

**WAC 458-19-005 Definitions.** (1) **Introduction.** This rule contains definitions of the terms used throughout chapters 84.52 and 84.55 RCW and chapter 458-19 WAC in the administration of the system used to levy property taxes on taxable property within the state of Washington.

(2) Unless the context clearly requires otherwise, the following definitions apply:

(a) **"Annexation"** means one taxing district is adding territory or another dissimilar taxing district from outside the annexing taxing district's boundary and includes a merger of a portion of a fire protection district under chapter 52.06 RCW with another fire protection district.

(b) **"Assessed value"** means the value of taxable property placed on the assessment rolls. The term is often abbreviated with the initials "A.V."

(c) **"Certified property tax levy rate"** means the tax rate calculated by the county assessor in accordance with law to produce the lawful amount of the certified property tax levy.

(d) **"Consolidated levy rate"** means:

(i) For purposes of the statutory aggregate dollar rate levy limit, the sum of all regular levy rates set for collection, not including the rates for the state levy, ports, public utility districts, financing affordable housing under RCW 84.52.105, acquiring conservation futures under RCW 84.34.230, criminal justice purposes under RCW 84.52.135, emergency medical care or emergency medical services under RCW 84.52.069, county ferry districts under RCW 36.54.130, the portions of the fire protection and regional fire protection service authority levies protected under RCW 84.52.125, the portion of metropolitan park district levies protected under RCW 84.52.120, transit-related purposes under RCW 84.52.140, the protected portion of the levies imposed under RCW 84.52.816 by flood control zone districts, and levies imposed by a regional transit authority under RCW 81.104.175; and

(ii) For purposes of the constitutional one percent limit, the sum of all regular levy rates set for collection, including the rates for the state levy, but not including the rates for port and public utility districts.

(e) **"Consolidation"** means the act of combining two or more similar taxing districts into one taxing district; for example, the combination of two fire protection districts into one fire protection district.

(f) **"Constitutional one percent limit"** means the levy limit established by Article VII, section 2 of the state Constitution, which prohibits the aggregate of all tax levies on real and personal property from exceeding one percent (\$10 per \$1,000) of the true and fair value of property. This limit does not apply to excess levies, levies by port districts, and levies by public utility districts. This limit is also set forth in RCW 84.52.050.

(g) **"Department"** means the department of revenue of the state of Washington.

(h) **"Excess property tax levy"** or **"excess levy"** means a voter-approved property tax levy by or for a taxing district, other than a port or public utility district, that is subject to neither the statutory aggregate dollar rate limit set forth in RCW 84.52.043 nor the constitutional one percent limit set forth in Article VII, section 2 of the state Constitution and in RCW 84.52.050. It does not include regular levies allowed to exceed the levy limit with voter approval.

(i) **"Improvement"** means any valuable change in or addition to real property, including the subdivision or segregation of parcels of real property or the merger of parcels of real property.

(j) **"Inflation"** means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-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; see RCW 84.55.005.

(k) **"Joint taxing district"** means a taxing district that exists in two or more counties; the term does not include the state nor does it include an intercounty rural library district.

(l) **"Junior taxing district"** means a taxing district other than the state, a county, a county road district, a city, a town, a port district, or a public utility district.

(m) **"Levy limit"** means:

(i) The statutorily established limit that prohibits a taxing district, other than the state, from levying regular property taxes for a particular year that exceed the limit factor multiplied by the highest amount of regular property taxes that could have been lawfully levied in the taxing district in any year since 1985, excluding any increase due to (m)(i)(E) of this subsection, unless the highest levy was the statutory maximum rate amount, plus an additional dollar amount calculated by multiplying the regular property tax levy rate of that district for the preceding year, or the last year the taxing district levied taxes, by the increase in assessed value in the taxing district resulting from:

(A) New construction;

(B) Improvements to property;

(C) Increases in the assessed value of state assessed property;

(D) Increases in assessed value due to the construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under chapter 84.55 RCW for purposes of providing an additional dollar amount. The property may be classified as real or personal property; and

(E) Increases in assessed value of real property within an increment area designated by a local government pursuant to chapter 39.114 RCW, provided the increase is not included elsewhere in the levy limit calculation. This subsection does not apply to:

(I) Levies by the state;

(II) Levies by a port district for purposes of making required payments of principal and interest on general indebtedness; and

(III) Levies by a public utility district for purposes of making required payments of principal and interest on general indebtedness.

(ii) For purposes of the levy limit, the phrase "highest amount of regular property taxes that could have been lawfully levied" means the maximum amount that could have been levied by a taxing district under the limitation set forth in chapter 84.55 RCW unless the highest amount that could have been levied was actually restricted by the taxing district's statutory dollar rate limit. If the taxing district's levy was restricted by the statutory dollar rate limit, the highest amount that could have been lawfully levied is the amount produced by multiplying the assessed value of the taxing district by the statutory dollar rate.

(iii) For purposes of the levy limit, the regular property tax levy rate of the district for the preceding year, or the last year the taxing district levied taxes, may reflect a reduced rate due to the

\$5.90 statutory aggregate limitation and/or the constitutional one percent limitation, if prorating occurred in the district.

The regular property tax levy rate of the district for the preceding year may also reflect a levy error or a levy error correction. If this occurs, the rate used will be the rate had the levy error or levy error correction not occurred. RCW 84.52.085.

(iv) The levy limit for the state is the amount calculated under WAC 458-19-550.

(n) "**Levy rate**" means the dollar amount per thousand dollars of assessed value applied to taxable property within a taxing district and is calculated by dividing the total amount of a statutorily authorized levy of a taxing district by the total assessed value of that district and is expressed in dollars and cents per thousand dollars of assessed value.

(o) "**Limit factor**" means:

(i) For taxing districts with a population of less than 10,000 in the calendar year immediately prior to the assessment year, 101 percent;

(ii) For taxing districts, other than the state, having made a finding of substantial need in accordance with RCW 84.55.0101, the lesser of the substantial need factor or 101 percent;

(iii) For all other taxing districts, excluding the state, the lesser of 101 percent or 100 percent plus inflation; or

(iv) For the state, the limits described in WAC 458-19-550.

(p) "**New construction**" means the construction or alteration of any property for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits, which results in an increase in the value of the property.

(q) "**Regular property tax levy**" or "**regular levy**" means a property tax levy by or for a taxing district that is subject to the statutory aggregate dollar rate limit set forth in RCW 84.52.043, the constitutional one percent limit set forth in RCW 84.52.050, or is a levy imposed by or for a port district or a public utility district.

(r) "**Regular property taxes**" means those taxes resulting from regular property tax levies.

(s) "**Senior taxing district**" means the state (for support of common schools), a county, a county road district, a city, or a town.

(t) "**Statutory aggregate dollar rate limit**" or "**statutory aggregate limit**" means the maximum aggregate regular property tax levy rate within a county established by law for senior and junior taxing districts, other than the state. The current limit is \$5.90 per \$1,000 of assessed valuation. See RCW 84.52.043 and WAC 458-19-070.

(u) "**Statutory dollar rate limit**" means the maximum regular property tax levy rate established by law for a particular type of taxing district.

(v) "**Substantial need limit factor**" means a limit factor approved by a taxing district's legislative authority that exceeds 100 percent plus inflation. This limit cannot exceed 101 percent.

(w) "**Super majority**" means a majority of at least three-fifths of the registered voters of a taxing district approving a proposition authorizing a levy, at which election the number of persons voting "yes" on the proposition constitutes three-fifths of a number equal to 40 percent of the total votes cast in the taxing district in the last preceding general election; or by a majority of at least three-fifths of the registered voters of the taxing district voting on the proposition when the number of registered voters voting on the proposition

exceeds 40 percent of the total votes cast in the taxing district in the last preceding general election.

(x) **"Tax code area"** means a geographical area made up of one or more taxing districts, which is established for the purpose of properly calculating, collecting, and distributing taxes. Only one tax code area will have the same combination of taxing districts, with limited exceptions.

(y) **"Taxing district"** means the state and any county, city, town, port district, school district, road district, metropolitan park district, regional transit authority, water-sewer district, or other municipal corporation, having the power or legal authority to impose burdens upon property within the district on an ad valorem basis, for the purpose of obtaining revenue for public purposes, as distinguished from municipal corporations authorized to impose burdens, or for which burdens may be imposed for public purposes, on property in proportion to the increase in benefits received.

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.55.060. WSR 22-04-023, § 458-19-005, filed 1/24/22, effective 2/24/22. Statutory Authority: RCW 84.52.0502 and 84.55.060. WSR 20-24-065, § 458-19-005, filed 11/24/20, effective 12/25/20; WSR 18-14-095, § 458-19-005, filed 7/3/18, effective 8/3/18. Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.48.200, 84.52.0502, and 84.55.060. WSR 15-03-087, § 458-19-005, filed 1/21/15, effective 2/21/15. Statutory Authority: RCW 84.52.010, 84.52.043, and 84.52.0502. WSR 06-02-008, § 458-19-005, filed 12/22/05, effective 1/22/06. Statutory Authority: RCW 84.08.010, 84.08.070, 84.48.080, 84.55.060, 84.52.0502, chapters 84.52 and 84.55 RCW, and RCW 34.05.230(1). WSR 02-24-015, § 458-19-005, filed 11/25/02, effective 12/26/02. Statutory Authority: RCW 84.55.060 and 84.08.070. WSR 94-07-066, § 458-19-005, filed 3/14/94, effective 4/14/94.]