

FINAL BILL REPORT

EHB 1022

FULL VETO

As Passed Legislature

Brief Description: Reducing property taxes.

Sponsors: Representatives B. Thomas, Dyer, Cooke, Carlson, Casada, Chandler, Brumsickle, Foreman, Silver, Sherstad, Dellwo, Benton, Skinner, Kremen, Hargrove, Horn, Schoesler, Buck, Johnson, Thompson, Beeksma, Goldsmith, Radcliff, Hickel, Backlund, Crouse, Cairnes, Elliot, Reams, Pennington, Mastin, Carrell, Mitchell, K. Schmidt, Quall, Chappell, G. Fisher, Basich, Grant, Smith, Robertson, Sehlin, Honeyford, Van Luven, Pelesky, Koster, Lambert, D. Schmidt, Mulliken, Boldt, McMorris, Clements, Campbell, L. Thomas, Huff, Mielke, Talcott, McMahan, Stevens and Hymes.

House Committee on Finance

Background: The state annually levies a statewide property tax. The state property tax is limited to a rate no greater than \$3.60 per \$1,000 of market value. The state property tax is also limited by the 106 percent levy limit. The 106 percent levy limit requires reduction of property tax rates as necessary to limit the total amount of property taxes received by a taxing district. The limit for each year is the sum of (a) 106 percent of the highest amount of property taxes levied in the 3 most recent years, plus (b) an amount equal to last year's levy rate multiplied by the value of new construction.

Summary: The state property tax for collection in 1996 is reduced by 4.7187 percent. The reduced 1996 levy will not be used for future state levy calculations under the 106 percent levy limit. This change reduces the state property tax by \$54 million in 1996.

Votes on Final Passage:

First Special Session

House 93 4

House 93 4 (House reconsidered)

Second Special Session

House 88 3

Senate 45 2