

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 458-19-045 ((One hundred six percent)) Levy limit--Removal of limit (lid lift). ((RCW 84.55.050))

(1) **Introduction.** The ((one hundred six percent)) levy limit may be exceeded when authorized by a majority of the voters voting on a proposition to "lift the lid" of the ((one hundred six percent)) levy limit in accordance with RCW 84.55.050. This "lid lift" is intended to allow the ((one hundred six percent)) levy limit to be exceeded for the levy made immediately following the vote on the proposition. The purpose of the lid lift is to allow additional property taxes to be collected at a time when the ((statutory aggregate dollar rate limit, the statutory dollar rate limit, and the constitutional limit are not the limitations restricting the raising of additional taxes; the lid lift vote is most effective at a time when the one hundred six percent limit is the limitation that is currently restricting the raising of additional property taxes)) levy limit in chapter 84.55 RCW is the effective legal constraint to the collection of additional property taxes. This rule explains the procedures for implementing a lid lift ballot ((proposition)) measure when a taxing district wants to ask its voters for the authority to exceed the levy limit.

(2) **((Ballot proposition)) Election for approval of lid lift proposition--when held**. The election to approve a lid lift proposition must be held within the taxing district and may be held at the time of a general election, or at a special election called by the governing body of the taxing district for that purpose. ((A simple majority vote is required for approval.)) The election must be held not more than twelve months prior to the date the proposed levy is to be made. For purposes of this rule, a levy is "made" when the taxing district's budget is certified. The ballot title and measure proposing the lid lift is prepared by the county prosecutor or city attorney, as applicable, in accordance with RCW 29.27.066. RCW 29.27.066 requires a ballot title to include a concise description of the measure, not to exceed seventy-five words. A simple majority vote is required for approval of a lid lift.

(3) **Ballot title and contents of ballot measure**. The text of a ballot title and measure for a lid lift contains the following:

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~~(a) The ((ballot of the proposition shall state the))~~ dollar rate of the proposed levy so that it reflects the total dollar rate for the taxing district, which ((rate)) may be less than the maximum statutory dollar rate ~~((limit))~~ allowed for the particular class of taxing district~~((-))~~; and

~~(b) ((The ballot may contain the following conditions or a combination of them and shall clearly state the conditions that apply))~~ Any of the following limitations that are applicable:

~~(i) The ((ballot may limit the))~~ number of years the increased levy ~~((will continue))~~ is to be made by the taxing district; however, if one of the purposes of the increased levy is to make redemption payments on bonds of the taxing district, the duration of the increased levy ~~((shall not))~~ cannot exceed nine years; and/or

~~(ii) The ((ballot may limit the))~~ purpose or purposes of the increased levy.

~~((c) The ballot of the proposition shall be prepared by the county prosecutor or city attorney, as applicable, in accordance with the provisions of RCW 29.27.060.)~~

(4) Permanent lid lift. ~~((a))~~ A permanent lid lift ~~((is one where))~~ occurs when the ballot ((of the proposition)) title and the ballot measure contain((s)) none of the ~~((conditions))~~ limitations stated in subsection (3)(b) of this ((section)) rule. Approval of a permanent lid lift permanently increases the base used to calculate the levy limit.

~~((b))~~ (a) The first regular levy of a taxing district made after voter approval of a permanent lid lift proposition ~~((shall be))~~ is calculated on the basis of the dollar rate stated in the ballot ((proposition)) title, but that dollar rate ~~((shall be))~~ is subject to the constitutional one percent limit and the statutory aggregate dollar rate limit and any applicable prorationing.

~~((c))~~ (b) The ~~((one hundred six percent))~~ levy limit on regular levies of a taxing district made subsequent to the first regular levy made after voter approval of a permanent lid lift proposition ((shall be)) is calculated ((as stated in WAC 458-19-020; however, instead of)) by multiplying the highest amount that could have been lawfully levied since 1985 ((by one hundred six percent)), including the dollar amount of the regular levy calculated in accordance with ((b)) (a) of this subsection ((is

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multiplied)) by ~~((one hundred six percent))~~ the limit factor.

(5) **Temporary lid lift.** ~~((a))~~ A temporary lid lift ~~((is one where))~~ occurs when the ballot ~~((of the proposition))~~ title and the ballot measure contain~~((s))~~ a time limit ~~((on))~~ for the increased levy or contains a limited purpose or purposes for the increased levy, or both.

~~((b))~~ (a) The first regular levy of a taxing district made after voter approval of a temporary lid lift proposition ~~((shall be))~~ is calculated on the basis of the dollar rate stated in the ballot ~~((proposition))~~ title, but that dollar rate ~~((shall be))~~ is subject to the constitutional one percent limit and the statutory aggregate dollar rate limit and any applicable prorationing.

~~((c))~~ (b) The ~~((one hundred six percent))~~ levy limit on regular levies of a taxing district made subsequent to the first regular levy made after voter approval of a temporary lid lift proposition ~~((shall be))~~ is calculated ~~((as stated in WAC 458-19-020; however, instead of))~~ by multiplying ~~((one hundred six percent by))~~ the highest amount that could have been lawfully levied since 1985, including the dollar amount of the regular levy calculated in accordance with ~~((b))~~ (a) of this subsection ~~((is multiplied))~~ by ~~((one hundred six percent))~~ the limit factor.

~~((d))~~ (c) After expiration of the time limit authorized or satisfaction of the limited purpose for which the lid lift was authorized, whichever comes first, the levy limit as defined in RCW 84.55.005 on the taxing district's subsequent regular levies ~~((shall be))~~ is calculated ~~((using the maximum amount allowed under the one hundred six percent limit during the years the levies were made under the ballot proposition,))~~ as if ~~((there had been ~~((no))~~ the lid lift proposition had not been approved.~~