BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: I-3760.1/20
ATTY/TYPIST: AV:lel

BRIEF DESCRIPTION:
AN ACT Relating to reducing housing costs by lowering state property tax rates that are deposited into the general fund, while protecting funds directly dedicated to common schools, not affecting local property tax levies; amending RCW 84.52.065; and creating new sections.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 84.52.065 and 2019 c 411 s 1 are each amended to read as follows:

(a) Except as otherwise provided in this section, subject to the limitations in RCW 84.55.010, in each year the state must levy for collection in the following year for the support of common schools of the state a tax of three dollars and sixty cents per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue, except for taxes levied for collection in calendar years 2021 through 2023, during which time the rate must be set as described in (b) of this subsection.

(b) For taxes levied for collection in calendar year 2021, the rate of tax is one dollar per thousand dollars of assessed value. For taxes levied for collection in calendar year 2022, the rate of tax is seventy cents per thousand dollars of assessed value. For taxes levied for collection in calendar year 2023 and beyond, the rate of tax is fifty cents per thousand dollars of assessed value. The state property tax levy rates provided in this subsection (1)(b) are based upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.
(2)(a) In addition to the tax authorized under subsection (1) of this section, the state must levy an additional property tax for the support of common schools of the state.

(i) For taxes levied for collection in calendar years 2018 through (2021), the rate of tax is the rate necessary to bring the aggregate rate for state property tax levies levied under this subsection and subsection (1) of this section to a combined rate of two dollars and forty cents per thousand dollars of assessed value in calendar year 2019 and two dollars and seventy cents per thousand dollars of assessed value in calendar years 2018 and 2020. For taxes levied for collection in calendar year 2021 and beyond, the rate of tax is one dollar and five cents per thousand dollars of assessed value. The state property tax levy rates provided in this subsection (2)(a)(i) are based upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

(ii) For taxes levied for collection in calendar year 2024 and thereafter, the tax authorized under this subsection (2) is subject to the limitations of chapter 84.55 RCW.

(b)(i) Except as otherwise provided in this subsection, all taxes collected under this subsection (2) must be deposited into the state general fund.

(ii) For fiscal year 2019, taxes collected under this subsection (2) must be deposited into the education legacy trust account for the support of common schools.

(3) For taxes levied for collection in calendar years 2021 through 2023, the state property taxes levied under subsections (1) and (2) of this section are not subject to the limitations in chapter 84.55 RCW.

(4) For taxes levied for collection in calendar year 2024 and thereafter, the aggregate rate limit for state property taxes levied under subsections (1) and (2) of this section is three dollars and sixty cents per thousand dollars of assessed value upon
the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

(5) For property taxes levied for collection in calendar years 2019 through (2021) 2020, the rate of tax levied under subsection (1) of this section is the actual rate that was levied for collection in calendar year 2018 under subsection (1) of this section.

(6) As used in this section, "the support of common schools" includes the payment of the principal and interest on bonds issued for capital construction projects for the common schools.

NEW SECTION. Sec. 2. This act applies to taxes levied for collection in 2021 and thereafter.

NEW SECTION. Sec. 3. The provisions of this act are to be liberally construed to effectuate the policies, purposes, and intent of this act.

NEW SECTION. Sec. 4. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 5. This act may be known and cited as the reducing housing costs by lowering state property tax rates that are deposited into the general fund, while protecting funds directly dedicated to common schools, not affecting local property tax levies act.

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