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**SWINOMISH TAX PROCEDURE RULING
2015-006
ESTABLISHING ASSESSMENT PROCEDURES**

Pursuant to STC 17-11.170 the Swinomish Chief Financial Officer hereby issues the following tax procedure ruling:

1. *Initial Assessment – 2015 for Tax Year 2016*

The procedures for the *initial* assessment in 2015 (for Tax Year 2016) of improvements on land held in Trust by the United States are as follows:

1. The Assessor will identify comparable properties located on fee simple land.
2. The Assessor will subtract the land value from the sales value of comparable properties to determine per-square-foot improvement value.
3. The Assessor will correspond with the Swinomish Planning & Community Development Department for information regarding new construction or modifications to existing structures. New construction and remodeling data will be obtained from submitted and approved permit documents, with the value of the construction assessed as of its approximate state of completion on July 31st of the assessment year. Declared construction value will be considered in the development of market value. Routine remodels and upgrades will typically be assessed as of January 1 of the assessment year, unless substantial, in which case the July 31st date will be used.
4. The Assessor will visit the subject properties for an exterior inspection of improvements.
5. The Assessor will check for accuracy and either accept or modify the 2014 (for Tax Year 2015) Skagit County assessment of the taxable improvements on properties subject to the Swinomish Use & Occupancy Tax using the comparable sales information researched as described above.
6. The Assessor will identify those improvements that appear significantly over- or under-valued and will make a second physical inspection to determine the cause and to further aid in the establishment of a correct value.
7. The Assessor will provide assessed values to the Swinomish Tax Authority.
8. The Tax Administrator will provide written notice of the initial Swinomish Assessed Value prior to December 31, 2015.

2. *Recurring Assessment – 2016 for Tax Year 2017 and Thereafter*

The procedures for the *ongoing* assessment in 2016 and thereafter (for Tax Year 2017 and thereafter) of improvements on land held in Trust by the United States are as follows:

1. The Assessor will correspond with the Swinomish Planning & Community Development Department for information regarding new construction or modifications to existing structures. Inspections conducted as part of a four-year cycle will provide the assessor with the opportunity to capture significant changes to the home, and/or to re-verify existing file data. The inspection will also provide the homeowner, should a joint viewing be desired, with an opportunity to note changes in quality, condition or size.
2. The Assessor will visit one quarter (1/4) of all subject properties each year to do an exterior inspection, and if the homeowner desires, an interior inspection, so that each improvement has been visited during each four-year assessment cycle.
3. The Assessor will establish a value for the taxable improvements on properties subject to the Swinomish Use & Occupancy Tax based on comparable sales information using the methodology set out above for the *initial* assessment and using observed trends in pricing.
4. The Assessor will provide assessed values to the Swinomish Tax Authority.
5. The Tax Administrator will provide written notice of the Swinomish Assessed Value prior to December 31 of the valuation year for the subsequent tax year.

3. Residential Development Amenities

Amenities in a residential development, including but not limited to greenbelts, parks, playgrounds, tennis courts, pools, a golf course or a marina enhance the value of all improvements built in the development. Therefore, the assessed value of an improvement in such a development will typically reflect and include the value of all of the amenities in the development. Unless circumstances suggest a precise value assessment should be applied, amenities will typically not be separately valued as part of the assessment process.



Chief Financial Officer

Date: 02-14-2015