



Chapter 15

Property Tax Levy Limitations

Diana Burch, County Review Auditor
County Performance and Administration

Levy Training

Basic Levy Training:
When - September 13 & 14, 2023
Where - Tumwater

Senior Levy Training
When – October 3, 2023
Where - Online

Basic Levy Training

- Two-days
- Reviews all levy limits
- Taxing district staff are welcome to attend

Senior Levy Webinar

- One-day
- Reviews high level issues
- Taxing district staff are welcome to attend

Reference Materials:

- The Department's Property Tax Levies Manual (Available on the Department's website, dor.wa.gov)
 - See the "Simple Levy Process" section, on page 25, for an overview of the levy process.

RCW 84.55.060



Why do I need to know about the levy process?

- Taxpayers often have questions about the amount of their property taxes and where their tax dollars go.

**Regular
Levies**



**Excess
Levies**

There are two types of levies:

- Regular Levies – Authorized by law
- Excess Levies – Authorized by the voters



Where does the information we need to calculate the levy rates come from?

The assessor must:

- Update property ownership
- Know the boundaries of taxing districts (RCW 84.09.030)
- Value real and personal property
- Add or remove exemptions (if applicable)
- Add or remove current use and designated forestland (DFL) (if applicable)
- Complete required Department of Revenue (DOR) reports

The taxing districts must:

- Hold public meetings to discuss their budget (RCW 84.55.120)
- Adopt resolutions/ordinances setting their budget
- Certify their budget request or estimate of property tax to be levied to the county legislative authority (RCW 84.52.020)

The county legislative authority must:

- Certify the levy request amount for each taxing district within the county to the assessor (RCW 84.52.070)

Simple Levy Process



Taxpayers

Assessed value of
their parcels



Taxing Districts

The amount of funds needed
to be raised through the
levying of property taxes

The simple levy process

- The simple levy process begins with two players, the taxpayers and the taxing districts.

Data needed from the taxpayers:

- The assessed value of their parcels.
 - The Assessor will provide the assessed value.

Data needed from the taxing districts:

- The amount of funds they wish to levy through property taxes.
 - The taxing districts will provide the amount they wish to levy.

Levy Rate Calculation

Levy amount / Taxable value * 1,000 = levy rate
 $\$171,376 / \$115,795,000 * 1000 = \$1.47999$

Fire District Taxes for Joe Smith
Taxable Value = \$150,000

$\$150,000 \times \$1.47999 / \$1,000 = \222

In the simple levy process, a taxing district's levy amount and assessed value are used to calculate a levy rate.

How is the levy rate calculated for a taxing district?

- The taxing district's final levy amount divided by the value of all taxable parcels in the district equals the levy rate for the district.
- The levy rate is expressed in terms of dollars and cents per \$1,000 of assessed value.

How is the property tax dollar amount for an individual parcel calculated?

- The parcel's taxable value multiplied by the taxing district's levy rate equals the dollar amount of property tax for that parcel.

The assessor must calculate a levy rate for all of the taxing districts in the county that levy for property tax.

Regular Levies

Levy Limit

Statutory Maximum Rate Limit

Certified Levy Request Amount

Resolution Limit

\$5.90 Aggregate Limit

1% Constitutional Limit

Regular Levy Limitations

- Levy limit (Chapter 84.55 RCW)
- Statutory maximum rate limit (RCW 84.52.043 and others)
- Certified levy request amount (RCW's 84.52.020, 84.52.070)
- Resolution limit allowing an increase from the previous year's levy amount (RCW 84.55.120)
- \$5.90 aggregate limit (RCW 84.52.043)
- 1% Constitutional limit (RCW 84.52.010)

Levy Limit

Limits growth in taxing district regular levies to 1 percent or the rate of inflation (based on size of the district).

District Population	Implicit Price Deflator	Substantial Need Resolution	Limit Factor (Growth Limit)
< 10,000	N/A	N/A	101%
10,000 or >	> 1%	N/A	101%
10,000 or >	< 1%	No	100% + IPD
10,000 or >	< 1%	Yes	% Stated in Resolution cannot exceed 101%

Levy Limit

- Regular levies are limited to a growth limit based on the district's population and the implicit price deflator (IPD), which is a measure of inflation. Typically the growth limit is 1% above their highest lawful levy (HLL) since 1985, plus additional increases. Most common additional increases are due to new construction and an increase in state assessed utility value.

RCW's 84.55.010 and 84.55.0101

Statutory Maximum Rate Limit

State	\$3.60
County	\$1.80
Road	\$2.25
City	\$3.375*
City (annexed Fire/Library)	\$3.60* (less Fire/RFA/Library rate)
Fire	\$1.00/\$1.50
Library	\$0.50
Hospital	\$0.75
Cemetery	\$0.1125

*Plus additional \$0.225 Fireman's Pension Fund

Statutory Maximum Rate Limit:

- The statutory maximum rates are directed by statute and cannot be exceeded.
- See the Property Tax Levies Manual, Appendix E, for a list of the statutory maximum rates.

RCW 84.52.043



Resolution/Ordinance Limit

Resolution/Ordinance Limit

- To increase their levy from the previous year, a taxing district must have a public hearing and adopt a resolution/ordinance stating the dollar and percentage of change.

RCW 84.55.120

Certified Levy Request Amount



Certified Levy Request Amount

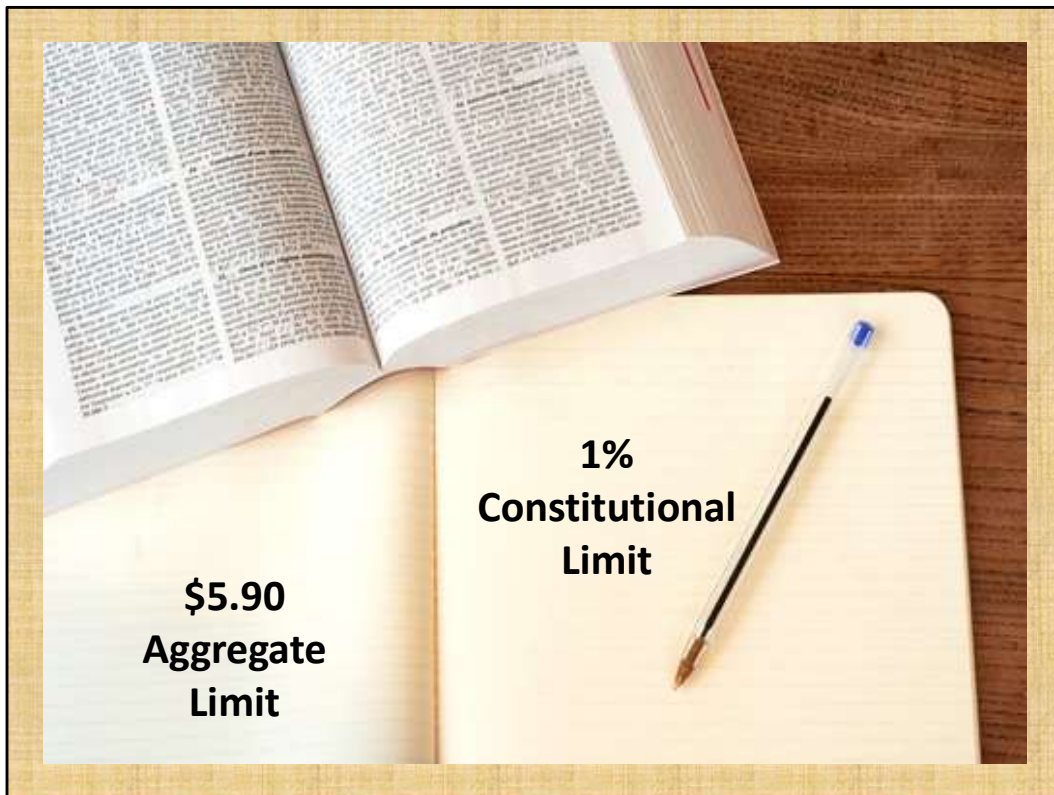
- Taxing districts must certify their budgets or estimates of property taxes to be levied to the county legislative authority by November 30.
- The county legislative authority must certify the requested levy amounts for each taxing district to the assessor by the first Monday in December, for district purposes and by December 15 for county legislative authorities, for county purposes.
- The Assessor must use the levy amount properly certified to them.

RCW's 84.52.020, 84.52.070 and PTA 21.1.2021



The Assessor must:

- Calculate the levy rates, by reviewing all levy limitations.
- Certify the tax roll to the county treasurer (RCW 84.52.080)



\$5.90 aggregate limit

- This limit applies to most regular levies. The total levy rate for regular levies cannot exceed \$5.90.

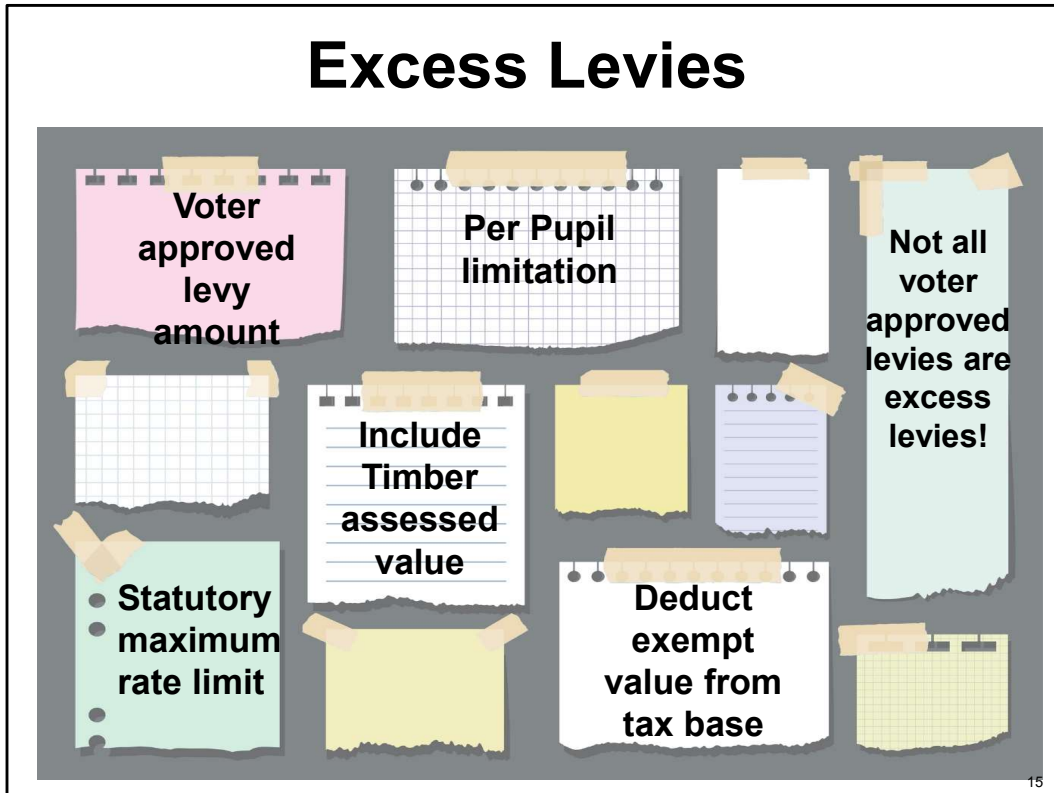
RCW 84.52.043

1% Constitutional limit

- Applies to all regular levies except ports and PUD. The amount of property tax a taxing district may impose on an individual parcel of property, without voter approval, is limited to one percent of its true and fair value.

RCW 84.52.050

Excess Levies

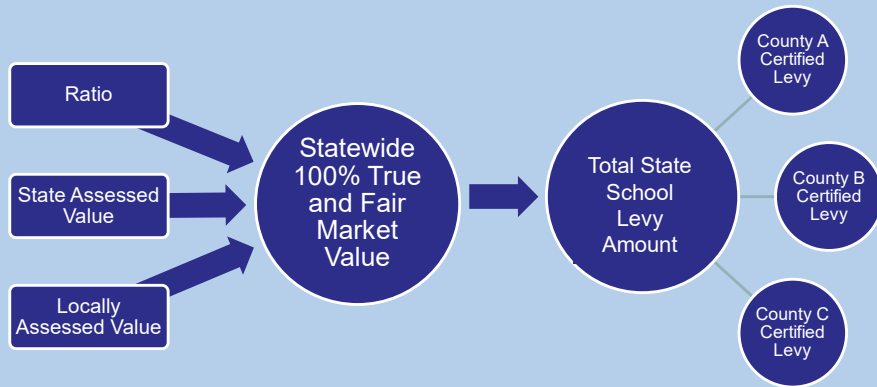


Excess Levies (RCW 84.52.052)

- Voter approved in specific amounts (RCW 84.52.020)
- Include timber assessed value (RCW 84.52.080)
- Have a different taxable value than regular levies
- Statutory maximum rate limit for school district enrichment levies

State School Levies

DOR Determines the State School Certified Levy Amount for Each County



The Department of Revenue calculates the state school levies.

- For more information see the Property Tax Tip Sheet, available on the Department of Revenue website or PTRC.



Things to consider when explaining a change in a taxpayer's property tax amount:

- Use your customer service skills
- Most **districts** are limited to 1% increase.
- Check to see if the districts have any new voter approved levies.
- Check to see if there are any new districts in the taxpayer's tax code area.
- Individual property tax changes may be dependent on that particular parcel's change in value compared to other parcels in the same district.

Contacts For Levy Questions

Levies and Appeals Specialist

Diann Locke
DiannL@dor.wa.gov
360-534-1427

County Review Auditor

Diana Burch
DianaBu@dor.wa.gov
360-534-1429

Levy Information available:

Department of Revenue Websites
dor.wa.gov or propertytax.dor.wa.gov



For an overview of the “Simple Levy Process” see the Property Tax Levies Manual, available on the Department of Revenue website (dor.wa.gov) or the PTRC (propertytax.dor.wa.gov).