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### INITIATIVE 859

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 859 to the People is a true and correct copy as it was received by this office.

AN ACT Relating to property tax levies; amending RCW 84.55.005 and 84.55.0101; adding a section to chapter 84.55 RCW; and creating new sections.

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

### LEGISLATIVE INTENT

NEW SECTION. **Sec. 1.** The 25% Property Tax Initiative is intended to decrease the property tax burden in Washington by changing laws relating to property tax levies. It is long overdue. This measure would reduce the state property tax levy by 25%, starting in 2004, and limit future increases in the state property tax levy. For decades, property taxes have skyrocketed in Washington. Rising property taxes have placed an incredible financial burden on taxpayers, especially working class families and senior citizens. Sky-high property taxes prevent many of our citizens from attaining the American dream of home ownership. Meaningful property tax relief is long-overdue and desperately needed. During these tough economic times, struggling families and senior citizens desperately need and deserve meaningful property tax relief. Because of huge property tax spikes in recent years, for many property owners, this measure's limitation of the state property tax levy will only put property taxes at the same level they were two or three years ago. But we have to start somewhere. The people recognize that even with this measure, because of economic growth, overall government revenues will continue to grow but simply at a slower rate. The crushing property tax burden on taxpayers must be lessened and the 25% Property Tax Initiative accomplishes that worthy goal.

**DECREASING THE PROPERTY TAX BURDEN BY  
REDUCING THE STATE PROPERTY TAX LEVY BY 25%**

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

(1) The state property tax levy for collection in 2004 and all years thereafter shall be reduced by 25.0 percent of the levy amount that would otherwise be allowed under this chapter without regard to this section.

(2) Before applying the reduction in the state property tax levy required by this section, levies shall be set every year at the amount that would otherwise be allowed under this chapter without regard to the prior years' reductions provided for in this section.

**DECREASING THE PROPERTY TAX BURDEN BY  
LIMITING FUTURE INCREASES IN THE STATE PROPERTY TAX LEVY**

**Sec. 3.** RCW 84.55.005 and 2002 c 1 s 2 (Initiative Measure No. 747) are amended to read as follows:

Definitions.

As used in this chapter:

(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 in September 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;

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

(c) For all other districts {+ (the state government) +}, the lesser of one hundred (({- one -)) percent or one hundred percent plus inflation {+ , thus limiting future increases in the state property tax levy but continuing the receipt of property tax revenue for the state government from new construction, improvements to property, and increases in the assessed value of state-assessed property as provided in RCW 84.55.010 +}; and

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

**Sec. 4.** RCW 84.55.0101 and 2002 c 1 s 3 are each 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 or less {+ , except the state government whose limit factor is the lesser of one hundred percent or one hundred percent plus inflation as provided in RCW 84.55.005, +} unless an increase greater than this limit is approved by the voters at an election as provided in RCW 84.55.050. 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.

**CONSTRUCTION CLAUSE**

NEW SECTION. **Sec. 6.** The provisions of this act are to be liberally construed to effectuate the policies, purposes, and intent of this act.

**SEVERABILITY CLAUSE**

NEW SECTION. **Sec. 7.** If any provision of this act of 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.

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