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HOUSE BILL 2106

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State of Washington

66th Legislature

2019 Regular Session

By Representative Sutherland

Read first time 02/21/19. Referred to Committee on Finance.

1 AN ACT Relating to capping the amount of residential property  
2 value that is subject to property taxation for state purposes; adding  
3 a new section to chapter 84.36 RCW; creating new sections; and  
4 providing a contingent effective date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the Washington  
7 State property tax levy rate was increased by forty-three percent  
8 during the 2017 legislative session. The legislature further finds  
9 that the Washington housing market has seen record growth since 2016.  
10 The legislature further finds that the combination of the increased  
11 state property tax rate and increasing home values has resulted in  
12 unprecedented state property tax bills and has put an extraordinary  
13 financial burden on local homeowners. The legislature further finds  
14 that rising high property taxes increase homelessness and can  
15 prohibit young adults from remaining in the housing market.  
16 Therefore, the legislature intends to provide tax relief by capping  
17 state property taxes for current and future homeowners.

18 NEW SECTION. **Sec. 2.** (1) This section is the tax preference  
19 performance statement for the tax preference contained in section 3,  
20 chapter . . ., Laws of 2019 (section 3 of this act). This performance

1 statement is only intended to be used for subsequent evaluation of  
2 the tax preference. It is not intended to create a private right of  
3 action by any party or be used to determine eligibility for  
4 preferential tax treatment.

5 (2) The legislature categorizes this tax preference as one  
6 intended to provide property tax relief to Washington homeowners, as  
7 indicated in RCW 82.32.808(2)(e).

8 (3) It is the legislature's specific public policy objective to  
9 mitigate the negative externalities associated with high state  
10 property taxes. It is the legislature's intent to reduce the rapid  
11 growth of state property tax bills for current and future homeowners,  
12 in order to reduce the economic burden high state property taxes have  
13 imposed on Washingtonians.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.36  
15 RCW to read as follows:

16 (1) The amount of residential real property value that is subject  
17 to property taxation for state purposes is the lesser of that  
18 property's assessed value in the assessment year or that property's  
19 assessed value in 2019.

20 (2) The definitions in this subsection apply throughout this  
21 section unless the context clearly requires otherwise.

22 (a) "Residential real property" means a structure or part of a  
23 structure that is:

24 (i) Used as a home, residence, or sleeping place by one person or  
25 by two or more persons maintaining a common household, including but  
26 not limited to single-family residences, units of multiplexes and  
27 apartment buildings, mobile homes, and rental property; and

28 (ii) Subject to real property tax.

29 (b) "State property tax levy" is the sum of the state property  
30 tax levies levied under RCW 84.52.065.

31 (3) This section is not subject to the provisions of RCW  
32 82.32.805 and 82.32.808.

33 NEW SECTION. **Sec. 4.** If the proposed amendment to Article VII,  
34 section 1 of the state Constitution in House Joint Resolution  
35 No. . . . (H-1618/19) is validly submitted to and is approved and  
36 ratified by the voters at the next general election, this act takes

1 effect on the date that House Joint Resolution No.. . . (H-1618/19)  
2 becomes effective.

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