

INITIATIVE 747

to the People

Chapter 1, Laws of 2002

LIMITING PROPERTY TAX INCREASES

EFFECTIVE DATE: 12/6/01

Approved by the
People of the State of Washington
in the General Election on
November 6, 2001

ORIGINALLY FILED

January 11, 2001

**Secretary of State
State of Washington**

1 AN ACT Relating to limiting property tax increases; amending RCW
2 84.55.005 and 84.55.0101; and creating new sections.

3 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

4 **POLICIES AND PURPOSES**

5 NEW SECTION. **Sec. 1.** This measure would limit property tax
6 increases to 1% per year unless approved by the voters. Politicians
7 have repeatedly failed to limit skyrocketing property taxes either by
8 reducing property taxes or by limiting property tax increases in any
9 meaningful way. Throughout Washington every year, taxing authorities
10 regularly increase property taxes to the maximum limit factor of 106%
11 while also receiving additional property tax revenue from new
12 construction, improvements, increases in the value of state-assessed
13 property, excess levies approved by the voters, and tax revenues
14 generated from real estate excise taxes when property is sold.
15 Property taxes are increasing so rapidly that working class families
16 and senior citizens are being taxed out of their homes and making it
17 nearly impossible for first-time home buyers to afford a home. The
18 Washington state Constitution limits property taxes to 1% per year;

1 this measure matches this principle by limiting property tax increases
2 to 1% per year.

3 **LIMITING PROPERTY TAX INCREASES TO 1% PER YEAR**
4 **UNLESS APPROVED BY THE VOTERS**

5 **Sec. 2.** RCW 84.55.005 and 2001 c 2 s 5 (Initiative Measure No.
6 722) are each amended to read as follows:

7 As used in this chapter:

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

13 (2) "Limit factor" means:

14 (a) For taxing districts with a population of less than ten
15 thousand in the calendar year prior to the assessment year, one hundred
16 (~~two~~) one percent;

17 (b) For taxing districts for which a limit factor is authorized
18 under RCW 84.55.0101, the lesser of the limit factor under that section
19 or one hundred (~~two~~) one percent;

20 (c) For all other districts, the lesser of one hundred (~~two~~) one
21 percent or one hundred percent plus inflation; and

22 (3) "Regular property taxes" has the meaning given it in RCW
23 84.04.140.

24 **Sec. 3.** RCW 84.55.0101 and 2001 c 2 s 6 (Initiative Measure No.
25 722) are each amended to read as follows:

26 Upon a finding of substantial need, the legislative authority of a
27 taxing district other than the state may provide for the use of a limit
28 factor under this chapter of one hundred (~~two~~) one percent or less
29 unless an increase greater than this limit is approved by the voters at
30 an election as provided in RCW 84.55.050. In districts with
31 legislative authorities of four members or less, two-thirds of the
32 members must approve an ordinance or resolution under this section. In
33 districts with more than four members, a majority plus one vote must
34 approve an ordinance or resolution under this section. The new limit
35 factor shall be effective for taxes collected in the following year
36 only.

1

CONSTRUCTION CLAUSE

2 NEW SECTION. **Sec. 4.** The provisions of this act are to be
3 liberally construed to effectuate the policies and purposes of this
4 act.

5

SEVERABILITY CLAUSE

6 NEW SECTION. **Sec. 5.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

10

LEGISLATIVE INTENT

11 NEW SECTION. **Sec. 6.** The people have clearly expressed their
12 desire to limit taxes through the overwhelming passage of numerous
13 initiatives and referendums. However, politicians throughout the state
14 of Washington continue to ignore the mandate of these measures.

15 Politicians are reminded:

16 (1) All political power is vested in the people, as stated in
17 Article I, section 1 of the Washington state Constitution.

18 (2) The first power reserved by the people is the initiative, as
19 stated in Article II, section 1 of the Washington state Constitution.

20 (3) Politicians are an employee of the people, not their boss.

21 (4) Any property tax increase which violates the clear intent of
22 this measure undermines the trust of the people in their government and
23 will increase the likelihood of future tax limitation measures.

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