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HOUSE BILL 1362

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State of Washington

67th Legislature

2021 Regular Session

By Representatives Duerr and Pollet

1 AN ACT Relating to modifying the annual regular property tax  
2 revenue growth limit; amending RCW 84.55.005; creating a new section;  
3 and repealing RCW 84.55.0101.

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

5 **Sec. 1.** RCW 84.55.005 and 2014 c 97 s 316 are each amended to  
6 read as follows:

7 The definitions in this section apply throughout this chapter  
8 unless the context clearly requires otherwise.

9 (1) "Inflation" means the ~~((percentage change in the implicit~~  
10 ~~price deflator for personal consumption expenditures for the United~~  
11 ~~States as published for the most recent twelve-month period by the~~  
12 ~~bureau of economic analysis of the federal department of commerce by~~  
13 ~~September 25th of 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~~  
17 ~~hundred one percent;~~

18 ~~(b) For taxing districts for which a limit factor is authorized~~  
19 ~~under RCW 84.55.0101, the lesser of the limit factor authorized under~~  
20 ~~that section or one hundred one percent;~~

1 ~~(c) For all other districts, the lesser of one hundred one~~  
2 ~~percent or one hundred percent plus inflation; and~~

3 ~~(3)) annual percentage increase in the consumer price index for~~  
4 ~~all urban consumers (CPI-U) in the western region for all items as~~  
5 ~~provided for the most recent 12-month period by the bureau of labor~~  
6 ~~statistics of the United States department of labor by July 25th of~~  
7 ~~the year before the taxes are payable.~~

8 (2) "Limit factor" means 100 percent plus population change and  
9 inflation, but not to exceed 103 percent.

10 (3) (a) "Population change" means the percent increase in  
11 population of a taxing district between the two most recent years  
12 provided in the official population estimates published by the office  
13 of financial management in April of the year before the taxes are  
14 payable. If the office of financial management estimates a net  
15 decrease in a taxing district's population, for the purposes of this  
16 section, the population change will be zero. The population of a  
17 county taxing district means the population within the county's  
18 incorporated and unincorporated areas. For taxing districts that are  
19 not coterminous with one or more cities, towns, counties, or  
20 unincorporated county areas, or any combination thereof, as provided  
21 in the official population estimates published by the office of  
22 financial management in April of the year before the taxes are  
23 payable, "population change" means:

24 (i) The city population change for the city in which the taxing  
25 district is wholly located;

26 (ii) The population change for the county in which the taxing  
27 district is wholly located; or

28 (iii) For districts located in more than one county, the county  
29 population change for the county in which the greatest total taxable  
30 assessed value of the taxing district for the prior assessment year  
31 is located.

32 (b) For the purposes of this subsection (3), the annual percent  
33 increase in population is calculated to the nearest tenth of one  
34 percent, rounding up to the next tenth of one percent if the second  
35 decimal place of the annual percent increase is five or greater.

36 (4) "Regular property taxes" has the meaning given it in RCW  
37 84.04.140.

38 NEW SECTION. Sec. 2. RCW 84.55.0101 (Limit factor—Authorization  
39 for taxing district to use one hundred one percent or less—Ordinance

1 or resolution) and 2007 sp.s. c 1 s 2 & 1997 c 3 s 204 are each  
2 repealed.

3 NEW SECTION. **Sec. 3.** This act applies to taxes levied for  
4 collection in 2022 and thereafter.

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