
SENATE BILL 5407

State of Washington

68th Legislature

2023 Regular Session

By Senator Robinson; by request of Department of Revenue

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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