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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

Read first time 01/30/23. Referred to Committee on Finance.

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

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

5 **Sec. 1.** RCW 84.55.005 and 2014 c 97 s 316 are each amended to  
6 read as follows:

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

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

19 (2) "Limit factor" means:

20 (a) For taxing districts (~~(with a population of less than ten~~  
21 ~~thousand in the calendar year prior to the assessment year, one~~

1 ~~hundred one percent)) other than the state, 100 percent plus~~  
2 ~~population change and inflation, not to exceed 103 percent; and~~

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

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

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

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

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

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

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

38 (4) "Regular property taxes" has the meaning given it in RCW  
39 84.04.140.

1       **Sec. 2.** RCW 84.55.100 and 1983 c 223 s 1 are each amended to  
2 read as follows:

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

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

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

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

25       NEW SECTION. **Sec. 4.** This act applies to taxes levied for  
26 collection in 2024 and thereafter.

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