

AN ACT Relating to limiting property taxes; adding a new section to chapter 84.55 RCW; reenacting and amending RCW 84.55.005, 84.55.010; and creating new sections.

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

**Sec. 1. Intent.** The people of Washington pay too much in property taxes. One of the most inequitable elements of the state's property tax policy is an annual "councilmanic" increase in property taxes that allow certain levy rates to increase each year without a vote of the people affected by the increase. This Act sets such increases at one-half of one percent (0.5%) each year.

**NEW SECTION. Sec. 2.** A new section is added to chapter 84.55 RCW to read as follows:

The limit on the growth of the regular property tax levy for each taxing district must not exceed 0.5% per year unless an increase greater than this limit is approved by a majority of the voters of the taxing district voting on the proposition at a general election held within the district.

**Sec. 3.** RCW 84.55.005 and 2014 c 97 s 316 are each reenacted and 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;

(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))~~) and 0.5%;

(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))~~) and 0.5%;

(c) For all other districts, the lesser of one hundred (~~((one percent))~~) and 0.5% or one hundred percent plus inflation; and

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

**Sec. 4.** RCW 84.55.0101 and 2007 sp.s. c 1 s 2 are each reenacted and amended to read as follows:

Upon a finding of substantial need, the legislative authority of a taxing district other than the state may provide for the use of a limit factor under this chapter of one hundred (~~((one percent))~~) and 0.5% or less. In districts with legislative authorities of four members or less, two-thirds of the members must approve an ordinance or resolution under this section. In districts with more than four members, a majority plus one vote must approve an ordinance or resolution under this section. The new limit factor shall be effective for taxes collected in the following year only.

**NEW SECTION. Sec. 5.** The provisions of this act are to be liberally construed to effectuate the policies, purposes, and intent of this act.

**NEW SECTION. Sec. 6.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**--- END ---**