

**WAC 458-50-170 Valuation principles.** (1) **What is meant by "true and fair value"?** One hundred percent of true and fair value is the standard used by assessing officials for valuing both taxable property and exempt property. True and fair value is the same as market value or fair market value. It is the amount of money a buyer of property willing but not obligated to buy would pay a seller of property willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might in reason be applied. This term incorporates all the rights and benefits, present and future, associated with the ownership of property.

(2) **Approaches to value.** All three traditional and generally accepted approaches to value may be used by assessing officials. These approaches are cost, including the actual cost new or historical cost less depreciation, the cost of reproduction new less any depreciation, the cost of replacement new less any depreciation; income, including the past, present, and prospective gross and net earnings of the whole system as a unit; and comparable sales (commonly called "market"), including, but not limited to, a technique known as the stock and debt method that considers the par value, actual value and market value of the company's outstanding stocks and bonds during one or more preceding years.

(3) **Generally accepted appraisal practices.** "Generally accepted appraisal practices" are the appropriate application in the valuation of real, and tangible and intangible personal property, of accepted standards of professional appraisal practice as described in the Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of the Appraisal Foundation or the accepted standards of other nationally recognized professional appraisal organizations.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.36.865. WSR 06-24-043, § 458-50-170, filed 11/30/06, effective 12/31/06.]