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HOUSE BILL 2309

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State of Washington                      60th Legislature                      2007 Regular Session

By Representatives Simpson, Chase, Kirby, Moeller, Upthegrove, Takko, Hasegawa, Pettigrew, B. Sullivan, Ormsby and Linville

Read first time 02/20/2007. Referred to Committee on Finance.

1            AN ACT Relating to property tax levy limits; reenacting RCW  
2 84.55.005 and 84.55.0101; adding a new section to chapter 84.55 RCW;  
3 creating new sections; repealing RCW 84.55.005 and 84.55.0101; and  
4 declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            **Sec. 1.** RCW 84.55.005 and 2002 c 1 s 2 are each reenacted to read  
7 as follows:

8            As used in this chapter:

9            (1) "Inflation" means the percentage change in the implicit price  
10 deflator for personal consumption expenditures for the United States as  
11 published for the most recent twelve-month period by the bureau of  
12 economic analysis of the federal department of commerce in September of  
13 the year before the taxes are payable;

14            (2) "Limit factor" means:

15            (a) For taxing districts with a population of less than ten  
16 thousand in the calendar year prior to the assessment year, one hundred  
17 one percent;

18            (b) For taxing districts for which a limit factor is authorized

1 under RCW 84.55.0101, the lesser of the limit factor under that section  
2 or one hundred one percent;

3 (c) For all other districts, the lesser of one hundred one percent  
4 or one hundred percent plus inflation; and

5 (3) "Regular property taxes" has the meaning given it in RCW  
6 84.04.140.

7 **Sec. 2.** RCW 84.55.0101 and 2002 c 1 s 3 are each reenacted to read  
8 as follows:

9 Upon a finding of substantial need, the legislative authority of a  
10 taxing district other than the state may provide for the use of a limit  
11 factor under this chapter of one hundred one percent or less unless an  
12 increase greater than this limit is approved by the voters at an  
13 election as provided in RCW 84.55.050. In districts with legislative  
14 authorities of four members or less, two-thirds of the members must  
15 approve an ordinance or resolution under this section. In districts  
16 with more than four members, a majority plus one vote must approve an  
17 ordinance or resolution under this section. The new limit factor shall  
18 be effective for taxes collected in the following year only.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.55 RCW  
20 to read as follows:

21 As used in this chapter:

22 (1) "Inflation" means the percentage change in the implicit price  
23 deflator for personal consumption expenditures for the United States as  
24 published for the most recent twelve-month period by the bureau of  
25 economic analysis of the federal department of commerce in September of  
26 the year before the taxes are payable.

27 (2) "Limit factor" means:

28 (a) For the state, the lesser of one hundred one percent or one  
29 hundred percent plus inflation;

30 (b) For all other districts, the greater of one hundred one percent  
31 or one hundred percent plus inflation.

32 (3) "Regular property taxes" has the meaning given it in RCW  
33 84.04.140.

34 NEW SECTION. **Sec. 4.** The following acts or parts of acts are each  
35 repealed:

1 (1) RCW 84.55.005 (Definitions) and 2007 c ... s 1 (section 1 of  
2 this act), 2002 c 1 s 2, 1997 c 393 s 20, 1997 c 3 s 201, 1994 c 301 s  
3 49, & 1983 1st ex.s. c 62 s 11; and

4 (2) RCW 84.55.0101 (Limit factor--Authorization for taxing district  
5 to use one hundred one percent or less--Ordinance or resolution) and  
6 2007 c . . . s 2 (section 2 of this act), 2002 c 1 s 3, & 1997 c 3 s  
7 204.

8 NEW SECTION. **Sec. 5.** Section 3 of this act applies prospectively  
9 for taxes levied for collection in 2008 and thereafter.

10 NEW SECTION. **Sec. 6.** Sections 1 and 2 of this act apply  
11 retroactively to December 6, 2001.

12 NEW SECTION. **Sec. 7.** This act is necessary for the immediate  
13 preservation of the public peace, health, or safety, or support of the  
14 state government and its existing public institutions, and takes effect  
15 immediately.

16 NEW SECTION. **Sec. 8.** This act does not affect any existing right  
17 acquired or liability or obligation incurred under the sections amended  
18 or repealed in this act or under any rule or order adopted under those  
19 sections, nor does it affect any proceeding instituted under those  
20 sections.

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