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**SENATE BILL 5407**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senator Robinson; by request of Department of Revenue

Read first time 01/16/23. Referred to Committee on Ways & Means.

1 AN ACT Relating to the administration of property taxes; amending  
2 RCW 82.03.140, 84.40.370, 84.52.010, 84.52.010, 84.52.043, 84.52.043,  
3 84.52.085, 84.55.015, and 84.55.020; creating new sections; providing  
4 an effective date; and providing an expiration date.

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

6 **Sec. 1.** RCW 82.03.140 and 2018 c 174 s 13 are each amended to  
7 read as follows:

8 (1) A party filing an appeal with the board must elect either a  
9 formal or an informal proceeding, according to rules of practice and  
10 procedure adopted by the board. If no such election is made, the  
11 appeal must be treated as an election for an informal proceeding:  
12 PROVIDED, That nothing prevents the assessor or taxpayer, as a party  
13 to an appeal pursuant to RCW 84.08.130, within (~~twenty~~) 20 days  
14 from the date of the receipt of the notice of appeal, from filing  
15 with the clerk of the board notice of intention that the hearing be a  
16 formal one: PROVIDED, HOWEVER, That nothing herein may be construed  
17 to modify the provisions of RCW 82.03.190: AND PROVIDED FURTHER, That  
18 upon an appeal under RCW 82.03.130(1) (c), (d), (e), (h), (i), or  
19 (j), the director of revenue may, within (~~ten~~) 10 days from the  
20 date of its receipt of the notice of appeal, file with the clerk of

1 the board notice of its intention that the hearing be held pursuant  
2 to chapter 34.05 RCW.

3 (2) A responding party may file a cross appeal. In the event that  
4 appeals are taken by different parties from the same decision, order,  
5 or determination, and only one party elects a formal proceeding, the  
6 appeal must be conducted as a formal proceeding.

7 **Sec. 2.** RCW 84.40.370 and 2013 c 23 s 364 are each amended to  
8 read as follows:

9 ((The)) (1) Except as provided in subsection (2) of this section,  
10 the assessor shall list the property and assess it with reference to  
11 its value on the date the property lost its exempt status unless such  
12 property has been previously listed and assessed. ((He or she))

13 (2) For publicly owned property that loses its exempt status and  
14 becomes taxable, the assessor shall value and list such property as  
15 of the January 1st assessment date for the year of the status change  
16 in accordance with RCW 84.40.175.

17 (3) The assessor shall extend the taxes on the tax roll using the  
18 rate of percent applicable as if the property had been assessed in  
19 the previous year.

20 **Sec. 3.** RCW 84.52.010 and 2021 c 117 s 2 are each amended to  
21 read as follows:

22 (1) Except as is permitted under RCW 84.55.050, all taxes must be  
23 levied or voted in specific amounts.

24 (2) The rate percent of all taxes for state and county purposes,  
25 and purposes of taxing districts coextensive with the county, must be  
26 determined, calculated and fixed by the county assessors of the  
27 respective counties, within the limitations provided by law, upon the  
28 assessed valuation of the property of the county, as shown by the  
29 completed tax rolls of the county, and the rate percent of all taxes  
30 levied for purposes of taxing districts within any county must be  
31 determined, calculated, and fixed by the county assessors of the  
32 respective counties, within the limitations provided by law, upon the  
33 assessed valuation of the property of the taxing districts  
34 respectively.

35 (3) When a county assessor finds that the aggregate rate of tax  
36 levy on any property, that is subject to the limitations set forth in  
37 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in

1 either of these sections, the assessor must recompute and establish a  
2 consolidated levy in the following manner:

3 (a) The full certified rates of tax levy for state, county,  
4 county road district, regional transit authority, and city or town  
5 purposes must be extended on the tax rolls in amounts not exceeding  
6 the limitations established by law; however, any state levy takes  
7 precedence over all other levies and may not be reduced for any  
8 purpose other than that required by RCW 84.55.010. If, as a result of  
9 the levies imposed under RCW 36.54.130, 36.69.145 by a park and  
10 recreation district described under (a)(~~vii~~) viii of this  
11 subsection (3), 84.34.230, 84.52.069, 84.52.105, the portion of the  
12 levy by a metropolitan park district that was protected under RCW  
13 84.52.120, 84.52.125, 84.52.135, and 84.52.140, (~~and~~) the portion  
14 of the levy by a flood control zone district that was protected under  
15 RCW 84.52.816, and any portion of a levy resulting from the  
16 correction of a levy error under RCW 84.52.085(3), the combined rate  
17 of regular property tax levies that are subject to the one percent  
18 limitation exceeds one percent of the true and fair value of any  
19 property, then these levies must be reduced as follows:

20 (i) (~~The~~) The portion of any levy resulting from the correction  
21 of a levy error under RCW 84.52.085(3) must be reduced until the  
22 combined rate no longer exceeds one percent of the true and fair  
23 value of any property or must be eliminated.

24 (ii) If the combined rate of regular property tax levies that are  
25 subject to the one percent limitation still exceeds one percent of  
26 the true and fair value of any property, the portion of the levy by a  
27 flood control zone district that was protected under RCW 84.52.816  
28 must be reduced until the combined rate no longer exceeds one percent  
29 of the true and fair value of any property or must be eliminated;

30 (~~iii~~) iii If the combined rate of regular property tax  
31 levies that are subject to the one percent limitation still exceeds  
32 one percent of the true and fair value of any property, the levy  
33 imposed by a county under RCW 84.52.140 must be reduced until the  
34 combined rate no longer exceeds one percent of the true and fair  
35 value of any property or must be eliminated;

36 (~~iii~~) iv If the combined rate of regular property tax  
37 levies that are subject to the one percent limitation still exceeds  
38 one percent of the true and fair value of any property, the portion  
39 of the levy by a fire protection district or regional fire protection  
40 service authority that is protected under RCW 84.52.125 must be

1 reduced until the combined rate no longer exceeds one percent of the  
2 true and fair value of any property or must be eliminated;

3 ~~((iv))~~ (v) If the combined rate of regular property tax levies  
4 that are subject to the one percent limitation still exceeds one  
5 percent of the true and fair value of any property, the levy imposed  
6 by a county under RCW 84.52.135 must be reduced until the combined  
7 rate no longer exceeds one percent of the true and fair value of any  
8 property or must be eliminated;

9 ~~((v))~~ (vi) If the combined rate of regular property tax levies  
10 that are subject to the one percent limitation still exceeds one  
11 percent of the true and fair value of any property, the levy imposed  
12 by a ferry district under RCW 36.54.130 must be reduced until the  
13 combined rate no longer exceeds one percent of the true and fair  
14 value of any property or must be eliminated;

15 ~~((vi))~~ (vii) If the combined rate of regular property tax  
16 levies that are subject to the one percent limitation still exceeds  
17 one percent of the true and fair value of any property, the portion  
18 of the levy by a metropolitan park district that is protected under  
19 RCW 84.52.120 must be reduced until the combined rate no longer  
20 exceeds one percent of the true and fair value of any property or  
21 must be eliminated;

22 ~~((vii))~~ (viii) If the combined rate of regular property tax  
23 levies that are subject to the one percent limitation still exceeds  
24 one percent of the true and fair value of any property, then the  
25 levies imposed under RCW 36.69.145 must be reduced until the combined  
26 rate no longer exceeds one percent of the true and fair value of any  
27 property or must be eliminated. This subsection (3)(a)~~((vii))~~  
28 (viii) only applies to a park and recreation district located on an  
29 island and within a county with a population exceeding 2,000,000;

30 ~~((viii))~~ (ix) If the combined rate of regular property tax  
31 levies that are subject to the one percent limitation still exceeds  
32 one percent of the true and fair value of any property, then the  
33 levies imposed under RCW 84.34.230, 84.52.105, and any portion of the  
34 levy imposed under RCW 84.52.069 that is in excess of 30 cents per  
35 \$1,000 of assessed value, must be reduced on a pro rata basis until  
36 the combined rate no longer exceeds one percent of the true and fair  
37 value of any property or must be eliminated; and

38 ~~((ix))~~ (x) If the combined rate of regular property tax levies  
39 that are subject to the one percent limitation still exceeds one  
40 percent of the true and fair value of any property, then the 30 cents

1 per \$1,000 of assessed value of tax levy imposed under RCW 84.52.069  
2 must be reduced until the combined rate no longer exceeds one percent  
3 of the true and fair value of any property or eliminated.

4 (b) The certified rates of tax levy subject to these limitations  
5 by all junior taxing districts imposing taxes on such property must  
6 be reduced or eliminated as follows to bring the consolidated levy of  
7 taxes on such property within the provisions of these limitations:

8 (i) First, the certified property tax levy authorized under RCW  
9 84.52.821 must be reduced on a pro rata basis or eliminated;

10 (ii) Second, if the consolidated tax levy rate still exceeds  
11 these limitations, the certified property tax levy rates of those  
12 junior taxing districts authorized under RCW 36.68.525, 36.69.145  
13 except a park and recreation district described under (a) (~~(vii)~~)  
14 (viii) of this subsection, 35.95A.100, and 67.38.130 must be reduced  
15 on a pro rata basis or eliminated;

16 (iii) Third, if the consolidated tax levy rate still exceeds  
17 these limitations, the certified property tax levy rates of flood  
18 control zone districts other than the portion of a levy protected  
19 under RCW 84.52.816 must be reduced on a pro rata basis or  
20 eliminated;

21 (iv) Fourth, if the consolidated tax levy rate still exceeds  
22 these limitations, the certified property tax levy rates of all other  
23 junior taxing districts, other than fire protection districts,  
24 regional fire protection service authorities, library districts, the  
25 first 50 (~~(cent[s])~~) cents per \$1,000 of assessed valuation levies  
26 for metropolitan park districts, and the first 50 (~~(cent[s])~~) cents  
27 per \$1,000 of assessed valuation levies for public hospital  
28 districts, must be reduced on a pro rata basis or eliminated;

29 (v) Fifth, if the consolidated tax levy rate still exceeds these  
30 limitations, the first 50 (~~(cent[s])~~) cents per \$1,000 of assessed  
31 valuation levies for metropolitan park districts created on or after  
32 January 1, 2002, must be reduced on a pro rata basis or eliminated;

33 (vi) Sixth, if the consolidated tax levy rate still exceeds these  
34 limitations, the certified property tax levy rates authorized to fire  
35 protection districts under RCW 52.16.140 and 52.16.160 and regional  
36 fire protection service authorities under RCW 52.26.140(1) (b) and  
37 (c) must be reduced on a pro rata basis or eliminated; and

38 (vii) Seventh, if the consolidated tax levy rate still exceeds  
39 these limitations, the certified property tax levy rates authorized  
40 for fire protection districts under RCW 52.16.130, regional fire

1 protection service authorities under RCW 52.26.140(1)(a), library  
2 districts, metropolitan park districts created before January 1,  
3 2002, under their first 50 (~~cent[s]~~) cents per \$1,000 of assessed  
4 valuation levy, and public hospital districts under their first 50  
5 (~~cent[s]~~) cents per \$1,000 of assessed valuation levy, must be  
6 reduced on a pro rata basis or eliminated.

7 **Sec. 4.** RCW 84.52.010 and 2017 c 196 s 10 are each amended to  
8 read as follows:

9 (1) Except as is permitted under RCW 84.55.050, all taxes must be  
10 levied or voted in specific amounts.

11 (2) The rate percent of all taxes for state and county purposes,  
12 and purposes of taxing districts coextensive with the county, must be  
13 determined, calculated and fixed by the county assessors of the  
14 respective counties, within the limitations provided by law, upon the  
15 assessed valuation of the property of the county, as shown by the  
16 completed tax rolls of the county, and the rate percent of all taxes  
17 levied for purposes of taxing districts within any county must be  
18 determined, calculated and fixed by the county assessors of the  
19 respective counties, within the limitations provided by law, upon the  
20 assessed valuation of the property of the taxing districts  
21 respectively.

22 (3) When a county assessor finds that the aggregate rate of tax  
23 levy on any property, that is subject to the limitations set forth in  
24 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in  
25 either of these sections, the assessor must recompute and establish a  
26 consolidated levy in the following manner:

27 (a) The full certified rates of tax levy for state, county,  
28 county road district, regional transit authority, and city or town  
29 purposes must be extended on the tax rolls in amounts not exceeding  
30 the limitations established by law; however any state levy takes  
31 precedence over all other levies and may not be reduced for any  
32 purpose other than that required by RCW 84.55.010. If, as a result of  
33 the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069,  
34 84.52.105, the portion of the levy by a metropolitan park district  
35 that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and  
36 84.52.140, (~~and~~) the portion of the levy by a flood control zone  
37 district that was protected under RCW 84.52.816, and the portion of  
38 any levy resulting from the correction of a levy error under RCW  
39 84.52.085(3), the combined rate of regular property tax levies that

1 are subject to the one percent limitation exceeds one percent of the  
2 true and fair value of any property, then these levies must be  
3 reduced as follows:

4 (i) ~~((The))~~ The portion of any levy resulting from the correction  
5 of a levy error under RCW 84.52.085(3) must be reduced until the  
6 combined rate no longer exceeds one percent of the true and fair  
7 value of any property or must be eliminated;

8 (ii) If the combined rate of regular property tax levies that are  
9 subject to the one percent limitation still exceeds one percent of  
10 the true and fair value of any property, the portion of the levy by a  
11 flood control zone district that was protected under RCW 84.52.816  
12 must be reduced until the combined rate no longer exceeds one percent  
13 of the true and fair value of any property or must be eliminated;

14 ~~((iii))~~ (iii) If the combined rate of regular property tax  
15 levies that are subject to the one percent limitation still exceeds  
16 one percent of the true and fair value of any property, the levy  
17 imposed by a county under RCW 84.52.140 must be reduced until the  
18 combined rate no longer exceeds one percent of the true and fair  
19 value of any property or must be eliminated;

20 ~~((iii))~~ (iv) If the combined rate of regular property tax  
21 levies that are subject to the one percent limitation still exceeds  
22 one percent of the true and fair value of any property, the portion  
23 of the levy by a fire protection district or regional fire protection  
24 service authority that is protected under RCW 84.52.125 must be  
25 reduced until the combined rate no longer exceeds one percent of the  
26 true and fair value of any property or must be eliminated;

27 ~~((iv))~~ (v) If the combined rate of regular property tax levies  
28 that are subject to the one percent limitation still exceeds one  
29 percent of the true and fair value of any property, the levy imposed  
30 by a county under RCW 84.52.135 must be reduced until the combined  
31 rate no longer exceeds one percent of the true and fair value of any  
32 property or must be eliminated;

33 ~~((v))~~ (vi) If the combined rate of regular property tax levies  
34 that are subject to the one percent limitation still exceeds one  
35 percent of the true and fair value of any property, the levy imposed  
36 by a ferry district under RCW 36.54.130 must be reduced until the  
37 combined rate no longer exceeds one percent of the true and fair  
38 value of any property or must be eliminated;

39 ~~((vi))~~ (vii) If the combined rate of regular property tax  
40 levies that are subject to the one percent limitation still exceeds

1 one percent of the true and fair value of any property, the portion  
2 of the levy by a metropolitan park district that is protected under  
3 RCW 84.52.120 must be reduced until the combined rate no longer  
4 exceeds one percent of the true and fair value of any property or  
5 must be eliminated;

6 ~~((vii))~~ (viii) If the combined rate of regular property tax  
7 levies that are subject to the one percent limitation still exceeds  
8 one percent of the true and fair value of any property, then the  
9 levies imposed under RCW 84.34.230, 84.52.105, and any portion of the  
10 levy imposed under RCW 84.52.069 that is in excess of ~~((thirty))~~ 30  
11 cents per ~~((thousand—dollars))~~ \$1,000 of assessed value, must be  
12 reduced on a pro rata basis until the combined rate no longer exceeds  
13 one percent of the true and fair value of any property or must be  
14 eliminated; and

15 ~~((viii))~~ (ix) If the combined rate of regular property tax  
16 levies that are subject to the one percent limitation still exceeds  
17 one percent of the true and fair value of any property, then the  
18 ~~((thirty))~~ 30 cents per ~~((thousand—dollars))~~ \$1,000 of assessed value  
19 of tax levy imposed under RCW 84.52.069 must be reduced until the  
20 combined rate no longer exceeds one percent of the true and fair  
21 value of any property or eliminated.

22 (b) The certified rates of tax levy subject to these limitations  
23 by all junior taxing districts imposing taxes on such property must  
24 be reduced or eliminated as follows to bring the consolidated levy of  
25 taxes on such property within the provisions of these limitations:

26 (i) First, the certified property tax levy authorized under RCW  
27 84.52.821 must be reduced on a pro rata basis or eliminated;

28 (ii) Second, if the consolidated tax levy rate still exceeds  
29 these limitations, the certified property tax levy rates of those  
30 junior taxing districts authorized under RCW 36.68.525, 36.69.145,  
31 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or  
32 eliminated;

33 (iii) Third, if the consolidated tax levy rate still exceeds  
34 these limitations, the certified property tax levy rates of flood  
35 control zone districts other than the portion of a levy protected  
36 under RCW 84.52.816 must be reduced on a pro rata basis or  
37 eliminated;

38 (iv) Fourth, if the consolidated tax levy rate still exceeds  
39 these limitations, the certified property tax levy rates of all other  
40 junior taxing districts, other than fire protection districts,



1 regional fire protection service authorities, library districts, the  
2 first (~~(fifty-cent[s])~~) 50 cents per (~~(thousand-dollars)~~) \$1,000 of  
3 assessed valuation levies for metropolitan park districts, and the  
4 first (~~(fifty-cent[s])~~) 50 cents per (~~(thousand-dollars)~~) \$1,000 of  
5 assessed valuation levies for public hospital districts, must be  
6 reduced on a pro rata basis or eliminated;

7 (v) Fifth, if the consolidated tax levy rate still exceeds these  
8 limitations, the first (~~(fifty-cent[s])~~) 50 cents per (~~(thousand~~  
9 ~~dollars)~~) \$1,000 of assessed valuation levies for metropolitan park  
10 districts created on or after January 1, 2002, must be reduced on a  
11 pro rata basis or eliminated;

12 (vi) Sixth, if the consolidated tax levy rate still exceeds these  
13 limitations, the certified property tax levy rates authorized to fire  
14 protection districts under RCW 52.16.140 and 52.16.160 and regional  
15 fire protection service authorities under RCW 52.26.140(1) (b) and  
16 (c) must be reduced on a pro rata basis or eliminated; and

17 (vii) Seventh, if the consolidated tax levy rate still exceeds  
18 these limitations, the certified property tax levy rates authorized  
19 for fire protection districts under RCW 52.16.130, regional fire  
20 protection service authorities under RCW 52.26.140(1)(a), library  
21 districts, metropolitan park districts created before January 1,  
22 2002, under their first (~~(fifty-cent[s])~~) 50 cents per (~~(thousand~~  
23 ~~dollars)~~) \$1,000 of assessed valuation levy, and public hospital  
24 districts under their first (~~(fifty-cent[s])~~) 50 cents per (~~(thousand~~  
25 ~~dollars)~~) \$1,000 of assessed valuation levy, must be reduced on a pro  
26 rata basis or eliminated.

27 **Sec. 5.** RCW 84.52.043 and 2021 c 117 s 3 are each amended to  
28 read as follows:

29 Within and subject to the limitations imposed by RCW 84.52.050 as  
30 amended, the regular ad valorem tax levies upon real and personal  
31 property by the taxing districts hereafter named are as follows:

32 (1) Levies of the senior taxing districts are as follows: (a) The  
33 levies by the state may not exceed the applicable aggregate rate  
34 limit specified in RCW 84.52.065 (2) or (4) adjusted to the state  
35 equalized value in accordance with the indicated ratio fixed by the  
36 state department of revenue to be used exclusively for the support of  
37 the common schools; (b) the levy by any county may not exceed (~~(one~~  
38 ~~dollar and 80-cents)~~) \$1.80 per \$1,000 of assessed value; (c) the  
39 levy by any road district may not exceed (~~(two-dollars and 25-cents)~~)

1 \$2.25 per \$1,000 of assessed value; and (d) the levy by any city or  
2 town may not exceed (~~three dollars and 37.5 cents~~) \$3.375 per  
3 \$1,000 of assessed value. However, any county is hereby authorized to  
4 increase its levy from (~~one dollar and 80 cents~~) \$1.80 to a rate  
5 not to exceed (~~two dollars and 47.5 cents~~) \$2.475 per \$1,000 of  
6 assessed value for general county purposes if the total levies for  
7 both the county and any road district within the county do not exceed  
8 (~~four dollars and five cents~~) \$4.05 per \$1,000 of assessed value,  
9 and no other taxing district has its levy reduced as a result of the  
10 increased county levy.

11 (2) The aggregate levies of junior taxing districts and senior  
12 taxing districts, other than the state, may not exceed (~~five dollars  
13 and 90 cents~~) \$5.90 per \$1,000 of assessed valuation. The term  
14 "junior taxing districts" includes all taxing districts other than  
15 the state, counties, road districts, cities, towns, port districts,  
16 and public utility districts. The limitations provided in this  
17 subsection do not apply to: (a) Levies at the rates provided by  
18 existing law by or for any port or public utility district; (b)  
19 excess property tax levies authorized in Article VII, section 2 of  
20 the state Constitution; (c) levies for acquiring conservation futures  
21 as authorized under RCW 84.34.230; (d) levies for emergency medical  
22 care or emergency medical services imposed under RCW 84.52.069; (e)  
23 levies to finance affordable housing imposed under RCW 84.52.105; (f)  
24 the portions of levies by metropolitan park districts that are  
25 protected under RCW 84.52.120; (g) levies imposed by ferry districts  
26 under RCW 36.54.130; (h) levies for criminal justice purposes under  
27 RCW 84.52.135; (i) the portions of levies by fire protection  
28 districts and regional fire protection service authorities that are  
29 protected under RCW 84.52.125; (j) levies by counties for transit-  
30 related purposes under RCW 84.52.140; (k) the portion of the levy by  
31 flood control zone districts that are protected under RCW 84.52.816;  
32 (l) levies imposed by a regional transit authority under RCW  
33 81.104.175; (~~and~~) (m) levies imposed by any park and recreation  
34 district described under RCW 84.52.010(3) (a) (~~(vii)~~) (viii); and (n)  
35 the portion of any levy resulting from the correction of a levy error  
36 under RCW 84.52.085(3).

37 **Sec. 6.** RCW 84.52.043 and 2020 c 253 s 3 are each amended to  
38 read as follows:

1           Within and subject to the limitations imposed by RCW 84.52.050 as  
2 amended, the regular ad valorem tax levies upon real and personal  
3 property by the taxing districts hereafter named are as follows:

4           (1) Levies of the senior taxing districts are as follows: (a) The  
5 levies by the state may not exceed the applicable aggregate rate  
6 limit specified in RCW 84.52.065 (2) or (4) adjusted to the state  
7 equalized value in accordance with the indicated ratio fixed by the  
8 state department of revenue to be used exclusively for the support of  
9 the common schools; (b) the levy by any county may not exceed (~~one~~  
10 ~~dollar and eighty cents~~) \$1.80 per (~~thousand dollars~~) \$1,000 of  
11 assessed value; (c) the levy by any road district may not exceed  
12 (~~two dollars and twenty-five cents~~) \$2.25 per (~~thousand dollars~~)  
13 \$1,000 of assessed value; and (d) the levy by any city or town may  
14 not exceed (~~three dollars and thirty-seven and one-half cents~~)  
15 \$3.375 per (~~thousand dollars~~) \$1,000 of assessed value. However any  
16 county is hereby authorized to increase its levy from (~~one dollar~~  
17 ~~and eighty cents~~) \$1.80 to a rate not to exceed (~~two dollars and~~  
18 ~~forty-seven and one-half cents~~) \$2.475 per (~~thousand dollars~~)  
19 \$1,000 of assessed value for general county purposes if the total  
20 levies for both the county and any road district within the county do  
21 not exceed (~~four dollars and five cents~~) \$4.05 per (~~thousand~~  
22 ~~dollars~~) \$1,000 of assessed value, and no other taxing district has  
23 its levy reduced as a result of the increased county levy.

24           (2) The aggregate levies of junior taxing districts and senior  
25 taxing districts, other than the state, may not exceed (~~five dollars~~  
26 ~~and ninety cents~~) \$5.90 per (~~thousand dollars~~) \$1,000 of assessed  
27 valuation. The term "junior taxing districts" includes all taxing  
28 districts other than the state, counties, road districts, cities,  
29 towns, port districts, and public utility districts. The limitations  
30 provided in this subsection do not apply to: (a) Levies at the rates  
31 provided by existing law by or for any port or public utility  
32 district; (b) excess property tax levies authorized in Article VII,  
33 section 2 of the state Constitution; (c) levies for acquiring  
34 conservation futures as authorized under RCW 84.34.230; (d) levies  
35 for emergency medical care or emergency medical services imposed  
36 under RCW 84.52.069; (e) levies to finance affordable housing imposed  
37 under RCW 84.52.105; (f) the portions of levies by metropolitan park  
38 districts that are protected under RCW 84.52.120; (g) levies imposed  
39 by ferry districts under RCW 36.54.130; (h) levies for criminal  
40 justice purposes under RCW 84.52.135; (i) the portions of levies by

1 fire protection districts and regional fire protection service  
2 authorities that are protected under RCW 84.52.125; (j) levies by  
3 counties for transit-related purposes under RCW 84.52.140; (k) the  
4 portion of the levy by flood control zone districts that are  
5 protected under RCW 84.52.816; ~~((and))~~ (l) levies imposed by a  
6 regional transit authority under RCW 81.104.175; and (m) the portion  
7 of any levy resulting from the correction of a levy error under RCW  
8 84.52.085(3).

9 **Sec. 7.** RCW 84.52.085 and 2001 c 185 s 14 are each amended to  
10 read as follows:

11 (1) If an error has occurred in the levy of property taxes that  
12 has caused all taxpayers within a taxing district, other than the  
13 state, to pay an incorrect amount of property tax, the assessor shall  
14 correct the error by making an appropriate adjustment to the levy for  
15 that taxing district in the succeeding year. The adjustment shall be  
16 made without including any interest. If the governing authority of  
17 the taxing district determines that the amount of the adjustment in  
18 the succeeding year is so large as to cause a hardship for the taxing  
19 district or the taxpayers within the district, the adjustment may be  
20 made on a proportional basis over a period of not more than three  
21 consecutive years.

22 (a) A correction of an error in the levying of property taxes  
23 shall not be made for any period more than three years preceding the  
24 year in which the error is discovered.

25 (b) When calculating the levy limitation under chapter 84.55 RCW  
26 for levies made following the discovery of an error, the assessor  
27 shall determine and use the correct levy amount for the year or years  
28 being corrected as though the error had not occurred. The amount of  
29 the adjustment determined under this subsection (1) shall not be  
30 considered when calculating the levy limitation.

31 (c) If the taxing district in which a levy error has occurred  
32 does not levy property taxes in the year the error is discovered, or  
33 for a period of more than three years subsequent to the year the  
34 error was discovered, an adjustment shall not be made.

35 (2) If an error has occurred in the distribution of property  
36 taxes so that property tax collected has been incorrectly distributed  
37 to a taxing district or taxing districts wholly or partially within a  
38 county, the treasurer of the county in which the error occurred shall  
39 correct the error by making an appropriate adjustment to the amount

1 distributed to that taxing district or districts in the succeeding  
2 year. The adjustment shall be made without including any interest. If  
3 the treasurer, in consultation with the governing authority of the  
4 taxing district or districts affected, determines that the amount of  
5 the adjustment in the succeeding year is so large as to cause a  
6 hardship for the taxing district or districts, the adjustment may be  
7 made on a proportional basis over a period of not more than three  
8 consecutive years. A correction of an error in the distribution of  
9 property taxes shall not be made for any period more than three years  
10 preceding the year in which the error is discovered.

11 (3) If the county assessor finds, prior to any recomputations  
12 made under RCW 84.52.010(3), that the adjustment to correct a levy  
13 error that occurred at no fault of the taxing district would cause  
14 the tax rate of that levy to exceed its maximum tax rate allowed in  
15 statute, then the correction of that levy error must be made in equal  
16 proportions over a period of three years immediately succeeding the  
17 year in which the error is discovered. The resulting adjustments to a  
18 levy to correct the type of levy error specified under this  
19 subsection (3) may be made even though the resulting tax rates for  
20 the three years may each exceed the statutory maximum rate for the  
21 levy. This subsection (3) applies only to levy errors that are at no  
22 fault of the taxing district that occur for taxes levied for  
23 collection in 2024 and thereafter.

24 **Sec. 8.** RCW 84.55.015 and 2014 c 4 s 2 are each amended to read  
25 as follows:

26 (1) If a taxing district has not levied ((since 1985)) for the  
27 last seven calendar years and elects to restore a regular property  
28 tax levy ((subject to applicable statutory limitations)), then  
29 ((such)) the amount of the first restored levy must ((be set so that  
30 the regular property tax payable does)) result in a tax rate that  
31 does not exceed ((the amount which was last levied, plus an  
32 additional dollar amount calculated by multiplying the property tax  
33 rate which is proposed to be restored, or the maximum amount which  
34 could be lawfully levied in the year such a restored levy is  
35 proposed, by the increase in assessed value in the district since the  
36 last levy resulting from:

37 (1) New construction;

38 (2) Increases in assessed value due to construction of wind  
39 turbine, solar, biomass, and geothermal facilities, if such

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

5 ~~(3) Improvements to property; and~~

6 ~~(4) Any increase in the assessed value of state-assessed~~  
7 ~~property)) the statutory rate limit applicable to the taxing~~  
8 ~~district's regular property tax levy.~~

9 (2) If a taxing district has not levied for the last six or fewer  
10 calendar years and elects to restore a regular property tax levy,  
11 then the first restored levy must not exceed the maximum levy amount  
12 allowed by the levy limit that would have been imposed had the taxing  
13 district continuously levied.

14 **Sec. 9.** RCW 84.55.020 and 2014 c 4 s 3 are each amended to read  
15 as follows:

16 Notwithstanding the limitation set forth in RCW 84.55.010, the  
17 first levy for a taxing district created from consolidation of  
18 similar taxing districts must be set so that the regular property  
19 taxes payable in the following year do not exceed the limit factor  
20 multiplied by the sum of the amount of regular property taxes  
21 (~~lawfully levied for~~) each component taxing district (~~in the~~  
22 ~~highest of the three most recent years in which such taxes were~~  
23 ~~levied for such district)) could have levied under RCW 84.55.092 plus  
24 the additional dollar amount calculated by multiplying the regular  
25 property tax rate of each component district for the preceding year  
26 by the increase in assessed value in each component district  
27 resulting from:~~

28 (1) New construction;

29 (2) Increases in assessed value due to construction of wind  
30 turbine, solar, biomass, and geothermal facilities, if such  
31 facilities generate electricity and the property is not included  
32 elsewhere under this section for purposes of providing an additional  
33 dollar amount. The property may be classified as real or personal  
34 property;

35 (3) Improvements to property; ~~(and)~~

36 (4) Any increase in the assessed value of state-assessed  
37 property; and

38 (5) Any increase in the assessed value of real property, as  
39 defined in RCW 39.114.010, within an increment area as designated by

1 any local government under RCW 39.114.020 if the increase is not  
2 included elsewhere under this section. This subsection (5) does not  
3 apply to levies by the state or by port districts and public utility  
4 districts for the purpose of making required payments of principal  
5 and interest on general indebtedness.

6 NEW SECTION. **Sec. 10.** Sections 3 and 5 of this act expire  
7 January 1, 2027.

8 NEW SECTION. **Sec. 11.** Sections 4 and 6 of this act take effect  
9 January 1, 2027.

10 NEW SECTION. **Sec. 12.** Sections 2 and 7 through 9 of this act  
11 apply to taxes levied for collection in 2024 and thereafter.

12 NEW SECTION. **Sec. 13.** Sections 3 and 5 of this act apply to  
13 taxes levied for collection in 2024 through 2026.

14 NEW SECTION. **Sec. 14.** Sections 4 and 6 of this act apply to  
15 taxes levied for collection in 2027 and thereafter.

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