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**HOUSE BILL 1358**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representatives Orcutt, Walsh, Dufault, and Jacobsen

Read first time 01/25/21. Referred to Committee on Finance.

1 AN ACT Relating to providing property tax relief by reducing both  
2 parts of the state school levies based on an amount that approximates  
3 the fiscal impact of extraordinary growth in property values that  
4 exceeded the valuation growth assumptions of budget writers when part  
5 two of the state school levy was enacted; amending RCW 84.52.065 and  
6 84.55.010; and creating a new section.

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

8 **Sec. 1.** RCW 84.52.065 and 2019 c 411 s 1 are each amended to  
9 read as follows:

10 (1) Except as otherwise provided in this section, subject to the  
11 limitations in RCW 84.55.010, in each year the state must levy for  
12 collection in the following year for the support of common schools of  
13 the state a tax of three dollars and sixty cents per thousand dollars  
14 of assessed value upon the assessed valuation of all taxable property  
15 within the state adjusted to the state equalized value in accordance  
16 with the indicated ratio fixed by the state department of revenue.

17 (2)(a) In addition to the tax authorized under subsection (1) of  
18 this section, the state must levy an additional property tax for the  
19 support of common schools of the state.

20 (i) For taxes levied for collection in calendar years 2018  
21 through 2021, the rate of tax is the rate necessary to bring the

1 aggregate rate for state property tax levies levied under this  
2 subsection and subsection (1) of this section to a combined rate of  
3 two dollars and forty cents per thousand dollars of assessed value in  
4 calendar year 2019 and two dollars and seventy cents per thousand  
5 dollars of assessed value in calendar years 2018, 2020, and 2021. The  
6 state property tax levy rates provided in this subsection (2)(a)(i)  
7 are based upon the assessed valuation of all taxable property within  
8 the state adjusted to the state equalized value in accordance with  
9 the indicated ratio fixed by the state department of revenue.

10 (ii) For taxes levied for collection in calendar year 2022 and  
11 thereafter, the tax authorized under this subsection (2) is subject  
12 to the limitations of chapter 84.55 RCW.

13 (b)(i) Except as otherwise provided in this subsection, all taxes  
14 collected under this subsection (2) must be deposited into the state  
15 general fund.

16 (ii) For fiscal year 2019, taxes collected under this subsection  
17 (2) must be deposited into the education legacy trust account for the  
18 support of common schools.

19 (3) For taxes levied for collection in calendar years 2019  
20 through 2021, the state property taxes levied under subsections (1)  
21 and (2) of this section are not subject to the limitations in chapter  
22 84.55 RCW.

23 (4) For taxes levied for collection in calendar year 2022 and  
24 thereafter, the aggregate rate limit for state property taxes levied  
25 under subsections (1) and (2) of this section is three dollars and  
26 sixty cents per thousand dollars of assessed value upon the assessed  
27 valuation of all taxable property within the state adjusted to the  
28 state equalized value in accordance with the indicated ratio fixed by  
29 the state department of revenue.

30 (5) For property taxes levied for collection in calendar years  
31 2019 through 2021, the rate of tax levied under subsection (1) of  
32 this section is the actual rate that was levied for collection in  
33 calendar year 2018 under subsection (1) of this section.

34 (6) As used in this section, "the support of common schools"  
35 includes the payment of the principal and interest on bonds issued  
36 for capital construction projects for the common schools.

37 (7) The amount of state taxes levied under this section for  
38 collection in calendar years 2022, 2023, and 2024 are as provided in  
39 this subsection.

40 (a) For calendar year 2022:

1 (i) The amount levied under subsection (1) of this section is  
2 determined by reducing the part I highest lawful levy for calendar  
3 year 2022 by \$777,000,000. For purposes of this subsection (7), "part  
4 I highest lawful levy for calendar year 2022" means the sum of  
5 \$2,527,300,000 plus any increase allowed under RCW 84.55.010.

6 (ii) The amount levied under subsection (2) of this section is  
7 determined by reducing the part II highest lawful levy for calendar  
8 year 2022 by \$589,000,000. For purposes of this subsection (7), "part  
9 II highest lawful levy for calendar year 2022" means the sum of  
10 \$1,191,400,000 plus any increase allowed under RCW 84.55.010.

11 (b) For calendar year 2023:

12 (i) The amount levied under subsection (1) of this section is the  
13 part I highest lawful levy for calendar year 2023. For purposes of  
14 this subsection (7), "part I highest lawful levy for calendar year  
15 2023" means the part I highest lawful levy for calendar year 2022,  
16 plus any increase allowed under RCW 84.55.010.

17 (ii) The amount levied under subsection (2) of this section is  
18 the part II highest lawful levy for calendar year 2023. For purposes  
19 of this subsection (7), "part II highest lawful levy for calendar  
20 year 2023" means the part II highest lawful levy for calendar year  
21 2022, plus any increase allowed under RCW 84.55.010.

22 (c) For calendar year 2024:

23 (i) The amount levied under subsection (1) of this section is the  
24 part I highest lawful levy for calendar year 2023, plus any increase  
25 allowed under RCW 84.55.010.

26 (ii) The amount levied under subsection (2) of this section is  
27 the part II highest lawful levy for calendar year 2023, plus any  
28 increase allowed under RCW 84.55.010.

29 (8) The amounts levied under subsections (1) and (2) of this  
30 section for collection in calendar years 2025 and thereafter are  
31 governed by the levy limits in chapter 84.55 RCW and the aggregate  
32 rate limit in subsection (4) of this section.

33 **Sec. 2.** RCW 84.55.010 and 2017 3rd sp.s. c 13 s 302 are each  
34 amended to read as follows:

35 (1) Except as provided in this chapter, the levy for a taxing  
36 district in any year must be set so that the regular property taxes  
37 payable in the following year do not exceed the sum of:

38 (a) The limit factor multiplied by the amount of regular property  
39 taxes lawfully levied for such district in the highest of the three

1 most recent years in which such taxes were levied for such district  
2 (~~plus an~~); and

3 (b) An additional dollar amount calculated by multiplying the  
4 regular property tax levy rate of that district for the preceding  
5 year by the increase in assessed value in that district resulting  
6 from:

7 ~~((a))~~ (i) New construction;

8 ~~((b))~~ (ii) Increases in assessed value due to construction of  
9 wind turbine, solar, biomass, and geothermal facilities, if such  
10 facilities generate electricity and the property is not included  
11 elsewhere under this section for purposes of providing an additional  
12 dollar amount. The property may be classified as real or personal  
13 property;

14 ~~((c))~~ (iii) Improvements to property; and

15 ~~((d))~~ (iv) Any increase in the assessed value of state-assessed  
16 property.

17 (2) The requirements of this section do not apply to:

18 (a) State property taxes levied under RCW 84.52.065(1) for  
19 collection in calendar years 2019 through 2021; and

20 (b) State property taxes levied under RCW 84.52.065(2) for  
21 collection in calendar years 2018 through 2021.

22 (3) For state property taxes levied for collection in 2022  
23 through 2024, the levy must be set so that the regular property taxes  
24 payable in the following year equals the limit factor multiplied by  
25 the applicable part I or part II highest lawful levy amount as  
26 provided in RCW 84.52.065(7), plus an additional dollar amount  
27 calculated as provided in subsection (1)(b) of this section.

28 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act apply to  
29 taxes levied for collection in 2022 and thereafter.

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