



King County

News Release

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For Immediate Release

Wilson Calls on Legislature to Fix State Laws to Help Small Businesses Hit By COVID-19 Pandemic

Department of Assessments About to Mail Out Re-Valuation Notices

Citing substantial drops in property values for some commercial sectors hard hit during the COVID-19 pandemic, King County Assessor John Wilson called on the legislature to amend state law to give assessors more tools to set values on commercial properties affected by the pandemic accurately. The King County Assessor's office is about to begin the annual process of mailing out re-valuation notices to taxpayers.

"The world today is radically different than it was on January 1 when state law has us set assessed values for next year's taxes," said Wilson. "While residential values have been relatively steady, many businesses have been either temporarily closed or their operations dramatically constrained. And thousands of workers have been laid off or furloughed."

"But we don't have the legal authority to adjust property values to reflect this reality. That is not fair or equitable," said Wilson.

Each year, County Assessors appraise every commercial and residential parcel in the state. These values – set effective of January 1 by state law – are then applied to the next year's tax bill. Property values are being set on January 1, 2020, for taxes due in 2021.

Data indicates that home sale prices and overall home values have been relatively flat in the aggregate compared to last year. As always, values vary from city to city and neighborhood to neighborhood – some are up, and some are down. One significant factor in residential home values in King County is the increase in values in suburbs around Seattle, especially in the south end.

“Home values have become unaffordable in Seattle and the Eastside for many buyers, so they are moving further out. South end areas such as Auburn and Kent are seeing a lot of demand and therefore increases in value. This is happening in other areas of the Country, as well, where values in the primary urban core have become unaffordable,” said Wilson.

Certain sectors of commercial properties, such as restaurants, mid- and small retail, recreational centers like gyms and yoga studios, plus hospitality properties like hotels, have been dramatically impacted by Gov. Jay Inslee’s “stay home” order.

The assessor’s office has been consulting with the Department of Revenue on possible tools in state law to adjust commercial values – and, most importantly, help people get back on their feet – by allowing values to reflect the current situation.

“If we’d been hit by a massive earthquake, flood or tsunami, state law would give us tools to reset fair values, but the law doesn’t cover a pandemic like COVID-19,” said Wilson. “It’s just not fair to smack some of these hard-hit businesses and landlords with values set well before COVID-19 raced through the community.”

Wilson is asking the state legislature to amend state law to allow counties to adjust values to account for today’s situation accurately. He has identified two options for the legislature to consider if there is a special session this year:

- The law currently allows property owners to petition to have their value adjusted if a governmental restriction has an impact on the property. It is unclear whether COVID-19 government-imposed restrictions could be applied, so Wilson is proposing clarifying language.
- State law allows assessors to adjust taxable values if the property is damaged by a natural disaster, but not because of a pandemic. Wilson wants to expand the law to cover impacts as a result of governmental restrictions enacted during a public health pandemic.

Roughly 55% of King County taxpayers pay their property taxes through their mortgage account on April 30. For the remainder who pay the property tax directly themselves, King County delayed the first payment deadline to June 1 without penalties or interest.

“This is simple,” said Wilson. “If your property values have been affected, you deserve to have that reflected in your 2020 valuation. If there is a special session, I hope the Governor and Legislature give us more tools to assess values accurately. Also, I call on the federal government to continue and increase relief to all citizens and businesses struggling during this historic pandemic.”

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