properties to 100% of their actual value each and every year, based on statistical adjustment based on their previous physical inspection
2. conducting a physical inspection once every 6 years to correct any errors in the current state of the home (e.g. additions made without permitting, status of common items like roof, etc).

Furthermore, guidelines from the Washington State Department of Revenue (DOR) is that when there is a property sale with an appraisal that the appraisal should be used as a basis for determining fair market value.

The Current Valuation/Assessment Procedures of Whitman County

I will note that the county assessment plan has evolved a little over the past several months, as the county assessor has become aware of the legal problems with the approach. Unfortunately none of the changes substantively fix the inequitable taxation problems that have occurred. See the Appendix for detailed descriptions of the evolutions

Pre-March 2024 approach: Conduct physical inspections on a 6 year cycle in the following divisions of the county

- Area 1. City of Pullman south to 80% of fair market value
- Area 2. City of Pullman north to 80% of fair market value
- Areas 3-6. The remainder of the county

March-July 2024 approach: The assessor changed the plan to combine all of the City of Pullman into a single area for the second 6-year cycle. But otherwise the physical inspection plan as the primary time when revaluation occurs was the same.

Final decision giving July 2024 approach: A mix of the two previous plans, with some attempt to revalue properties elsewhere (albeit not to 100% as state law requires)

- Area 1. City of Pullman south to 80% of fair market value
 - Area 2. City of Pullman north to 80% of fair market value, and apply a statistical increase to existing assessed value to all residential in the county (except Area 1)
 - Area 3-6. The remainder of the county, with the same annual statistical increases to all other areas.
- After the first cycle, Area 1 and Area 2 from the first cycle will be combined.
The process of only doing major revaluations during the physical inspection year will continue.

Understanding Various Exemptions and Processes for Correcting Assessments

There are a variety of exemptions that can be given to property owners to adjust either their assessed value or their taxes owed. Here are the ones that we know about:

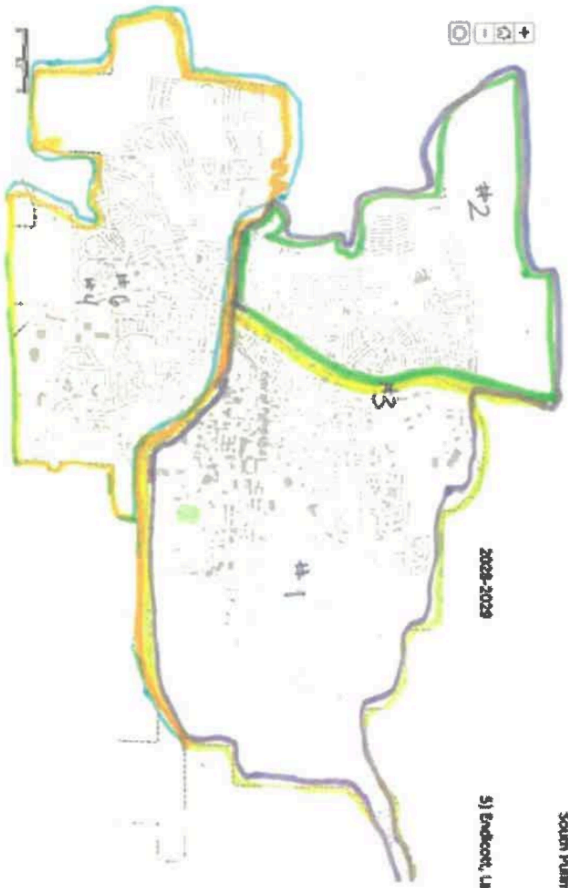
1. Assessment adjustment based on the revenue received from a property. This is most often applied to rental properties, where the property taxes are levied according to the rental price received by the property owner.
2. Exemptions for land used for agricultural uses.
3. Exemption programs exist for the disabled, low-income senior citizens, and widows of veterans.

Alternatively, if a person thinks there is a problem with their assessment, they can request a hearing from a group called the Board of Equalization. In Whitman County, this Board is comprised of the County Commissioners. An example of a situation where you could receive relief from the Board of Equalization is if someone in the assessor's office made a mistake and your property was valued at far above its true market value.

Appendix

Pre-March 2024 County Assessment plan

Whitman County Assessment Cycle	PHYSICAL INSPECTION CYCLE	AREA DESCRIPTION	TAX CODES
	2023-2024	6) Pullman SFR SW & SE quadrants & South Multi-Family, S Mobile Home Parks	13,134
	2024-2025	3) Pullman SFR in NE & NW quadrants. 8A/E Multi-Family, N Mobile Home Parks	13,134
	2025-2026	2) Abbot, Cotton, Palouse, Uniontown, Farmington & surrounding rural areas, & NW Pullman Multi-Family	1, 3, 6, 7, 12, 13, 13a, 17, 22, 56, 67 68, 69, 70, 71, 72, 72a, 72f 73a, 74, 75a, 75, 76, 91
	2026-2027	3) Colfax, Stepien, Teasas, Oakesdale, Almoza & surrounding rural areas, North Pullman Commercial	2, 11, 13, 13a, 16, 52, 53, 54, 55, 57, 60a, 61, 64, 65, 67, 69, 90, 94, 109 109, 128, 129, 130, 131, 131b, 140
	2027-2028	4) Madras, Rosalia, Lamont, St John & surrounding rural areas, South Pullman Commercial	9, 10, 13, 13a, 14, 15, 48, 49, 50, 51, 85, 88 94, 104, 106, 106f, 110, 114, 112a, 115 116, 117, 117a, 118, 118a, 119a, 119, 120 122, 124, 125
	2028-2029	5) Endocott, Laproese & surrounding areas	4, 5, 5a, 5b, 59, 60b, 62, 63, 63a, 64, 68, 95, 99, 100, 101, 102, 103, 121, 123, 134, 135 136, 137, 139



#4 = Pullman
= 5 1/2 multi family

#1 = Pullman
NE multi family

#2 = Pullman
NW multi family

#3 = Pullman
North corner.

#5 = Pullman
South commercial

April-Jun 2024 County Assessment plan

Whitman County Physical Inspection Plan													
PI Year	Tax Year	Area	Description	DOR Codes	Tax Code Areas								
2023	2024	6	Pullman South SFR, Mobile, Multi Fam	11, 12, 13, 15	13 13a								
2024	2025	1	Pullman North / Pullman lots SFR, Mobile, Multi Fam, Fraternity's	11, 12, 13, 15, 17, 1	13 13a								
2025	2026	2	County Seat and South East County	all	63a 63 64 65 55 56 91 22 121 1 2 17 3 72F 92 101								
2026	2027	3	North East County	all	108 118a 109 52 130 119a 110 129 54 53 127 132 133 131 73 126 108a 112a 85 118 122 88 89 128 87 75 90 74 72a 76 131h 68 69 76 72 70 67 71 75a 140 119 11 6 7 10 14 12 16 108F 73A 76A								
2027	2028	4	North West County and Pullman Exempt Properties	all	48 115 125 118 116 51 119 111a 117a 117 98 104 49 50 9 16 13 13a								
2028	2029	5	South West County	all	94 124 123 120 96 95 103 137 102 99 138 136 66 62 134 100 58 135 61 60 57 93 59 139 35 107 5 8 22P								
2029	2030	6	Pullman Mobile Homes, multifamily, commercial	12+	13 13a								
2030	2031	1	Pullman Single Family	11	13 13a								
2031	2032	2	County Seat and South East County	all	63a 63 64 65 55 56 91 22 121 1 2 17 3 72F 92 101 13 13a								
2032	2033	3	North East County	all	108 118a 109 52 130 119a 110 129 54 53 127 132 133 131 73 126 108a 112a 85 118 122 88 89 128 87 75 90 74 72a 76 131h 68 69 76 72 70 67 71 75a 140 119 11 6 7 10 14 12 16 108F 73A 76A								
2033	2034	4	North West County and Pullman Exempt Properties	all all exempt status	48 115 125 118 116 51 119 111a 117a 117 98 104 49 50 9 16 13 13a								
2034	2035	5	South West County	all	94 124 123 120 96 95 103 137 102 99 138 136 66 62 134 100 58 135 61 60 57 93 59 139 35 107 5 8 22P								
2035	2036	6	Pullman Mobile Homes, multifamily, commercial	12+	13 13a								

July 2024 County Assessment Plan

Whitman County Physical Inspection Cycle		DOR Codes
Area	Description	
2024 2025	1 Pullman North / Pullman Admin cleanup SFR, Mobile, Multi Fam, Fraternithys	all
2025 2026	2 County Seat and South East County	all
2026 2027	3 North East County	all
2027 2028	4 North West County and Pullman Exempt Properties	all exempt status
2028 2029	5 South West County	all
2029 2030	6 Pullman Mobile Homes, multifamily and commercial	12+

Whitman County Valuation plan

**H Marshall Swift valuation suite updated
 update N 1/2 Pullman with P.I. to 85% market, do not touch any value in pullman that changed in 2023/2024, admin update all parcels in pullman that havent been updated in 3+ years. APPLY statistical increase based off sales study to the rest of county NON AG

**CU Valuation program updated
 Using MS Estimator, update all parcels in P.I. areas, then apply P.I. quality & characteristic updates to those parcels. Apply statistical updates (+/-) to all areas out of P.I. cycle based off sales study. Update CU values

**H Marshall Swift valuation suite updated
 Using MS Estimator, update all parcels in P.I. areas, then apply P.I. quality & characteristic updates to those parcels. Apply statistical updates (+/-) to all areas out of P.I. cycle based off sales study. Update CU values

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