

This rule was adopted on December 22, 2005, and becomes effective January 22, 2006. It may be used to determine tax liability on and after the effective date, until the codified version is available from the code reviser's office.

AMENDATORY SECTION (Amending WSR 02-24-015, filed 11/25/02, effective 12/26/02)

WAC 458-19-075 Constitutional one percent limit calculation. (1)

Introduction. The total amount of all regular property tax levies that can be applied against taxable property is limited to one percent of the true and fair value of the property in money. The one percent limit is stated in Article VII, section 2 of the state Constitution and the enabling statute, RCW 84.52.050. The constitutional one percent limit is based upon the amount of taxes actually levied on the true and fair value of the property, not the dollar rate used in computing property taxes. This rule explains how to determine if the constitutional one percent limit is being exceeded and the sequence in which levy rates will be reduced or eliminated in accordance with RCW 84.52.010 if the constitutional one percent limit is exceeded. The constitutional one percent calculation is made after the assessor ensures that the statutory aggregate dollar rate limit is not exceeded.

(2) **Preliminary calculations.** After prorationing under RCW 84.52.043 (the five dollar and ninety cent per thousand dollars of assessed value limit) has occurred, make the following calculations to determine if the constitutional one percent limit is being exceeded((, the following calculations are made)):

(a) First, add all the regular levy rates, except the rates for port and public utility districts, in the tax code area, ((including the state school levy at the local rate, any conservation futures levy imposed under RCW 84.34.230, any emergency medical service levy imposed under RCW 84.52.069, any metropolitan park district levy protected under RCW 84.52.120, and any affordable housing levy imposed under RCW 84.52.105)) to arrive at a combined levy rate for that tax code area. "Regular levy rates" in this context means the levy rates that remain after prorationing under RCW 84.52.043 has occurred. The levy rates for ((any)) port ((or)) and public utility districts ((is)) are not included in this computation ((as)) because they are not subject to the constitutional one percent limit. The following regular levy rates are used to calculate the combined levy rate of any particular tax code area:

(i) The local rate for the state levy;

(ii) The levy rate for financing affordable housing for very low-income households under RCW 84.52.105;

(iii) The levy rate for acquiring conservation futures under RCW 84.34.230;

(iv) The levy rate for criminal justice purposes under RCW 84.52.135;

(v) The levy rate for emergency medical care or emergency medical services under RCW 84.52.069;

(vi) The levy rate by or for county ferry districts under RCW 36.54.130;

(vii) The levy rate for the portion of fire protection district levies protected under RCW 84.52.125; and

(viii) The levy rate for the portion of metropolitan park district

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levies protected under RCW 84.52.120.

(b) Second, ~~((multiply the combined levy rate obtained in subsection (2)(a) of this rule))~~ divide ten dollars by the higher of the real or personal property ratio of the county for the assessment year in which the levy is made to determine the maximum effective levy rate. If the ~~((effective regular))~~ combined levy rate exceeds ~~((ten dollars per thousand dollars of assessed value))~~ the maximum effective levy rate, then the individual levy rates must be reduced or eliminated until the ~~((effective))~~ combined levy rate is equal to ~~((ten dollars per thousand dollars of assessed value))~~ the maximum effective levy rate.

(3) **Prorating - constitutional one percent limit.** RCW 84.52.010 sets forth the prorating order in which levy rates are to be reduced or eliminated when the constitutional one percent limit is exceeded. The order contained in this statute begins with the taxing districts that are the first to have their levy rates either reduced or eliminated. Taxing districts that are at the same level within the prorating order are grouped together in tiers. Levy rates are reduced or eliminated on a pro rata basis within each tier of taxing district levies until the combined levy rate no longer exceeds one percent of the true and fair value of property.

If the constitutional one percent limit is exceeded, the following levies are to be reduced or eliminated in the following order until the ~~((effective))~~ combined levy rate no longer exceeds ~~((ten dollars per thousand dollars of assessed value))~~ the maximum effective levy rate:

(a) The levy rate for fire protection districts protected under RCW 84.52.125;

(b) The levy rate for criminal justice purposes imposed under RCW 84.52.135;

(c) The levy rate for county ferry districts under RCW 36.54.130;

(d) The twenty-five cents per thousand dollars of assessed value levy rate for metropolitan park districts protected under RCW 84.52.120((-));

~~((b))~~ (e) The levy rates for ~~((conservation futures under RCW 84.34.230, for))~~ levies for financing affordable housing for very low-income households under RCW 84.52.105, acquiring conservation futures under RCW 84.34.230, and any portion of a levy rate for emergency medical care or emergency medical services under RCW 84.52.069 in excess of thirty cents per thousand dollars of assessed value are reduced on a pro rata basis or eliminated((-));

~~((e))~~ (f) The levy rate for the first thirty cents per thousand dollars for emergency medical care or emergency medical services under RCW 84.52.069((-));

~~((d))~~ (g) The levy rates for ~~((a park and recreation district under RCW 36.69.145, a park and recreation service area under RCW 36.68.525, a cultural arts, stadium and convention district under RCW 67.38.130, and a city transportation authority under section 11, chapter 248, Laws of 2002,))~~ city transportation authorities under RCW 35.95A.100, cultural arts, stadium, and convention districts under RCW 67.38.130, park and recreation districts under RCW 36.69.145, and park and recreation service

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areas under RCW 36.68.525 are reduced on a pro rata basis or eliminated((=));

((=)) (h) The levy rate for ((=)) flood control zone districts under RCW 86.15.160((=));

((=)) (i) The levy rates for all other junior taxing districts, except fire protection districts under RCW 52.16.140 and 52.16.160, regional fire protection service authorities under RCW 52.26.140, library districts under RCW 27.12.050 and 27.12.150, and the first fifty cents per thousand dollars of assessed ((valuation)) value for metropolitan park districts((, and the first fifty cents per thousand dollars of assessed valuation)) under RCW 84.52.120 and for public hospital districts under RCW 70.44.060(6) are reduced on a pro rata basis or eliminated((=));

((=)) (j) The levy rate of fifty cents per thousand dollars of assessed ((valuation)) value for metropolitan park districts created on or after January 1, 2002((=));

((=)) (k) The levy rates for fire protection districts under RCW 52.16.140 and 52.16.160, and regional fire protection authorities under RCW 52.26.140 (1)(b) and (c) are reduced on a pro rata basis or eliminated((=));

((=)) (l) The levy rates for fire protection districts under RCW 52.16.130, regional fire protection districts under RCW 52.26.140 (1)(a), library districts under RCW 27.12.050 and 27.12.150, and the levy rate for first fifty cents per thousand dollars of assessed ((valuation)) value for public hospital districts under RCW 70.44.060(6)((=)) and ((the first fifty cents per thousand dollars of assessed valuation)) for metropolitan park districts under RCW 35.61.210 created before January 1, 2002, are reduced on a pro rata basis or eliminated((=));

((=)) (m) The levy rates for the county, county road, and a city or town are reduced on a pro rata basis or eliminated((=)); and

((=)) (n) The levy rate for the state for the support of common schools.