



2025 Senior Levy Meeting

Presenter:

Diann Locke, Levies and Appeals Specialist

October 15, 2025



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This year's participants



DOR Staff

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AGENDA

2025 Senior levy meeting

- 2025 legislation updates for levies
- DOR Hot topics
- Pre-submitted discussion topics

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2025 Legislation

Legislative updates for levies

- SHB 1488 – Conservation district rates and charges.
- ESHB 2049 – Local school levies.
- ESSB 5801 – Transportation bill with local tax increment finance area changes.

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SHB 1488 – Conservation District Revenue

Effective July 27, 2025

- Maximum rate and charge - \$25 per parcel.
- Maximum rate and charge adjusted every 3 years using the consumer price index.
 - Rounded to the nearest dollar.
 - Negative adjustment will stay at the prior year's max. rate.
- DOR will publish new rate starting March 1, 2029, on our web site.

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ESHB 2049 – Local school levies

Effective July 27, 2025

- New enhancement levy definition:
 - Inflation enhancement :
 - \$500 for the 2026 tax year, and
 - 3.33 percentage points added to inflation for each of the 2027 through 2030 tax years.
- Existing definition of inflation:
 - Inflation – Percentage change in the CPI for all urban consumers, Seattle area, as of September 25 of the year before the tax year.

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ESHB 2049 – Local school levies

Enhancement levy through 2030 tax year:

- Maximum per-pupil limit districts with less than 40,000 full-time students through the 2030 tax year:
 - \$2,500 increased by inflation, plus inflation enhancements starting with the 2020 tax year.
- Maximum per-pupil limit districts with 40,000 or more full-time students through the 2030 tax year:
 - \$3,000 increased by inflation, plus inflation enhancements starting with the 2020 tax year.

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ESHB 2049 – Local school levies

Enhancement levy 2031 tax year and thereafter

- All school districts:
 - 2031 tax year - \$5,035 per full-time student.
 - 2032 tax year and thereafter - \$5,035 increased by inflation, per full-time student.

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ESHB 2049 – Local school levies

Local effort assistance (LEA)

- New definition for Inflation:
 - IPD for the previous calendar year using the official current base, compiled by the bureau of economic analysis, United States Department of Commerce.

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ESSB 5801 – Local tax increment finance areas

Effective July 27, 2025

- Limited exception to maximum \$200 million taxable value or 20% of district's taxable value at the time the area is created.
 - Local government is a city with a population between 150,000 & 170,000.
 - City located in a county with a population greater than 1.5 million.
 - Local tax increment area connects with I-405 & has transportation related public improvement.
 - Taxable value at the time the area(s) is created must be greater than \$200 million and no more than \$500 million.
 - Ordinance creating the area must be adopted by June 30, 2026.

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ESSB 5801 – Local tax increment finance areas

Levy limit impacts

- Governing bodies within the area must approve their partial or full participation in the area with a majority vote of the council or commissioners.
- Levy limit increase for increment value will not occur without the district's approval to participate in the area.
- No revenue will be apportioned to the city, for this area, without approval of the districts located within the area.

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2025 Senior Levy Meeting

DOR's Hot Topics

- Implicit price deflator.
- Local tax increment finance areas.
- Joint taxing districts/intercounty rural library districts.
- Port district IDD levies.
- \$5.90 aggregate limit – Park and recreation districts.
- State assessed values update and certifying taxable values to the taxing districts.
- Elections.
- Lid lifts with the exemption condition worksheet. NEW!
- Levy audits and levy audit follow-up reminder.

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2026 Tax Year IPD

What is the rate of inflation, IPD rate, for 2026

2.44%

- What does this mean for property tax levy limit calculations?
 - No matter the population of the taxing district, as long as they adopt an ordinance or resolution authorizing an increase over the prior year, the limit factor for a regular levy is 101%.

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Local Tax Increment Finance Areas

Are EMS levy revenues subject to apportionment?

- **Yes**, with the caveat that they are also subject the mitigation process.
- EMS levies are regular levies.
- RCW 39.114.050 allows for apportionment of regular property tax levies not specifically excluded.
- The local government may use a portion of the tax allocation revenue to offset lost revenue to impacted taxing districts.

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Increment value for the levy limit calculations v. apportionment

- Assessed value identified as new construction within an LTIF area is also identified as additional revenue due to new construction.
- Why is this important?

T&F Market Value of increment area (assessed value)	New Construction	Base Value	Total Increment Value	New Construction in levy limit calculations	Increment value in levy limit calculations	Increment value for apportionment to sponsoring district
\$7,000,000	\$3,000,000	\$2,000,000	\$5,000,000	\$3,000,000	\$2,000,000	\$5,000,000

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Highest Lawful Levy Since 1985

Incorrect calculation example:

Limit Factor Increase	\$10,000,000	X	101%	=	\$10,100,000
NC Increase	\$0	X	\$1.00	=	\$ 0
Increment Value Increase	\$5,000,000	X	\$1.00	=	\$ 5,000
State Assessed Increase	\$0	X	\$1.00	=	\$ 0
New Levy Limit					\$10,105,000
Statutory Maximum Rate Limit					\$12,000,000
Highest lawful levy for this year					\$10,105,000
New Highest lawful levy since 1985					\$10,100,000

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Highest Lawful Levy Since 1985

Correct calculation example:

Limit Factor Increase	\$10,000,000	X	101%	=	\$10,100,000
NC Increase	\$3,000,000	X	\$1.00	=	\$ 3,000
Increment Value Increase	\$2,000,000	X	\$1.00	=	\$ 2,000
State Assessed Increase	\$0	X	\$1.00	=	\$ 0
New Levy Limit					\$10,105,000
Statutory Maximum Rate Limit					\$12,000,000
Highest lawful levy for this year					\$10,105,000
New Highest lawful levy since 1985					\$10,103,000

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Joint Taxing Districts/Inter County Rural Library Districts

Calculating the levy limit increase for state assessed value

County	2025 AY State Assessed Value	2024 AY State Assessed Value	AV Change Per County
A	\$111,000	\$150,000	(\$39,000)
B	\$ 11,000	\$10,000	\$1,000
C	\$100,000	\$40,000	\$60,000

RCW 84.55.010(d) authorizes an increase in revenue based on the increase in the assessed value of state-assessed property. What is the increase in assessed value for this example?

A - \$ 61,000

B - \$ 22,000

C - \$100,000

D. Current year's state assessed property value less last year's state assessed property value. The remainder is to be multiplied by last year's regular levy rate (or the rate that should have been levied)

Current Year's A.V.	-	Previous Year's A.V.	=	\$ -
\$0		0.000000000000		
Remainder from Line D	×	Last Year's Levy Rate	÷	\$1,000 = \$0.00

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Joint Taxing Districts/Inter County Rural Library Districts

Correct answer:

B - \$22,000

- Sum 2025 assessment year \$222,000
- Sum 2024 assessment year \$200,000
- Net increase \$ 22,000

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Port IDD Levies

2025 tax year last year to levy under RCW 53.36.100

- RCW 53.36.100:
 - 6 levies over an unlimited time period.
 - Maximum rate limit of \$0.45 per \$1,000 applied for each year levied.



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Port IDD Levies

RCW 53.36.160 and WAC 458-19-05001

2016 tax year and thereafter, three multi-year levy periods, depending on location.

Periods may not exceed 20 years.

Levy periods do not have to be continuous.

\$0.45 per \$1,000 statutory maximum rate limit applies.

Maximum total levy per period:

- Levy limit, 1% growth or statutory maximum limit, for first six years of the IDD period.

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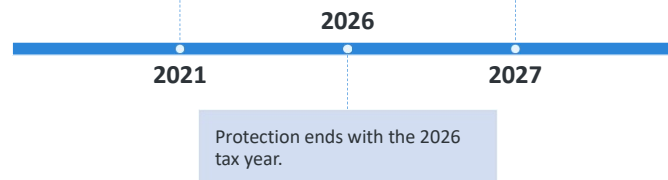
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\$5.90 Aggregate Limit

Park and recreation districts located on an island in a county with a population of \$2 million or more

HB 1034, 2021 Legislation – provided protection from the \$5.90 aggregate rate limit.

DOR will update the \$5.90 and 1% Constitutional forms for the 2027 tax year.



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State Assessed Value Certification RCW 84.12.370

DOR certifies the state assessed values to county assessors when.....

- The assessor has certified the assessment rolls to the board of equalization.
- The assessor has submitted the valid and invalid sales report to DOR.
- Then, DOR must determine and review the preliminary ratios for both real and personal property with the county assessor.
- Then DOR must finalize the ratios for both real and personal property.

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RCW 84.48.130

Certification of taxable values to taxing districts.

- County assessors must certify both local and state assessed values to taxing districts in their county once they have apportioned the state assessed values to the taxing districts.
- Districts use this information in their budgeting process.
- Certification should occur shortly after receipt of state assessed values from DOR.

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Property Tax Elections

What is the purpose of a property tax election?

- Provides voter oversight and approval for a taxing district to levy a property tax for targeted needs.
- The election is communication between the voters and a taxing district.
- The election does not replace the requirements in RCW 84.52.020 and RCW 84.52.070.
 - Levy request certifications between the taxing districts, county legislative authority, and county assessor are still required for voter approved property taxes.

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Property Tax Elections

Should county assessors track property tax ballot propositions?

- YES!
- Ballot propositions provides:
 - Length of property tax.
 - Statutory maximum rate limit.
 - Conditions of a lid lift.

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Lid Lifts with Exemption Condition

New levy limit worksheet to calculate the first year's levy limits.

- REV 0123.
- Calculates the levy rate and levy amount for property not subject to the lid lift.
- Calculates the levy rate and levy amount for property subject to the lid lift.
- Uses the same calculation theory as REV 64 0120.

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2026 Levy Audits & Follow-ups

Listed counties subject to change

Asotin	Benton	Clallam
Garfield	Grays Harbor	Jefferson
King	Kitsap	Kittitas
Skagit	Spokane	Thurston
Whatcom		

New this year: Levy audit follow-up reminder in December

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Questions?

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