
Finance Committee

HB 1444

Brief Description: Providing property tax relief.

Sponsors: Representatives G. Hunt, Shea, Taylor, Scott and McCaslin.

Brief Summary of Bill

- Providing property tax relief by reducing state property tax revenue by \$340 million dollars each calendar year from the amount that would otherwise be allowed for collection in calendar years 2016 through 2040.

Hearing Date: 2/13/15

Staff: Richelle Geiger (786-7175).

Background:

All real and personal property in the state is subject to property tax each year based on its value, unless specific exemption is provided by law. The Washington Constitution (Constitution) requires that taxes be uniform within a class of property. Uniformity requires both an equal rate of tax and equality in valuing the property taxes. The Constitution limits regular property tax levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value). The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit.

The state levy rate is limited to \$3.60 per \$1,000 of assessed value. State levy revenues are dedicated to support common schools.

Summary of Bill:

The state property tax levy for collection in 2016 through 2040 must be reduced by \$340 million dollars each calendar year from the amount that would otherwise be allowed. State levies for

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collection in 2041 and thereafter must be set at an amount that would be allowed if the state levies for collection in 2016 through 2040 had been collected without restriction.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The act applies to the taxes levied for collection in 2016 and thereafter.