
HOUSE BILL 1408

State of Washington

56th Legislature

1999 Regular Session

By Representatives Lambert, Koster, Mulliken, Boldt, Benson and Schindler

Read first time . Referred to Committee on .

1 AN ACT Relating to restricting property tax increases; amending RCW
2 84.55.010 and 84.55.020; reenacting and amending RCW 84.55.005; adding
3 a new section to chapter 84.55 RCW; creating a new section; and
4 repealing RCW 84.55.0101, 84.55.050, and 84.55.092.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 84.55.005 and 1997 c 393 s 20 and 1997 c 3 s 201
7 (Referendum Bill No. 47) are each reenacted and amended to read as
8 follows:

9 ~~((As used in))~~ Unless the context clearly requires otherwise, the
10 definitions in this section apply throughout this chapter((÷)).

11 (1) ~~(("Inflation" means the percentage change in the implicit price~~
12 ~~deflator for personal consumption expenditures for the United States as~~
13 ~~published for the most recent twelve-month period by the bureau of~~
14 ~~economic analysis of the federal department of commerce in September of~~
15 ~~the year before the taxes are payable;~~

16 (2) ~~"Limit factor" means:~~

17 (a) ~~For taxing districts with a population of less than ten~~
18 ~~thousand in the calendar year prior to the assessment year, one hundred~~
19 ~~six percent;~~

1 ~~(b) For taxing districts for which a limit factor is authorized~~
2 ~~under RCW 84.55.0101, the lesser of the limit factor authorized under~~
3 ~~that section or one hundred six percent;~~

4 ~~(c) For all other districts, the lesser of one hundred six percent~~
5 ~~or one hundred percent plus inflation; and~~

6 ~~(3))~~) "Increase percentage" means one percent, unless a different
7 increase percentage applies under section 2 of this act.

8 (2) "Regular property taxes" has the meaning given it in RCW
9 84.04.140.

10 NEW SECTION. Sec. 2. A new section is added to chapter 84.55 RCW
11 to read as follows:

12 (1) A taxing district other than the state may adopt an increase
13 percentage under this section if authorized by a proposition approved
14 by a majority of the voters of the taxing district voting on the
15 proposition at a general election held within the district or at a
16 special election within the taxing district called by the district for
17 the purpose of submitting such proposition to the voters. An increase
18 percentage under this section shall be effective for taxes collected in
19 the following year only. An election held pursuant to this section
20 shall be held not more than twelve months before the date on which the
21 proposed levy is to be made.

22 (2) The taxing district may submit two proposed increase
23 percentages to the voters. One proposed increase percentage shall be
24 not more than two and one-half percent. The other proposed increase
25 percentage shall be greater than two and one-half percent, but not more
26 than six percent. The ballot submitted to the voters shall be printed
27 so that a voter can express separately by making one cross (X) for each
28 of two preferences, first, as between either proposed increase
29 percentage and neither, and secondly, as between one increase
30 percentage and the other. If the majority of those voting on the first
31 issue is for neither, both fail and the increase percentage under this
32 section shall be zero. The votes on the second issue shall
33 nevertheless be carefully counted and made public. If a majority
34 voting on the first issue is for either, then the increase percentage
35 receiving a majority of the votes on the second issue shall be adopted.

36 **Sec. 3.** RCW 84.55.010 and 1997 c 3 s 202 (Referendum Bill No. 47)
37 are each amended to read as follows:

1 Except as provided in this chapter, the levy for a taxing district
2 in any year shall be set so that the regular property taxes payable in
3 the following year shall not exceed the (~~limit factor~~) increase
4 percentage multiplied by the amount of regular property taxes lawfully
5 levied for such district in the highest of the three most recent years
6 in which such taxes were levied for such district plus an additional
7 dollar amount calculated by multiplying the increase in assessed value
8 in that district resulting from new construction, improvements to
9 property, and any increase in the assessed value of state-assessed
10 property by the regular property tax levy rate of that district for the
11 preceding year.

12 **Sec. 4.** RCW 84.55.020 and 1997 c 3 s 203 (Referendum Bill No. 47)
13 are each amended to read as follows:

14 Notwithstanding the limitation set forth in RCW 84.55.010, the
15 first levy for a taxing district created from consolidation of similar
16 taxing districts shall be set so that the regular property taxes
17 payable in the following year shall not exceed the (~~limit factor~~)
18 increase percentage multiplied by the sum of the amount of regular
19 property taxes lawfully levied for each component taxing district in
20 the highest of the three most recent years in which such taxes were
21 levied for such district plus the additional dollar amount calculated
22 by multiplying the increase in assessed value in each component
23 district resulting from new construction and improvements to property
24 by the regular property tax rate of each component district for the
25 preceding year.

26 NEW SECTION. **Sec. 5.** The following acts or parts of acts are each
27 repealed:

- 28 (1) RCW 84.55.0101 and 1997 c 3 s 204 (Referendum Bill No. 47);
29 (2) RCW 84.55.050 and 1989 c 287 s 1, 1986 c 169 s 1, 1979 ex.s. c
30 218 s 3, 1973 1st ex.s. c 195 s 109, & 1971 ex.s. c 288 s 24; and
31 (3) RCW 84.55.092 and 1998 c 16 s 3, 1988 c 274 s 4, & 1986 c 107
32 s 3.

33 NEW SECTION. **Sec. 6.** This act applies to taxes levied for
34 collection in 2000 and thereafter.

--- END ---