

SENATE BILL REPORT

HB 2044

As of February 19, 2024

Title: An act relating to standardizing limitations on voter-approved property tax levies.

Brief Description: Standardizing limitations on voter-approved property tax levies.

Sponsors: Representatives Duerr, Senn, Fitzgibbon, Alvarado, Ryu, Taylor, Callan, Berry, Gregerson, Reed, Macri, Chopp, Bergquist, Goodman, Pollet, Kloba and Davis.

Brief History: Passed House: 2/12/24, 56-41.

Committee Activity: Ways & Means: 2/20/24.

Brief Summary of Bill

- Eliminates a nonsupplant restriction applicable to local government taxing districts located in a county with a population of 1.5 million or more.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Jeffrey Mitchell (786-7438)

Background: All real and personal property is subject to a tax each year based on the highest and best use unless a specific exemption is provided by law. The annual growth of regular property tax levies is limited as follows:

- for jurisdictions with a population of less than 10,000, revenue growth is limited to 1 percent; and
- for jurisdictions with a population of 10,000 or more, revenue growth is limited to the lesser of inflation or 1 percent.

Local taxing districts may exceed the 1 percent revenue limit if the voters in the district approve a lid lift which allows voters in a district to agree to tax themselves above the lid. In 2009 a nonsupplant restriction was narrowed to only apply to local taxing district lid lifts

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within a county with a population of 1.5 million or more. Under a nonsupplant restriction, lid-lift revenue must add to the overall revenue used for the specified purpose of the lid lift and not supplant, in other words replace, existing revenues currently funding the specified program. The nonsupplant restriction has been suspended by the Legislature several times including for lid lifts approved by the voters between 2015 and 2022.

Summary of Bill: The nonsupplant restriction applicable to counties with a population of 1.5 million or more is eliminated.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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