

FINAL BILL REPORT

SHB 1634

C 4 L 14

Synopsis as Enacted

Brief Description: Including the value of solar, biomass, and geothermal facilities in the property tax levy limit calculation.

Sponsors: House Committee on Finance (originally sponsored by Representatives Warnick and Manweller).

House Committee on Finance
Senate Committee on Ways & Means

Background:

A property tax revenue limit applies to property taxes imposed by the state, cities, counties, and other taxing districts. Generally, the limit requires a reduction of property tax rates as necessary to limit the growth in the total amount of property tax revenue received by a taxing district to the lesser of 1 percent or inflation. The revenue limitation does not apply to new value placed on tax rolls attributable to new construction, improvements to existing property, changes in state-assessed valuation, or construction of certain wind turbines.

Solar, biomass, and geothermal facilities are personal property, unless the same person owns both the facility and the land upon which the facility is located. Solar, biomass, and geothermal facilities owned by utilities that operate in more than one county are state assessed. Property taxes resulting from new state-assessed facilities increase revenues to taxing districts because taxes resulting from increases in the value of state-assessed property are added to the amount that may be levied under the levy limit. Solar, biomass, and geothermal facilities owned by utilities that operate entirely within a single county are assessed by the county assessor. Property taxes resulting from new county-assessed facilities do not increase revenues to taxing districts because they are not considered "new construction" or an "improvement to property."

Summary:

The property tax revenue limit for a taxing district is increased by the value resulting from new solar, biomass, and geothermal facilities that generate electricity.

Votes on Final Passage:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

House	93	0
House	80	14
Senate	49	0

Effective: June 12, 2014