
Finance Committee

HB 2650

Brief Description: Modifying voter approval provisions for tax levies exceeding the district levy limit.

Sponsors: Representatives Carrell, Cooper, Crouse, Benson and Simpson.

Brief Summary of Bill
<ul style="list-style-type: none">Permits a property tax lid lift which sets the rate for the first two levies after voter approval.

Hearing Date: 2/7/02

Staff: Rick Peterson (786-7150).

Background:

Property taxes are imposed by state and local governments. The county assessor determines assessed value for each property. The county assessor also calculates the tax rate necessary to raise the correct amount of property taxes for each taxing district. The assessor calculates the rate so the individual district rate limit, the district revenue limit, and the aggregate rate limits are all satisfied. The assessor delivers the county tax roll to the treasurer. The county treasurer collects property taxes based on the tax roll starting February 15 each year.

The annual increase in district property taxes is restricted by the property tax revenue limit. This limit requires the district's tax rate to be reduced as necessary to limit the total amount of property taxes to the highest property tax amount in the three most recent years, plus 1 percent, plus an amount equal to last year's tax rate multiplied by the value of new construction in the district. This limit acts to reduce district rates below the maximum rate allowed for the district.

The district's revenue limit may be exceeded upon the majority vote of the people. This exception to the limit is called a "lid lift."— Voters may approve a permanent lid lift, a lid lift for a period of years, limit the purpose of the lid lift, or set the rate at less than the maximum allowed.

Summary of Bill:

Property taxing districts may ask voters to approve a lid lift which sets the rate for the first two levies after approval.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.