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HOUSE BILL 3270

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State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Orcutt, Herrera, Ahern, McCune, Crouse, Haler, Schmick, Condotta, Newhouse, Skinner, Roach, Rodne, and Ross

Read first time 01/28/08. Referred to Committee on Finance.

1            AN ACT Relating to requiring property tax statistics and  
2 information on banked levy capacity; reenacting and amending RCW  
3 84.55.092; adding a new section to chapter 84.52 RCW; and creating a  
4 new section.

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

6            NEW SECTION.    **Sec. 1.** The legislature finds that the amount of  
7 banked levy capacity available to taxing districts is unknown. The  
8 legislature further finds that the restoration of one percent limit in  
9 November 2007 did not address the use of banked levy capacity. The  
10 legislature further finds that requiring regular reports on property  
11 tax collections and the amount of banked levy capacity will assist the  
12 legislature and the people in determining how taxing districts should  
13 use banked levy capacity in the future.

14            NEW SECTION.    **Sec. 2.** A new section is added to chapter 84.52 RCW  
15 to read as follows:

16            Each county assessor, before March 1st each year, must prepare and  
17 submit to the department of revenue a detailed report on property taxes  
18 levied within the county. The report must include assessed valuation,

1 levy rate, and levy amount for each type of levy by each taxing  
2 district authorized to levy property taxes within the county. The  
3 report must also include information necessary to calculate the  
4 property tax limit contained in chapter 84.55 RCW for each taxing  
5 district, including the regular property tax lawfully levied in the  
6 three most recent years; the amount of new construction, improvements  
7 to property, and the increase in assessed value of state-assessed  
8 property; the tax rate for the preceding year; the levy amount  
9 requested by the taxing district; copies of ordinances adopted under  
10 RCW 84.55.0101 and 84.55.120; copies of ballot propositions authorizing  
11 increases in the limit under RCW 84.55.050; the amount of levy capacity  
12 available under RCW 84.55.092; and other information the department of  
13 revenue may request. The department must compile the information  
14 submitted by county assessors and submit a report to the legislature by  
15 September 30th of each year.

16 **Sec. 3.** RCW 84.55.092 and 1998 c 16 s 3 are each reenacted and  
17 amended to read as follows:

18 (1) The regular property tax levy for each taxing district other  
19 than the state may be set at the amount which would be allowed  
20 otherwise under this chapter if the regular property tax levy for the  
21 district for taxes due in prior years beginning with 1986 had been set  
22 at the full amount allowed under this chapter including any levy  
23 authorized under RCW 52.16.160 that would have been imposed but for the  
24 limitation in RCW 52.18.065, applicable upon imposition of the benefit  
25 charge under chapter 52.18 RCW.

26 (2) The purpose of this section is to remove the incentive for a  
27 taxing district to maintain its tax levy at the maximum level permitted  
28 under this chapter, and to protect the future levy capacity of a taxing  
29 district that reduces its tax levy below the level that it otherwise  
30 could impose under this chapter, by removing the adverse consequences  
31 to future levy capacities resulting from such levy reductions.

32 (3) Until calendar year 2010, to set a regular property tax levy at  
33 an amount authorized under this section, a taxing district must submit  
34 an authorizing proposition to the voters for approval by a majority of  
35 the voters of the taxing district voting on the proposition. Elections

1 for this purpose must be held at a primary or general election.

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