
Ways & Means Committee

HB 2649

Brief Description: Concerning county property tax levies.

Sponsors: Representatives Springer and Roberts.

Brief Summary of Bill

- Allows the county legislative authority to increase or reduce the Veteran's Assistance and County Mental Health property tax levy in the same proportion as the regular county property tax levy.

Hearing Date: 1/30/12

Staff: Jeff Olsen (786-7175).

Background:

Property Tax Limits.

The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value). The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. For counties, the maximum levy rate is \$1.80 per thousand dollars of assessed value. However, the county levy may be raised up to \$2.475 per thousand dollars of assessed value for both the county and any road district within the county, if the total levies for both the county and any road district do not exceed \$4.05 per thousand dollars of assessed value.

In addition to the 1 percent levy limit, there is a 1 percent cap on the revenues a taxing district can receive each year based on the highest amount levied in the past three years. An individual taxing district with a regular property tax levy must adhere to both the statutory rate limits and the revenue limit.

Veteran's Assistance and County Mental Health.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

State law requires a portion of the county general levy to be used for community services for people with developmental disabilities and for mental health services (Developmental Disability and Mental Health Levy). State law also requires a portion of the general county levy to be used for veterans' assistance programs and other veteran related purposes (Veterans' Assistance Levy). For the Developmental Disability and Mental Health Levy, the county legislative authority must levy a sum equal to the amount that would be raised by a 2.5 cents per thousand dollars of assessed value levy. For the Veterans' Assistance Levy, the county legislative authority must levy a sum equal to the amount that would be raised by a not less than one and one-eighth cents and not more than 27 cents per thousand of assessed value levy. Both of these levies are considered earmarked funds within the county general levy. If the county general levy rate is reduced by the 1 percent levy limit, the amount of the county general levy allocated to these purposes may be reduced in the same proportion. In 2011 the Department of Revenue issued an audit recommendation to the Snohomish County Assessor to continue educating the governing authority regarding the statutory requirements for the allocation of revenues to the Mental Health Fund and the Veterans' Assistance Fund.

Summary of Bill:

The Veteran's Assistance levy and Developmental Disability and Mental Health Levy may be increased or reduced in the same proportion as the regular county property tax levy as approved by the county legislative authority.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.