
SUBSTITUTE HOUSE BILL 1634

State of Washington 63rd Legislature 2014 Regular Session

By House Finance (originally sponsored by Representatives Warnick and Manweller)

READ FIRST TIME 01/21/14.

1 AN ACT Relating to including the value of solar, biomass, and
2 geothermal facilities in the property tax levy limit calculation;
3 amending RCW 84.55.010, 84.55.015, 84.55.020, 84.55.030, and 84.55.120;
4 and creating a new section.

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

6 **Sec. 1.** RCW 84.55.010 and 2006 c 184 s 1 are each amended to read
7 as follows:

8 Except as provided in this chapter, the levy for a taxing district
9 in any year (~~shall~~) must be set so that the regular property taxes
10 payable in the following year (~~shall~~) does not exceed the limit
11 factor multiplied by the amount of regular property taxes lawfully
12 levied for such district in the highest of the three most recent years
13 in which such taxes were levied for such district plus an additional
14 dollar amount calculated by multiplying the regular property tax levy
15 rate of that district for the preceding year by the increase in
16 assessed value in that district resulting from:

- 17 (1) New construction((τ));
- 18 (2) Increases in assessed value due to construction of ((electric
19 generation)) wind turbine, solar, biomass, and geothermal facilities

1 ~~((classified as personal property)), if such facilities generate~~
2 ~~electricity and the property is not included elsewhere under this~~
3 ~~section for purposes of providing an additional dollar amount. The~~
4 ~~property may be classified as real or personal property;~~

- 5 ~~(3) Improvements to property((τ)); and~~
- 6 ~~(4) Any increase in the assessed value of state-assessed property~~
7 ~~((by the regular property tax levy rate of that district for the~~
8 ~~preceding year)).~~

9 **Sec. 2.** RCW 84.55.015 and 2006 c 184 s 2 are each amended to read
10 as follows:

11 If a taxing district has not levied since 1985 and elects to
12 restore a regular property tax levy subject to applicable statutory
13 limitations then such first restored levy ~~((shall))~~ must be set so that
14 the regular property tax payable ~~((shall))~~ does not exceed the amount
15 which was last levied, plus an additional dollar amount calculated by
16 multiplying the property tax rate which is proposed to be restored, or
17 the maximum amount which could be lawfully levied in the year such a
18 restored levy is proposed, by the increase in assessed value in the
19 district since the last levy resulting from:

- 20 ~~(1) New construction((τ));~~
- 21 ~~(2) Increases in assessed value due to construction of ((electric~~
22 ~~generation)) wind turbine, solar, biomass, and geothermal facilities~~
23 ~~((classified as personal property)), if such facilities generate~~
24 ~~electricity and the property is not included elsewhere under this~~
25 ~~section for purposes of providing an additional dollar amount. The~~
26 ~~property may be classified as real or personal property;~~
- 27 ~~(3) Improvements to property((τ)); and~~
- 28 ~~(4) Any increase in the assessed value of state-assessed property~~
29 ~~((by the property tax rate which is proposed to be restored, or the~~
30 ~~maximum amount which could be lawfully levied in the year such a~~
31 ~~restored levy is proposed)).~~

32 **Sec. 3.** RCW 84.55.020 and 2006 c 184 s 3 are each amended to read
33 as follows:

34 Notwithstanding the limitation set forth in RCW 84.55.010, the
35 first levy for a taxing district created from consolidation of similar
36 taxing districts ~~((shall))~~ must be set so that the regular property

1 taxes payable in the following year (~~shall~~) do not exceed the limit
2 factor multiplied by the sum of the amount of regular property taxes
3 lawfully levied for each component taxing district in the highest of
4 the three most recent years in which such taxes were levied for such
5 district plus the additional dollar amount calculated by multiplying
6 the regular property tax rate of each component district for the
7 preceding year by the increase in assessed value in each component
8 district resulting from:

- 9 (1) New construction(~~(τ)~~);
- 10 (2) Increases in assessed value due to construction of (~~electric~~
11 ~~generation~~) wind turbine, solar, biomass, and geothermal facilities
12 (~~classified as personal property~~), if such facilities generate
13 electricity and the property is not included elsewhere under this
14 section for purposes of providing an additional dollar amount. The
15 property may be classified as real or personal property;
- 16 (3) Improvements to property(~~(τ)~~); and
- 17 (4) Any increase in the assessed value of state-assessed property
18 (~~by the regular property tax rate of each component district for the~~
19 ~~preceding year~~)).

20 **Sec. 4.** RCW 84.55.030 and 2006 c 184 s 4 are each amended to read
21 as follows:

22 For the first levy for a taxing district following annexation of
23 additional property, the limitation set forth in RCW 84.55.010
24 (~~shall~~) must be increased by an amount equal to (~~(+1)~~) the aggregate
25 assessed valuation of the newly annexed property as shown by the
26 current completed and balanced tax rolls of the county or counties
27 within which such property lies, multiplied by (~~(+2)~~) the dollar rate
28 that would have been used by the annexing unit in the absence of such
29 annexation, plus (~~(+3)~~) the additional dollar amount calculated by
30 multiplying the regular property tax levy rate of that annexing taxing
31 district for the preceding year by the increase in assessed value in
32 the annexing district resulting from:

- 33 (1) New construction(~~(τ)~~);
- 34 (2) Increases in assessed value due to construction of (~~electric~~
35 ~~generation~~) wind turbine, solar, biomass, and geothermal facilities
36 (~~classified as personal property~~), if such facilities generate

1 electricity and the property is not included elsewhere under this
2 section for purposes of providing an additional dollar amount. The
3 property may be classified as real or personal property;

4 (3) Improvements to property((~~τ~~)); and

5 (4) Any increase in the assessed value of state-assessed property
6 ((by the regular property tax levy rate of that annexing taxing
7 district for the preceding year)).

8 **Sec. 5.** RCW 84.55.120 and 2006 c 184 s 6 are each amended to read
9 as follows:

10 (1) A taxing district, other than the state, that collects regular
11 levies ((~~shall~~)) must hold a public hearing on revenue sources for the
12 district's following year's current expense budget. The hearing must
13 include consideration of possible increases in property tax revenues
14 and ((~~shall~~)) must be held prior to the time the taxing district levies
15 the taxes or makes the request to have the taxes levied. The county
16 legislative authority, or the taxing district's governing body if the
17 district is a city, town, or other type of district, ((~~shall~~)) must
18 hold the hearing. For purposes of this section, "current expense
19 budget" means that budget which is primarily funded by taxes and
20 charges and reflects the provision of ongoing services. It does not
21 mean the capital, enterprise, or special assessment budgets of cities,
22 towns, counties, or special purpose districts.

23 (2) If the taxing district is otherwise required to hold a public
24 hearing on its proposed regular tax levy, a single public hearing may
25 be held on this matter.

26 (3)(a) Except as provided in (b) of this subsection (3), no
27 increase in property tax revenue(~~(, other than that resulting from the~~
28 addition of new construction, increases in assessed value due to
29 construction of electric generation wind turbine facilities classified
30 as personal property, and improvements to property and any increase in
31 the value of state-assessed property, may be authorized by a taxing
32 district, other than the state, except by adoption of a separate
33 ordinance or resolution, pursuant to notice, specifically authorizing
34 the increase in terms of both dollars and percentage. The ordinance or
35 resolution may cover a period of up to two years, but the ordinance
36 shall specifically state for each year the dollar increase and
37 percentage change in the levy from the previous year)) may be

1 authorized by a taxing district, other than the state, except by
2 adoption of a separate ordinance or resolution, pursuant to notice,
3 specifically authorizing the increase in terms of both dollars and
4 percentage. The ordinance or resolution may cover a period of up to
5 two years, but the ordinance must specifically state for each year the
6 dollar increase and percentage change in the levy from the previous
7 year.

8 (b) Exempt from the requirements of (a) of this subsection are
9 increases in revenue resulting from the addition of:

10 (i) New construction;

11 (ii) Increases in assessed value due to construction of wind
12 turbine, solar, biomass, and geothermal facilities, if such facilities
13 generate electricity and the property is not included elsewhere under
14 this section for purposes of providing an additional dollar amount.
15 The property may be classified as real or personal property;

16 (iii) Improvements to property; and

17 (iv) Any increase in the value of state-assessed property.

18 NEW SECTION. Sec. 6. This act applies to taxes levied for
19 collection in 2015 and thereafter.

--- END ---