

SENATE BILL REPORT

HB 2649

As of February 26, 2002

Title: An act relating to property tax statistics.

Brief Description: Requiring county assessors to submit an annual property tax report to the department of revenue.

Sponsors: Representatives Carrell, Anderson, Crouse and McMorris.

Brief History:

Committee Activity: State & Local Government: 2/27/02.

SENATE COMMITTEE ON STATE & LOCAL GOVERNMENT

Staff: Diane Smith (786-7410)

Background: Property taxes are imposed by state and local governments. The county assessor determines assessed value for each property. The county assessor also calculates the tax rate necessary to raise the correct amount of property taxes for each taxing district. The assessor calculates the rate so the individual district rate limit, the district revenue limit, and the aggregate rate limits are all satisfied. The assessor delivers the county tax roll to the treasurer. The county treasurer collects property taxes based on the tax roll starting February 15 each year.

The annual increase in district property taxes is restricted by the property tax revenue limit. This limit requires the district's tax rate to be reduced as necessary to limit the total amount of property taxes to the highest property tax amount in the three most recent years, plus 1 percent, plus an amount equal to last year's tax rate multiplied by the value of new construction in the district. This limit acts to reduce district rates below the maximum rate allowed for the district.

There are some exceptions to the district revenue limit. The district's revenue limit may be exceeded upon a majority vote of the people. This exception to the limit is called a "lid lift." Another exception allows districts, other than the state, that have voluntarily imposed property taxes below the maximum to calculate the revenue limit as if the district had imposed the maximum. The difference between the actual tax amount and the maximum is called "banked levy capacity."

Summary of Bill: County assessors must provide a report on property taxes levied within the county to the Department of Revenue. The report includes the assessed value, levy rate, and levy amount for each property taxing district within the county. The report contains details of the calculations for the district revenue limits, including information on the amount of banked levy capacity.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.