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**HOUSE BILL 1670**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Ormsby, Fitzgibbon, Walen, Macri, Senn, Bergquist, Gregerson, Springer, Goodman, Chopp, Bateman, Wylie, Fey, Ryu, Stonier, Riccelli, Reeves, Duerr, Ramel, Alvarado, and Pollet

AN ACT Relating to raising the limit factor for property taxes; amending RCW 84.55.005 and 84.55.100; creating a new section; and repealing RCW 84.55.0101.

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

**Sec.**  RCW 84.55.005 and 2014 c 97 s 316 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Inflation" means ((~~the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce by September 25th of the year before the taxes are payable;~~)) the annual percentage increase in the consumer price index for all urban consumers in the western region for all items as provided in the most recent 12-month period by the bureau of labor statistics of the United States department of labor by July 25th of the year before the taxes are payable.

(2) "Limit factor" means:

(a) For taxing districts ((~~with a population of less than ten thousand in the calendar year prior to the assessment year, one hundred one percent~~)) other than the state, 100 percent plus population change and inflation, not to exceed 103 percent; and

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

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

(3)(a) "Population change" means the annual percent increase in the population of a taxing district between the two most recent years as provided in the official population estimates published by the office of financial management for April 1st of the year before taxes are payable. If the office of financial management estimates a net decrease in a taxing district's population, for the purposes of this section, the population change is zero. For a county, the "population of a taxing district" means the population within the county's incorporated and unincorporated areas, unless the county taxing district boundaries are limited to the unincorporated county areas, in which case the "population of a taxing district" means the population of the unincorporated county areas only. For taxing districts that are not coterminous with one or more cities, towns, counties, or unincorporated county areas, or any combination thereof, as provided in the official population estimates published by the office of financial management in April of the year before the taxes are payable, "population change" means:

(i) The population change for the city or town within which the taxing district is wholly located;

(ii) The population change for the county in which the taxing district is wholly located, when the taxing district is not wholly located within a city or town; or

(iii) For taxing districts located in more than one county, the county population change for the county in which the greatest total taxable assessed value of the taxing district for the prior assessment year is located.

(b) For the purposes of this subsection (3), the annual percent increase in population is calculated to the nearest tenth of one percent, rounding up to the next tenth of one percent if the second decimal place of the annual percent increase is five or greater.

(4) "Regular property taxes" has the meaning given it in RCW 84.04.140.

**Sec.**  RCW 84.55.100 and 1983 c 223 s 1 are each amended to read as follows:

(1) The property tax limitation contained in this chapter shall be determined by the county assessors of the respective counties in accordance with the provisions of this chapter: PROVIDED, That the limitation for any state levy shall be determined by the department of revenue and the limitation for any intercounty rural library district shall be determined by the library district in consultation with the respective county assessors.

(2) By September 1, 2023, and by September 1st every year thereafter, the department of revenue must provide county assessors the limit factors necessary for the county assessor to comply with subsections (1) and (3) of this section.

(3) By October 1, 2023, and by October 1st every year thereafter, the county assessor must determine the limit factor applicable to each taxing district in their county and notify each taxing district of the determination. However, for a taxing district located in more than one county, the assessor of the county with the most assessed value of the taxing district is subject to the requirements of this subsection (3).

NEW SECTION. **Sec.**  RCW 84.55.0101 (Limit factor—Authorization for taxing district to use one hundred one percent or less—Ordinance or resolution) and 2007 sp.s. c 1 s 2 & 1997 c 3 s 204 are each repealed.

NEW SECTION. **Sec.**  This act applies to taxes levied for collection in 2024 and thereafter.

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