SNOHOMISH COUNTY ASSESSOR’S OFFICE

LEVY PRESENTATION
by Chris Huyboom
Levy Comptroller
This presentation gives a general overview of the levy process.
LEVY DEFINITION

- **Noun:** The total dollar amount requested by a taxing district to be collected through property tax.

- **Verb:** To impose taxes, assessments or charges for support of governmental activities.
Power to Tax

- Washington State Constitution Article 7
- Revised Code of Washington (RCW) chapters 84.52 and 84.55

The Washington State Constitution Article 7 entitled “Revenue and Taxation” allows the power to tax which is implemented by Washington State Legislation through various statutes. The majority of these laws regarding property tax levies are described in RCW 84.52 and 84.55.
It is the Assessor’s responsibility to determine the value of all taxable property within Snohomish County. They set the levy amounts based on documents received from the districts and the limitations set within the law. Using those levy amounts and the taxable value for each levy they then calculate the levy rates. And then, they must check the $5.90 aggregate limit and the one percent constitutional limit.
Understanding the basics of the levy process is quite simple. There are two players: taxing districts and taxpayers.
Simple Levy Process

- Taxing Districts: $ allowed to levy (budgets)

Taxing districts we need to know how much money they are allowed to levy.
Taxpayers: the value of their property

Taxpayers we need to know the taxable value (assessed value).
Calculate the Levy Rate: The taxing district’s “levy” (budget) divided by the assessed value of all taxable parcels in the district equals the tax rate (“Levy Rate”) for the district.

Levy rates are expressed in terms of dollar per $1,000 of assessed value.
In Snohomish County we have 124 levy rates for Tax Year 2022.
- Lowest levy rate $0.02502834327
- Highest levy rate $2.38309720740

Every year in January the Assessor’s Office calculates levy rates.
Calculate the Property Tax Bill:

\[
\text{Individual Assessed Value}/\$1,000 \times \text{Levy Rate} = \text{Property Tax Bill}
\]

\[
\frac{\$300,000}{\$1,000} \times \$0.50 = \$150 \text{ Tax Bill}
\]

To calculate the property tax bill you take the assessed value divided by $1,000 times the levy rate.
Total taxes levied in Snohomish County by all taxing districts.
Where do Property Taxes Go?

Snohomish County Distribution of 2022 Taxes

Property Taxes Total: $1,583,621,533

- Local School Districts: 34.61%
- State School: 28.56%
- Cities & Towns: 8.92%
- County: 6.44%
- Fire Districts: 11.00%
- Parks & Recreation: 0.04%
- County: 6.44%
- Roads: 4.47%
- Libraries: 3.61%
- Regional Transit Authority: 1.23%
- Hospitals: 0.73%
- Cities & Towns: 8.92%
- Ports: 0.37%

Total: $1,583,621,533
How does the Assessor’s Office keep track of which properties belong to which taxing districts levies?
The Assessor’s Office keeps track of parcels by tax code area numbers. Tax code area is a geographical area in which local entities such as county, city, library, hospital, school or fire district may assess taxes to sustain its operations. These combined taxing districts make up a Tax Code Area (TCA) which are used later to calculate a consolidated levy rate.

For example, taxpayers whose property are located within TCA #5 would have a consolidated levy rate and pay for the library, hospital and fire district services, if levied.
## Snohomish County consolidated levy rate distribution by TCA for Tax Year 2022:

<table>
<thead>
<tr>
<th>Area</th>
<th>No. of TCAs</th>
<th>No. of rates</th>
<th>Lowest Rate</th>
<th>Highest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snohomish County</td>
<td>377</td>
<td>257</td>
<td>5.4711</td>
<td>11.4908</td>
</tr>
<tr>
<td>Unincorporated County</td>
<td>281</td>
<td>187</td>
<td>5.8202</td>
<td>11.4908</td>
</tr>
<tr>
<td>Cities</td>
<td>96</td>
<td>70</td>
<td>5.4711</td>
<td>11.1320</td>
</tr>
<tr>
<td>Assessed Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington State law requires Assessors to appraise property at 100 percent of its “true and fair market value” in money according to the “highest and best use” of the property. Fair market value or true value is the amount that a willing and unobligated buyer is willing to pay a willing and unobligated seller.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Washington State Property Tax Assessment Process

Market Sales in 2021 → Appraisal Process → Appraised Value as of January 1st, 2022 → Taxes Payable in 2023

Used in → Determine → Used To Calculate

Note: New construction is placed on the assessment roll at the valuation assessed July 31st.
Assessed values are used to distribute the tax burden rather than set the amount of taxes collected. Taxing district budgets set the amount that can be collected and then individual taxpayers are responsible for their fair share of that tax based on their relative percentage of the total assessed value in the taxing district.
An increase in assessed value does not automatically mean an increase in the tax amount collected.

A decrease in assessed value does not automatically mean a decrease in the tax amount collected.

As we previously discussed, the “levy rate” is calculated by dividing the district’s levy (budget) by all their taxable property value “assessed value” within the district. So, depending on whether the district’s budget and assessed value increases or decreases will determine the levy rate as well as how much the taxpayer pays.

Note: The levy for a regular taxing district may be limited if the assessed value decreases. This will be covered later on in the presentation.
### Assessed Value

<table>
<thead>
<tr>
<th>What if?</th>
<th>District's Budget</th>
<th>Assessed Value</th>
<th>Levy Rate</th>
<th>Taxpayer's AV</th>
<th>Taxes Owed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A)</td>
<td>$100,000</td>
<td>$1,000,000,000</td>
<td>$0.1000</td>
<td>$200,000</td>
<td>$20.00</td>
</tr>
<tr>
<td>B) AV + 10%</td>
<td>$100,000</td>
<td>$1,100,000,000</td>
<td>$0.0909</td>
<td>$220,000</td>
<td>$20.00</td>
</tr>
<tr>
<td>C) AV - 10%</td>
<td>$100,000</td>
<td>$900,000,000</td>
<td>$0.1111</td>
<td>$180,000</td>
<td>$20.00</td>
</tr>
<tr>
<td>D) Budget+1%</td>
<td>$101,000</td>
<td>$1,000,000,000</td>
<td>$0.1010</td>
<td>$200,000</td>
<td>$20.20</td>
</tr>
</tbody>
</table>

A) District’s budget $100,000/\textbf{$1,000,000,000$} AV \times 1,000= $0.10  
Taxpayer’s assessed value = $200,000  
Taxes owed = $20

B) If the district’s budget is the same and AV increases 10% (comparing to scenario A):  
District’s budget $100,000/\textbf{$1,100,000,000$} AV \times 1,000= $0.0909  
Taxpayer’s assessed value increased 10% = $220,000  
Taxes owed = $20

C) If the district’s budget is the same and AV decreases 10% (comparing to scenario A):  
District’s budget $100,000/\textbf{$900,000,000$} AV \times 1,000= $0.1111  
Taxpayer’s assessed value decreased 10% = $180,000  
Taxes owed = $20

D) If the district’s budget increase 1% and AV is the same (comparing to scenario A):  
District’s budget $101,000/\textbf{$1,000,000,000$} AV \times 1,000= $0.1010  
Taxpayer’s assessed value = $200,000  
Taxes owed = $20.20 or 1% increase
The previous slide showed examples with the taxpayer’s AV increasing/decreasing the same percentage as the taxing district. In this scenario, the rectangle represents the district’s boundary. “B” taxpayers assessed values increased 10% while “C” taxpayers assessed value decreased 10%. Even though the district will levy the same amount $100,000 and the district’s AV stayed the same, there will be a tax shift for those taxpayers as a result of their relative percentage of value changing within the taxing district.
## Assessed Value

<table>
<thead>
<tr>
<th>What if?</th>
<th>District’s Budget</th>
<th>Assessed Value</th>
<th>Levy Rate</th>
<th>Taxpayer’s AV*</th>
<th>Taxes Owed</th>
</tr>
</thead>
<tbody>
<tr>
<td>A)</td>
<td>$100,000</td>
<td>$1,000,000,000</td>
<td>$0.1000</td>
<td>$200,000</td>
<td>$20.00</td>
</tr>
<tr>
<td>B) AV - 10%</td>
<td>$100,000</td>
<td>$900,000,000</td>
<td>$0.1111</td>
<td>$200,000</td>
<td>$22.22</td>
</tr>
<tr>
<td>C) Budget+1% AV - 10%</td>
<td>$101,000</td>
<td>$900,000,000</td>
<td>$0.1122</td>
<td>$200,000</td>
<td>$22.44</td>
</tr>
</tbody>
</table>

*Note: no change in taxpayer’s AV

A) District’s budget $100,000/$1,000,000,000 AV x1,000= $0.10  
Taxpayer’s assessed value = $200,000  
Taxes owed = $20

B) If the district’s budget is the same and their AV decreases 10% while the taxpayer’s AV stays the same (comparing to scenario A):  
District’s budget $100,000/$900,000,000 AV x1,000= $0.1111  
Taxpayer’s assessed value stays the same = $200,000  
Taxes owed = $22.22

C) If the district’s budget increase 1% and their AV decreases 10% while the taxpayer’s AV stays the same (comparing to scenario A):  
District’s budget $101,000/$900,000,000 AV x1,000= $0.1122  
Taxpayer’s assessed value stays the same = $200,000  
Taxes owed = $22.44
Assessed Value

- What can reduce the taxing district's assessed value?
  - Some of the items that may reduce the assessed value are the following:
    - Real Estate market;
    - Taxpayer appeals;
    - Destroyed property;
    - Annexation;
  - Various exemption programs:
    - Senior Citizen/Disabled Person Property Tax Exemption Program;
    - Special Valuation for Historical Property;
    - 30% Home Improvement Exemption;
    - New & Rehabilitated Multiple-Unit Dwellings in Urban Centers Exemption;
    - Non-Profit Exemptions (granted by the Department of Revenue);
    - Homes for the Aging Exemptions (granted by the Department of Revenue);
    - Head of family (Personal Property exemption the first $15,000 of assessed value);
  - Open Space Classification, Current Use Classifications or Designated Forestlands.
Engrossed House Bill 5160 – Property Tax Relief Programs

There were several things that changed starting in tax year 2020 regarding this program. For particulars go to DOR’s website: https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/SpecialNotices/2019/sn_19_ES_SB5160.pdf

Senior Citizen/Disabled Person Property Tax Exemption Program the income requirement levels have changed for tax years 2020-2024, in particular Snohomish County change is the following:

- **Income Threshold 1: from $30,000 to $38,591**
  Note: exempt from excess levies and Part 2 of State School levy, plus a reduction of AV of 60% or $60,000, whichever is greater

- **Income Threshold 2: from $35,000 to $47,167**
  Note: exempt from excess levies and Part 2 of State School levy, plus a reduction of AV of 35% or $50,000, whichever is greater, not to exceed $70,000

- **Income Threshold 3: from $40,000 to $55,743**
  Note: exempt from excess levies and Part 2 of State School levy
Assessed Value

- **Timeline:**
  - June/July: Preliminary AV based on annual revaluation
  - September: Preliminary AV includes new construction
  - November: Certify AV to districts includes state assessed utility values
  - January: Freeze values & calculate levies/rates

General timeline that the Assessor’s Office provides assessed values to tax districts and calculates levies/rates.
<table>
<thead>
<tr>
<th>Types of Taxing Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Regular</td>
</tr>
<tr>
<td>□ Excess</td>
</tr>
<tr>
<td>□ Joint</td>
</tr>
<tr>
<td>□ Benefit Assessment</td>
</tr>
<tr>
<td>□ Local Improvement</td>
</tr>
</tbody>
</table>

Most districts collect regular & excess levies. Joint taxing district is a district that lies in more than one county such as a school district or fire district. Benefit Assessment and Local Improvement districts are handled by the Treasurer’s Office in Snohomish County so they will not be covered in this presentation.
Regular Taxing District

A regular taxing district is one that is authorized by the **state legislature**, not local government.

- Senior Districts
- Junior Districts
  - Senior/Juniors

The districts included in the senior, junior and senior/junior categories are listed on the next three frames.
Regular Taxing Districts

- Senior Taxing Districts
  - State
  - County (General and Roads)
  - Cities & Towns
  - Regional Transit Authority

The state is further defined as being “for support of common schools”.
The term ‘junior taxing districts’ includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts.
Regular Taxing Districts

- Senior/Junior Taxing Districts
  - Fire
  - Hospital
  - Library
  - Metropolitan Park
Types of Levies

- Regular
- Excess
- Refund

Regular Levies: the levy rate and levy amount a taxing district is authorized by law to collect, usually without a vote of the public, and subject to various limitations by law. In Snohomish County, the only ‘voted regular levies’ we have are Emergency Medical Service (EMS) levies and Park and Recreation levy.

Excess Levies: levy of additional taxes by any taxing district over and above the regular/statutory rate. An excess requires approval by the voters.

All local school districts levies are ‘excess’ levies, which are mostly enrichment levies and bond levies. Some school districts also have transportation or capital projects levies. Also, some other districts such as fire districts have bond levies for building and remodeling buildings, etc.

Refund levies: are used to recover administrative or adjudicated refunds.
Regular Levy Limitations

- Regular Levies are subject to various limitations:
  - Levy made by District
  - Statutory Dollar Rate Limit
  - Levy Limit (101%)
  - Amount authorized by Resolution/Ordinance
  - $5.90 Aggregate Limit
  - 1% Constitutional Limit
Levy made by Districts

- October - Districts Public Hearings commence
- November 30th – Taxing districts shall certify to the county legislative authority, budgets or estimates of the amounts to be raised through property taxation, except cities over 300,000 who may bypass the Commissioners. (RCW 84.52.020)

A taxing district with regular levies must hold a public hearing pursuant to RCW 84.55.120. The taxing district must certify their budgets or estimates of the amounts to be raised with the clerk of the county legislative authority on or before November 30th pursuant to RCW 84.52.020. If a district’s budget has not been certified by this date, the district may lose its ability to increase its budget from the previous year (RCW 84.52.070). Along with a submittal of a “Certificate,” taxing districts with regular levies must submit a “Resolution(s)/Ordinance(s)” if they want to increase the levy amount further which will be discussed in more detail in the Levy Limit (101%) slide.

Note: if a due date falls on a Saturday, Sunday or legal holiday, that due date becomes the next business day. (RCW 1.12.070)
Levy made by Districts
### Statutory Dollar Rate Limit

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>$3.60 equalized</td>
</tr>
<tr>
<td>County General</td>
<td>$1.80</td>
</tr>
<tr>
<td>County Road</td>
<td>$2.25</td>
</tr>
<tr>
<td>Cities</td>
<td>$3.375</td>
</tr>
<tr>
<td>RTA</td>
<td>$0.25</td>
</tr>
<tr>
<td>Fire</td>
<td>$1.50</td>
</tr>
<tr>
<td>RFA</td>
<td>$1.00 - $1.50</td>
</tr>
<tr>
<td>EMS</td>
<td>$0.50</td>
</tr>
<tr>
<td>Library</td>
<td>$0.50</td>
</tr>
<tr>
<td>Hospital</td>
<td>$0.75</td>
</tr>
</tbody>
</table>

Statutory dollar rate limits are limitations upon regular property tax levies and for most types of taxing districts are specified in RCW 84.52.043 as well as other statutes. Cities may levy up to $3.60 if they have annexed to a library or fire district less the actual levy rate for the library and/or fire district and also may levy an additional $0.225 if they have an earmarked firemen’s pension fund. Fire districts may levy up to $1.50. Regional Fire Protection Service Authorities (RFA) may levy up to $1.50 if they have at least one full-time employee.
Using the statutory dollar rate limit to calculate the statutory amount:

District's assessed value/1,000 x statutory rate limit = Statutory Amount
Districts levies capped at Statutory Limit:

2012: 41 levies; County AV $76,647,037,592
2013: 50 levies; County AV $72,621,622,520
2014: 47 levies; County AV $79,448,742,407
2015: 34 levies; County AV $88,260,207,637
2016: 23 levies; County AV $96,080,092,915
2017: 11 levies; County AV $105,036,086,924
2018: 7 levies; County AV $118,417,725,917
2019: 3 levies; County AV $132,827,352,255
2020: 2 levies; County AV $145,174,737,279
2021: 2 levies; County AV $154,392,389,464
2022: 3 levies; County AV $170,299,965,640

Note: The levies capped total does not include any voter-approved increases (lid lifts) or EMS levy renewals for the given year that would have raised/capped their levy at the statutory limit.
Levy Limit (101%)

- Each year’s levy is based on the “highest amount that could have lawfully been levied since 1985”
- Taxing District may increase their levy limit each year by a specific percentage
- The district will also receive additional amounts for “add-ons” such as new construction, increase in state assessed property and annexations
- 1% Limitation to annual growth of the levy – Not Assessed Value Growth

The levy limit was introduced in the 1970s, restricting the growth of regular levies. As a result of the passage of Initiative 747 in 2001, allowable annual increases in levy amounts were reduced from 6 percent to 1 percent. Initiative 747 was found unconstitutional by King County Superior Court in June 2006. During the 2007 special legislative session, HB 2416 reinstated the 1 percent levy limit for taxing districts. The limitation is detailed in chapter 84.55 RCW.
Levy Limit (101%) &
Amount authorized by Resolution/Ordinance

- District is authorized previous year’s levy amount plus any additional amounts for “add-ons” such as new construction, increase in state assessed property and annexations
- Resolution/Ordinance:
  - With passage of a resolution/ordinance, district may increase levy amount further
  - Must be passed by the majority of the Governing Board of the District
  - Must state $ increase and % increase above previous year (exclusive of “add-ons”)
  - Establishes the levy limit depending on the population of the District

If a district needs more tax dollars than the previous year for a regular levy they must pass a resolution/ordinance RCW 84.55.120.

Note: The highest lawful levy is the most a district can levy for a particular year and the actual levy is what a district does levy for that year. In order for one or both of these amounts to increase each year, the district must adopt a resolution or ordinance.

“Add-ons” are considered as new construction, improvements to property, newly constructed wind turbines, increases in state assessed property and annexations.
Levy Limit (101%)

- Limited growth in taxing district levies to 101% or the rate of inflation annually (based on size of district)
  - Population below 10,000:
    - With the passage of a resolution, the limit is set at 101%
  - Population at or above 10,000:
    - With the passage of a resolution, the limit is set at the highest lawful levy since 1985 and the lesser of 100% plus inflation as measured by the IPD (Implicit Price Deflator) or 101%

Population determines what documents are necessary for a district to increase their limit factor to 101%. The limit factor for districts with a population less than 10,000 is 101%; If a population is at or above 10,000 they will be limited to the lesser of 100% plus inflation or 101%. Districts that find a substantial need in accordance with RCW 84.55.0101, the lesser of the substantial need factor or 101%; or the lesser of IPD or 101%.
Levy Limit (101%)

- If the IPD is less than 1%:
  - Population at or above 10,000:
    - A district may increase its levy (budget or bank capacity) by more than the rate of inflation by passing a 2nd resolution showing a substantial need to increase above the IPD to a maximum of 101%.
    - 2nd Resolution must state the reason why the district requires a limit factor greater than 100% plus inflation and what limit factor, not exceeding 101%, they want.
    - Requires a supermajority vote by the Governing Board.

The limit factor authorization for taxing districts to use 101% or less pursuant to RCW 84.55.0101. The Department of Revenue provides the IPD rate based on the percent change in the implicit price deflator for personal consumption as published in the Bureau of Economic Analysis pursuant to RCW 84.55.005.

IPD for 2010 is -0.848%; Limit factor is 99.152%
IPD for 2011 is 1.539%; Limit factor is 101%
IPD for 2012 is 2.755%; Limit factor is 101%
IPD for 2013 is 1.295%; Limit factor is 101%
IPD for 2014 is 1.314%; Limit factor is 101%
IPD for 2015 is 1.591%; Limit factor is 101%
IPD for 2016 is 0.251%; Limit factor is 100.251%
IPD for 2017 is 0.953%; Limit factor is 100.953%
IPD for 2018 is 1.553%; Limit factor is 101%
IPD for 2019 is 2.169%; Limit factor is 101%
IPD for 2020 is 1.396%; Limit factor is 101%
IPD for 2021 is 0.602%; Limit factor is 100.602%
IPD for 2022 is 3.860%; Limit factor is 101%
Recap: The purpose of adopting a resolution/ordinance under RCW 84.55.120 is twofold:
First, by adopting a resolution, the district is allowed to increase its levy by up to 1 percent over the highest lawful levy since 1985.

- Taxing districts with a population under 10,000 may increase the levy by 1 percent.
- Taxing districts with a population of 10,000 or more may increase the levy by the lesser of 1 percent or the rate of inflation. (By adopting a separate resolution/ordinance with a finding of substantial need, these larger districts may increase the levy by more than the rate of inflation, up to a maximum of 1 percent.)

Second, the resolution/ordinance provides disclosure of the amount and percentage by which a taxing district is increasing its previous year’s actual levy.
<table>
<thead>
<tr>
<th>Levy Limit (101%) &amp; Amount authorized by Resolution/Ordinance</th>
</tr>
</thead>
</table>

- If the district took less than the maximum allowable increase each year, but adopted the appropriate Resolutions/Ordinances, they have “banked” or “unused” levy capacity that could be used in future years.
Levy Limit (101%) & 
Amount authorized by Resolution/Ordinance

*Banked Capacity:*
- Is the difference between the highest lawful levy that could have been made and the actual levy that was imposed.
- Having banked capacity for one year does not guarantee the district will have the same amount or more the following years.
- Districts can protect levy capacity by passing the appropriate resolution(s)/ordinance(s).
- If a district wants to use banked capacity, their resolution/ordinance must authorize the increase.
- Future levy capacities for district who levied less than their highest lawful levy are protected under RCW 84.55.092.

If a district levies at their highest lawful levy, they will not have banked capacity. If a district levies less than their highest lawful levy, they will have banked capacity.

If a district chooses to use banked capacity they will need to complete one Resolution/Ordinance stating the dollar and percentage of increase (RCW 84.55.120) and passed by a majority of the board or council members. Note: this is for the Actual Levy which only needs one Resolution/Ordinance. If a district with a population at or above 10,000 wants to increase their Highest Lawful Levy and the IPD is less than 1% then they will need to pass (with a supermajority) another Resolution/Ordinance per RCW 84.55.0101.
### Levy Limit (101%) &
Amount authorized by Resolution/Ordinance

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Lawful Levy</th>
<th>Actual Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>2021</td>
<td>$151,500</td>
<td>$140,000</td>
</tr>
<tr>
<td>2022</td>
<td>$153,015</td>
<td>$149,000</td>
</tr>
</tbody>
</table>

$153,015 - $149,000 = $4,015 “banked capacity”

If district increases budget by 1% and uses all banked capacity:

$153,015 (2022 HLL) x 101% = $154,545.15

Previous Year’s Levy = $149,000

$154,545.15 - $149,000 = $5,545.15

$5,545.15/$149,000 = 3.7215771812%

Difference = $5,545.15 which is 3.7215771812% increase if the district chooses to levy that amount in 2023. This does not include revenue for “add-ons.”

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Here is an example of a taxing district for 2022 increasing their highest lawful levy by 1% and using all “banked capacity” before add-ons are applied.
What information does the Assessor’s Office use to set a regular district’s levy?

The Assessor’s Office will use the lowest amount of the following:

- Levy made by District: dollar amount authorized on the Levy Certification
- Statutory Amount: district’s AV (per 1,000 of AV) x rate set by statute
- Levy Limit: Highest Lawful Levy Since 1985 x maximum increase of 101% + add-ons
- Actual Levy: Previous year’s actual levy x increase as stated in Resolution/Ordinance + add-ons
What information does the Assessor’s Office use to set a regular district’s levy?

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levy made by District</td>
<td>$107,000</td>
<td>$107,000</td>
<td>$107,000</td>
<td>$80,000</td>
</tr>
<tr>
<td>Statutory Limit</td>
<td>$120,000</td>
<td>$120,000</td>
<td>$80,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>Levy Limit</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Actual Levy</td>
<td>$90,000</td>
<td>$105,000</td>
<td>$90,000</td>
<td>$90,000</td>
</tr>
<tr>
<td>Lowest Amount</td>
<td>$90,000</td>
<td>$100,000</td>
<td>$80,000</td>
<td>$80,000</td>
</tr>
</tbody>
</table>
**Levy Limitations Worksheet**

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

```
Year ________ Highest Lawful Levy × Limit Factor/Max = ______________

Since 1985
Increase 101%
```

B. Current year’s assessed value of new construction, improvements and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year’s levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

```
__________________ × __________________ ÷ $1,000 = ________________
A.V. Last Year’s Levy Rate
```

C. 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. Remainder

__________________ × ________________ ÷ $1,000 = ________________
Remainder from Line C Last Year’s Levy Rate
```

D. Regular property tax limit: …………………………….…………. A+B+C = ________________

The Levy Limit is calculated as follows:

A. Determine the Highest Lawful Levy since 1985 and multiply the amount by the limit factor as determined by the ordinance(s)/resolution(s) passed by the district.
B. Add amounts for new construction, improvements and wind turbines, etc:
   - The district is entitled to additional money to cover the cost of services to the new improvements in the district made during that year.
   - The amount is determined by the value of new construction and improvements to property multiplied by the previous year’s levy rate.
C. Add amounts for increases in state-assessed property:
   - The district is also entitled to additional money attributable to the increase in value of state assessed property.
   - The amount is determined by multiplying the increase in value by the previous year’s levy rate.
   - Note: The Department of Revenue annually values interstate or intercounty utility and transportation companies (railroads, telecommunication companies, electric companies, etc.)
D. District’s current year’s levy limit.
Levy Limitations Worksheet

Parts E through G are used in calculating the additional levy limit due to annexation.

E. To find the rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

\[
\frac{\text{Total in Line D}}{\text{Current Assessed Value}} \times \$1,000 = \_\_\_\_\_\underline{ } \,
\]

F. Annexed area’s current assessed value including new construction and improvements, times the rate in Line E.

\[
\_\_\_\_\underline{ } \times \frac{\_\_\_\underline{ } \times \$1,000}{\text{Rate in Line E}} = \_\_\_\_\underline{ } \,
\]

G. Regular property tax limit including annexation ………………………………… D+F = $\_\_\_\underline{ }

H. Statutory maximum calculation

Only enter fire/RFA rate, library rate, & firefighter pension fund rate for cities annexed to a fire/RFA or library, or has a firefighters pension fund.

\[
\begin{align*}
\text{District base levy rate} & \times \text{Fire or RFA Rate} & \times \text{Library Rate} & \times \text{Firefighters Pension Fund} & \text{Statutory Rate Limit} \\
\_\_\_\underline{ } & \times \_\_\underline{ } & \times \_\_\underline{ } & \times \_\_\underline{ } & \_\_\underline{ } \,
\end{align*}
\]

\[
\frac{\text{A.V. of District}}{\text{Statutory Rate Limit}} \times \$1,000 = \_\_\underline{ } \,
\]

I. Highest Lawful Levy For This Tax Year (Lesser of G and H)……………………………… = $\_\_\underline{ }

E - F. Add amounts for annexations:

Annexation is the act of a taxing district expanding its boundaries.

Annexations affect the levy limit calculation because the taxing district is entitled to collect more money as a result of encompassing a larger area.

All taxing district boundaries must be established by August 1 in order to collect property tax in the following year except for newly incorporated port districts or regional fire protection service authority districts (October 1st) & mosquito districts (September 1st) pursuant to RCW 84.09.030

In the first levy year following annexation, the levy limit is calculated as follows:

1. Determine the levy limit and levy rate for the district as though no annexation occurred.
2. Multiply the current year AV of the annexed territory by the levy rate calculated in step 1.
3. Add the amount calculated in step 1 & 2 (lines E and G on the worksheet)

G. The district’s current year’s levy limit including annexation

H. The district’s current year’s statutory maximum limit.

I. The district’s current year’s highest lawful levy.
**Example of Highest Lawful Levy**

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

<table>
<thead>
<tr>
<th>Year</th>
<th>2022</th>
<th>$100,000.00</th>
<th>×</th>
<th>101.000%</th>
<th>=</th>
<th>$101,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Highest Lawful Levy since 1985</td>
<td>Limit Factor/Max Increase 101%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Current year's assessed value of new construction, improvements and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

\[
\text{A.V.} \times \frac{1.50000000000}{\text{Previous Year's A.V.}} + \frac{1,000}{\text{Last Year's Levy Rate}} = \frac{1,500.00}{1,000}
\]

C. 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).

\[
\text{Remainder from Line C} \times \frac{1.50000000000}{\text{Last Year's Levy Rate}} + \frac{1,000}{\text{Last Year's Levy Rate}} = \frac{750.00}{1,000}
\]

D. Regular property tax limit: \[\begin{align*}
\text{A+B+C} &= \text{Remainder from Line C} \times \text{Last Year's Levy Rate} + \text{A+B+C} \\
&= $103,250.00
\end{align*}\]

Line A: First arrow is pointing to the district’s Highest Lawful Levy since 1985.

Line A: Second arrow is pointing to the limit factor and the appropriate ordinance/resolution passed by the district to get a maximum increase of 101%.
Example of Highest Lawful Levy

Parts E through G are used in calculating the additional levy limit due to annexation.

E. To find the rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

\[
\frac{103,250.00}{0} \times \frac{0}{1,000} = 0.00
\]

F. Annexed area's current assessed value including new construction and improvements, times the rate in Line E.

\[
0 \times 0.00000000000 \times \frac{1,000}{1,000} = 0.00
\]

G. Regular property tax limit including annexation

\[
103,250.00
\]

H. Statutory maximum calculation

Only enter fire/RFA rate, library rate, & firefighter pension fund rate for cities annexed to a fire/RFA or library, or has a firefighters pension fund.

\[
\begin{align*}
&\frac{1.50000000000}{0.00000000000} - \frac{0.00000000000}{0.00000000000} + \frac{0.00000000000}{0.00000000000} = 1.50000000000 \\
&100,000,000 \times 1.50000000000 \times \frac{1,000}{1,000} = 150,000.00
\end{align*}
\]

I. Highest Lawful Levy For This Tax Year (Lesser of G and H) = 103,250.00
### Determining the Highest Lawful Levy

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).</td>
</tr>
<tr>
<td>B.</td>
<td>Current year's assessed value of new construction, improvements and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).</td>
</tr>
<tr>
<td>C.</td>
<td>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).</td>
</tr>
<tr>
<td>D.</td>
<td>Regular property tax limit: $\text{A+B+C} = $103,250.00$</td>
</tr>
<tr>
<td>E.</td>
<td>Parts E through G are used in calculating the additional levy limit due to annexation.</td>
</tr>
<tr>
<td>F.</td>
<td>Current year's assessed value including annexation.</td>
</tr>
<tr>
<td>G.</td>
<td>Regular property tax limit including annexation: $\text{D+F} = $103,250.00$</td>
</tr>
<tr>
<td>H.</td>
<td>Statutory maximum calculation: $\text{A.V. of District \times 1.50000000000 \div $1,000} = $150,000.00$</td>
</tr>
<tr>
<td>I.</td>
<td>Highest Lawful Levy For This Tax Year (Lesser of G and H): $\text{A.V. of District \times 1.50000000000 \div $1,000} = $150,000.00$</td>
</tr>
</tbody>
</table>

**Line A:** Arrow pointing to the district’s Highest Lawful Levy since 1985.

**Line G:** Arrow pointing to the district’s current year’s levy limit including annexation.

**Line H:** Arrow pointing to the district’s current year’s statutory maximum amount.

**Line I:** Arrow pointing to the district’s current year’s Highest Lawful Levy.

**New Highest Lawful Levy:** is the greater of the previous Highest Lawful Levy since 1985 (Line A) and the current year’s Highest Lawful Levy (Line I) which is $103,250.00 (Line I).
Determining the Highest Lawful Levy

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

<table>
<thead>
<tr>
<th>Year</th>
<th>2022</th>
<th>$100,000.00</th>
<th>×</th>
<th>101.00%</th>
<th>=</th>
<th>$101,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Highest Lawful Levy</td>
<td>Maximum Increase 101%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Current year’s assessed value of new construction, improvements and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year’s levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

- A.V. = $1,000,000
- Last Year’s Levy Rate = 1.50000000000
- $1,000,000 × 1.50000000000 ÷ $1,000 = $1,500.00

C. 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. = $2,000,000
- Previous Year’s A.V. = $1,500,000
- $2,000,000 - $1,500,000 = $500,000
- $500,000 × 1.50000000000 ÷ $1,000 = $750.00

D. Regular property tax limit:  A+B+C = $103,250.00

E. Statutory maximum calculation:

- $60,000,000 × 1.50000000000 ÷ $1,000 = $90,000.00

I. Highest Lawful Levy For This Tax Year (Lesser of G and H): $90,000.00

What happens to the Highest Lawful Levy if the district’s A V is $60,000,000?

Line A: Arrow pointing to the district’s Highest Lawful Levy since 1985.
Line G: Arrow pointing to the district’s current year’s levy limit including annexation.
Line H: Arrow pointing to the district’s current year’s statutory maximum amount.
Line I: Arrow pointing to the district’s current year’s Highest Lawful Levy.

New Highest Lawful Levy: is the greater of the previous Highest Lawful Levy since 1985 (Line A) and the current year’s Highest Lawful Levy (Line I) which is $100,000 (Line A).
Determining the Highest Lawful Levy

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

<table>
<thead>
<tr>
<th>Year</th>
<th>A.V.</th>
<th>Rate</th>
<th>Levy Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$100,000.00</td>
<td>101.00%</td>
<td>$101,000.00</td>
</tr>
</tbody>
</table>

B. Current year’s assessed value of new construction, improvements and wind turbines, solar, biomass, and geothermal facilities in original districts before annexation occurred times last year’s levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

\[
\text{A.V.} \times \frac{1.500000000}{1,000} = \text{Remainder}
\]

C. 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).

\[
\text{Remainder from Line C} \times \frac{1.500000000}{1,000} = \text{Remainder from Line C}
\]

D. Regular property tax limit: $A + B + C = $103,250.00

What happens to the Highest Lawful Levy if the district’s AV is $68,500,000?

Line A: Arrow pointing to the district’s Highest Lawful Levy since 1985.

Line G: Arrow pointing to the district’s current year’s levy limit including annexation.

Line H: Arrow pointing to the district’s current year’s statutory maximum amount.

Line I: Arrow pointing to the district’s current year’s Highest Lawful Levy.

New Highest Lawful Levy: is the greater of the previous Highest Lawful Levy since 1985 (Line A) and the current year’s Highest Lawful Levy (Line I) which is $102,750 (Line I).
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Previous year’s actual levy adjusted by increase as stated in ordinance or resolution (RCW 84.55.120).</td>
<td>$105,000.00 + $1,050.00 = $106,050.00</td>
</tr>
<tr>
<td></td>
<td>Previous Year's Actual Levy + Resolution Increase Amount</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year 2022 Previous Year's Actual Levy (100% + Resolution Percentage Increase)</td>
<td>$105,000.00 x (100% + 1.000000%) = $106,050.00</td>
</tr>
<tr>
<td>B</td>
<td>Amount for new construction, improvements, and newly constructed wind turbines (Line B, page 1)</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>C</td>
<td>Amount for increase in value of state-assessed property (Line C, page 1)</td>
<td>$750.00</td>
</tr>
<tr>
<td>D</td>
<td>Amount for increase in annexation (Line F, page 1)</td>
<td>$0.00</td>
</tr>
<tr>
<td>E</td>
<td>Total levy amount authorized, including the annexation (Lesser of A+(B+C+D))</td>
<td>$108,300.00</td>
</tr>
</tbody>
</table>

Line A: The first arrow is pointing to the district’s Previous Year’s Actual Levy.
Line A: The second arrow is pointing to the district’s increase amount and percentage from the previous year’s actual levy as authorized by district’s Ordinance/Resolution.
Line E: The arrow pointing to the levy amount authorized by Ordinance/Resolution including annexation.
### Actual Levy Calculation

**F.** Total levy amount authorized by resolution (E) plus amount refunded or to be refunded (RCW 84.55.070).  
$108,300.00 + $7,000.00 = $115,300.00

**G.** Total amount certified by county legislative authority or taxing district as applicable.  
(RCW 84.52.020 and RCW 84.52.070) …………………………………………. = $130,000.00

**H.** Levy limit from line G on page 1, plus amount refunded or to be refunded (RCW 84.55.070).  
$103,250.00 + $7,000.00 = $110,250.00

**I.** Amount of taxes recovered due to a settlement of highly valued disputed property (RCW 84.52.018).  
$110,250.00 — ______________________ = $110,250.00

**J.** Statutory limit from line H on page 1 (dollar amount, not the rate) ………………. = $150,000.00

**K.** Lesser of I and J ……………………………………………………………………. = $110,250.00

**L.** Levy Corrections Year of Error:  
1. Minus amount over levied (if applicable) …………………………………………..  
2. Plus amount under levied (if applicable) ……………………………………………

**M.** Total: K +/- L …………………………………………………………………………. = $110,250.00

Regular Levy Rate Computation: Lesser of J and M divided by the assessed value in line J1 on page 1.  
$110,250.00 + $100,000,000 × $1,000 = 1.10250000

Lesser of J and M Amount on line J1 on page 1

---

**Line F:** First arrow pointing to the levy amount authorized by Ordinance/Resolution includes annexation.  
**Line F & H:** Second arrow pointing to the amount to be refunded.  
**Line G:** Arrow pointing to the levy amount the district authorized on Levy Certification.  
**Line H:** First arrow pointing to the district’s current year’s Highest Lawful Levy.  
**Line I:** Arrow pointing to the lesser of:  
   - F. Levy amount authorized by Ordinance/Resolution plus refunds;  
   - G. Levy amount the district authorized on Levy Certification; and  
   - H. Current year’s Highest Lawful Levy plus refunds  
**Line J:** Arrow pointing to the maximum statutory limit (calculated by AV/1000 x statutory rate limit)
$5.90 Aggregate Limit

RCW 84.52.043

The aggregate levies of junior taxing districts and senior taxing districts (except the state, port, county conservation futures, EMS, RTA and a few others) shall not exceed five dollars and ninety cents per thousand dollars of assessed valuation.

The $5.90 limit applies to the total of certain local regular levies in each Tax Code Area.

Most taxing districts are authorized by state law to levy a certain rate each year without approval by the voters; these are commonly referred to as regular levies. All together, certain local regular levies cannot exceed $5.90 and, with the state levy, these regular levies cannot exceed $9.50 ($5.90 and $3.60) per $1,000 of assessed value.
### $5.90 Aggregate Limit

**Example:**

- County Current Expense: $1.00
- City: $1.63
- Fire District: $1.50
- Library: $0.47
- Hospital: $0.50

**Total:** $5.10

In this example the aggregate rates of $5.10 is less than $5.90 the districts levies would not have to be prorated.
Snohomish County highest TCA for 2018 was $4.3314900
Snohomish County highest TCA for 2019 was $4.5162900
Snohomish County highest TCA for 2020 was $4.2374937
Snohomish County highest TCA for 2021 was $4.1323610
Snohomish County highest TCA for 2022 was $3.9130565

$5.90 worksheet
In 1972, a constitutional limit of 1.0 percent was adopted by the voters. This limits the amount of property taxes that may be imposed on an individual parcel (real or personal) of property without voter approval to one percent of its true and fair value. This limit would equate to a regular levy rate of around $10 per $1,000 of assessed value. The one percent limit applies to all regular levies (except port and PUD district levies). It does not apply to special levies approved by voters.
<table>
<thead>
<tr>
<th>Service</th>
<th>Levy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>State School Levy</td>
<td>$ 3.0000</td>
</tr>
<tr>
<td>County Current Expense</td>
<td>$ 1.5727</td>
</tr>
<tr>
<td>County Road Fund</td>
<td>$ 2.2103</td>
</tr>
<tr>
<td>Rural Library District</td>
<td>$ 0.5000</td>
</tr>
<tr>
<td>Fire protection District</td>
<td>$ 1.4814</td>
</tr>
<tr>
<td>Metropolitan Park</td>
<td>$ 0.6500</td>
</tr>
<tr>
<td>Emergency Medical Service</td>
<td>$ 0.4500</td>
</tr>
<tr>
<td>Conservation Futures</td>
<td>$ 0.0625</td>
</tr>
<tr>
<td><strong>Total Consolidated Regular Levy Rate</strong></td>
<td><strong>$ 9.9269</strong></td>
</tr>
<tr>
<td>Excess and Voter Approved Levy Rate</td>
<td><strong>$ 3.1282</strong></td>
</tr>
<tr>
<td><strong>Total Consolidated Levy Rate</strong></td>
<td><strong>$ 13.0551</strong></td>
</tr>
</tbody>
</table>
1% Constitutional Limit

Example:

- Assessed Value (true and fair value) is $300,000
- 1%* of $300,000 is $3,000
- Total Consolidated Regular Levy Rate $9.9269
- Total taxes for regular levies (except Port & PUD districts) is $2,978.07 ($300,000 AV /1,000 x $9.9269)

*Note: This is with an effective rate of $10 (10/100% = 10)

Since the consolidated regular levy rate does not exceed the one percent limit the districts would not have to be prorated.

1% Constitutional limit worksheet
1% Constitutional Limit

![Chart showing the Constitutional Limit from 2018 to 2022 with Effective Rate and TCA Rate]

- **2018**: Effective Rate = 10.10101010, TCA Rate = 6.94193839
- **2019**: Effective Rate = 10.16260162, TCA Rate = 7.74847353
- **2020**: Effective Rate = 10.07049345, TCA Rate = 7.57785999
- **2021**: Effective Rate = 10.18329938, TCA Rate = 7.51915438
- **2022**: Effective Rate = 10.22494887, TCA Rate = 6.94193839
Refund Levy

Refund Levy:

- Are used to recover administrative and adjudicated refunds.
- Taxing districts are allowed to collect money for refund levies above the levy limit. However, the maximum statutory rate may not be exceeded.
- The levy rate calculation is also affected by adjudicated and administrative refunds made by the taxing districts.

Senate Bill 5705, effective 7/28/13.

Taxing districts are authorized to re-levy for any taxes that have been:
- Refunded or will be refunded
  - Except when refunded under RCW 84.69.020(1) Paid more than once;
- Cancelled prior to payment, including abated due to destroyed property, that have been offset by the amount of supplemental taxes.
- Within the past 12 months

What are cancellations or abatements?
- They are taxes that have been cancelled or abated prior to payment. Such as:
  - Exemptions granted after the original tax roll was certified to the treasurer, but before the tax is paid.
  - Taxes that have not been paid, but that are no longer due because of a manifest error correction

What are supplements?
- Additional tax
- Compensating tax
- Taxes collected on omitted property assessment
  - Supplements do not include taxes recovered when a dispute involving highly valued property is resolved.
Refund Levy

For example:
- County's Regular Levy Statutory Rate: $1.80
- Current County Regular Levy Rate: $1.50
- Refund Levy Rate available: $0.40
- $1.50 + $0.40 = $1.90 (exceeds the maximum statutory rate)

Since this amount of $1.90 is over the maximum statutory rate of $1.80 the County would only be able to collect $0.30 of the $0.40 refund to be within the lawful limit.

$1.50 + $0.30 = $1.80 (lawful limit)
What's a Lid Lift

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire District Levy Statutory Rate:</td>
<td>$1.50</td>
</tr>
<tr>
<td>Current Fire District Levy Rate:</td>
<td>$0.90</td>
</tr>
<tr>
<td>Because of the 101% Budget Limit with no assessed value limit</td>
<td></td>
</tr>
<tr>
<td>Excess Capacity:</td>
<td>$0.60</td>
</tr>
</tbody>
</table>

A LID LIFT, with a vote of the people, would allow the Fire District to “lift” the 101% limit (Lid) of their budget amount to achieve a higher rate. (RCW 84.55.050)

As the levy limitation is applied to a district's budget over the years, the rate a district is allowed to levy on taxpayers tends to drift downward from the maximum statutory levy rate. Occasionally, a district will need to raise the levy limitation in order to increase funds. A district may ask its voters to authorize it to levy an amount that exceeds the levy limitation or “lift the levy lid.”
Lid Lift

Some rules governing lid lifts:

- Limit the period for which the increase levy is made:
  - Single Year
  - Multiple Year (up to 6 years)
- Must be approved by the majority vote
- Ballot must state proposed dollar rate (levy rate)
- Cannot exceed the statutory dollar rate
- The lid lift is temporary unless the ballot specifically states the resulting levy will be used for future levy limit calculations

More information regarding lid lifts can be found in RCW 84.55.050.

Lid lifts may be either permanent or temporary. Both will generate more money, but the impacts on future levy limit calculations differ.
Lid Lift

- Assessed value can effect the amount available to levy.
- Taxing District can chose to take less than the amount available via District Certification.
  - Difference becomes banked capacity.

The amount available to levy will be the voted lid lift rate multiplied by the taxing districts total taxable value. Depending on when the lid lift is voted on and approved, the total taxable value may not be available. Revaluation is typically completed by May 31st and new construction added by August 31st.
# Excess Levies

- Levy of additional taxes over and above the regular/statutory rate.
- Excess levies are not subject to the aggregate limits.
- Most excess levies require a supermajority (60%) to be approved by voters.
- Local school district excess levies for enrichment, transportation, construction or capital project levy require a simple majority to be approved by voters.
Excess Levies

- Voter-approved amount divided by Assessed Value + TAV (per thousand of AV) = Levy Rate
  - $/AV + TAV \times 1,000 = \text{Levy Rate}

- Timber Assessed Value (TAV): standing timber is exempt from property tax. In place of the property tax is a harvest tax. Timber is taxed when it is harvested. The State gives some of this harvest tax back to some taxing districts as value to reduce the levy rate.
The computed distribution for each taxing district is a target distribution amount. The amount is not guaranteed! Whether all districts actually receive the computed distribution amount will depend upon the amount of timber tax revenue collected for the county. It is possible that actual timber tax revenues could be greater or less than the total of all the taxing districts’ computed shares. The law anticipates this possibility by prioritizing the tax distributions.

- **Priority 1** – Bond levies and capital project levies (including technology capital project levies). These levies must be satisfied first with payment at a rate of 100 percent of the computed amount.
- **Priority 2** – School enrichment levies and transportation vehicle fund levies. These levies must be satisfied with payment at a rate of 50 percent of the computed amount. Although transportation vehicle fund levies are calculated using 100 percent of the district’s timber assessed value, the distribution of timber excise tax for transportation vehicle fund levies is in priority two.
- **Priority 3** – Administrative bond levies and other special (not school) levies. These levies are allotted at a rate of 100 percent prorated among all levies listed. If tax revenues exceed the calculated total shares, a reserve fund is set up that can act as a rainy day fund to level out the highs and lows and is to be used at the beginning of the following year. Priority 3 levies receive any excess revenues. Remember, if tax revenues are less than the targeted amount, Priority 3 levies are the ones to be shorted.
School District Excess Levies

- Enrichment (RCW 84.52.053):
  - Duration is 2 to 4 years

- Capital Improvements (RCW 84.52.053):
  - Duration is 2 to 6 years
  - Construction, Modernization, Remodeling of school Facilities

- Transportation (RCW 84.52.053):
  - Duration is 2 years

- Bonds (RCW 84.52.056):
  - Length of bond

These are some examples of school district excess levies.
Fire District Excess Levies

<table>
<thead>
<tr>
<th>Topic</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance &amp; Operation (RCW 84.52.130)</td>
<td>- Duration is 2 to 4 years</td>
</tr>
<tr>
<td></td>
<td>- Need 60% voter-approval</td>
</tr>
<tr>
<td>Capital Improvements (RCW 84.52.130)</td>
<td>- Duration is 2 to 6 years</td>
</tr>
<tr>
<td></td>
<td>- Need 60% voter-approval</td>
</tr>
<tr>
<td></td>
<td>- Construction, Modernization, Remodeling of Fire District Facilities</td>
</tr>
<tr>
<td>Bonds (RCW 84.52.056)</td>
<td>- Duration length of bond</td>
</tr>
<tr>
<td></td>
<td>- Need 60% voter-approval</td>
</tr>
</tbody>
</table>

These are some examples of fire district excess levies.
WAC 434-262-017

General election turnout for validation of bonds and levies.

Following each general election, the county auditor must determine the number of voters participating in the general election for each taxing district in the county and provide this number to each district. Districts may use that number to determine the number of votes required for bond and levy passage in the next year.

The county auditor is not responsible for determining minimum turnout or yes votes required for ballot measures and shall not determine if ballot measures meet requirements for passage.

The Auditor’s Office is no longer going to validate and determine if a ballot measure passed or failed. The reason for this is due to a change in WAC 434-262-017.

The Assessor’s Office has been told that the responsibility of determining a passage or failure lies with the taxing district.
Resources

- Department of Revenue’s Website - [http://dor.wa.gov](http://dor.wa.gov)
- Department of Revenue’s “Homeowner’s Guide to Property Tax.”
- Annual Report – Snohomish County Assessor’s Office website - [https://www.snohomishcountywa.gov/2208/Annual-Reports](https://www.snohomishcountywa.gov/2208/Annual-Reports)
- Washington State Tax Structure Study
- Levy Classes – Snohomish County & DOR