

THIS IS THE ADOPTED RULE AND MAY BE USED TO DETERMINE TAX LIABILITY AND OR EXEMPTIONS UNTIL SUCH TIME AS THE CODIFIED VERSION IS AVAILABLE FROM THE CODE REVISER'S OFFICE.

AMENDATORY SECTION (Amending WSR 94-07-066, filed 3/14/94, effective 4/14/94)

WAC 458-19-030 ((One hundred six percent)) Levy limit-- Consolidation of districts. ((RCW 84.55.020))

(1) Introduction. This rule describes the method used to calculate the first levy for a taxing district created by the consolidation of similar taxing districts in accordance with RCW 84.55.020.

(2) Calculation of the first levy of a consolidated taxing district. The first regular property tax levy made by a taxing district, created by the consolidation of two or more similar taxing districts, ~~((shall not))~~ cannot exceed ~~((one hundred six percent of the following amount))~~:

(a) The sum of the product of the limit factor multiplied by the highest amount of regular property taxes ~~((that could have been))~~ lawfully levied by each of the component districts ~~((since 1985 for 1986 collection))~~ during the three most recent years in which taxes were levied; plus

(b) The sum of each of the amounts calculated by multiplying the increase in assessed value of property attributable to new construction ~~((, and increases in the assessed value of state assessed property))~~ and improvements to property in each of the component districts ~~((in))~~ since the preceding year by the regular property tax rate of each component district in the preceding year.

~~((2))~~ (3) Example. ~~((Following is an example of the calculation prescribed in subsections (1)(a) and (1)(b) of this section. Taxing district "A" and taxing district "B" consolidate, becoming one taxing district. The highest amount of regular property taxes that could have been lawfully levied by district "A" since 1985 for 1986 collection is \$100,000. The highest amount of regular property taxes that could have been lawfully levied by district "B" since 1985 for 1986 collection is \$150,000. The increase in assessed value due to new construction, improvements to property, and increase in assessed value of state assessed property in district "A" in the year prior to consolidation was \$600,000. The increase in assessed value due to new construction, improvements to property, and increase in assessed value of state assessed property in district "B" in the year prior to consolidation was \$900,000. The regular property tax rate for district "A" in the year prior to consolidation was \$.50 per \$1,000 of assessed value. The regular property tax rate for district "B" in the year prior to consolidation was \$.45 per \$1,000 of assessed value.))~~ Taxing

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district "A" and taxing district "B" consolidate, becoming one taxing district. The highest amount of regular property taxes lawfully levied by district "A" during the three most recent years is \$100,000. The highest amount of regular property taxes lawfully levied by district "B" during the three most recent years is \$150,000. The increase in assessed value due to new construction and improvements to property in district "A" since the year prior to consolidation was \$600,000. The increase in assessed value due to new construction and improvements to property in district "B" since the year prior to consolidation was \$900,000. The regular property tax rate for district "A" in the year prior to consolidation was \$.50 per \$1,000 of assessed value. The regular property tax rate for district "B" in the year prior to consolidation was \$.45 per \$1,000 of assessed value. Assume the limit factor for this example is 101% because it is the lesser of one hundred one percent and one hundred percent plus the rate of inflation. The maximum amount of regular property taxes that can be levied in the year of consolidation, for taxes payable the following year, by the new consolidated taxing district is calculated as follows:

Highest regular levy	
District "A"	
-	\$100,00
	0
District "B"	<u>150,000</u>
-	
Total -	x (1.06) <u>1.01</u>
	\$250,00 = (\$265,000)
	0 <u>\$252,500</u>
Increases in assessed value multiplied by levy rate:	
District "A" - \$600,000 x \$.50 ÷ \$1,000 =	
\$300	
District "B" - \$900,000 x \$.45 ÷ \$1,000 =	
<u>\$405</u>	
\$705	

Maximum regular property taxes that can be levied in the year of consolidation, payable in the year following consolidation:

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$$\begin{array}{r} ((\$265,000)) \quad \underline{\$252,500} + \$705 = ((\$265,705)) \\ \quad \quad \quad \underline{\$253,205} \end{array}$$