

## CHAPTER 1

[Initiative 747]

## LIMITING PROPERTY TAX INCREASES

AN ACT Relating to limiting property tax increases; amending RCW 84.55.005 and 84.55.0101; and creating new sections.

Be it enacted by the People of the State of Washington:

**POLICIES AND PURPOSES**

**NEW SECTION. Sec. 1.** This measure would limit property tax increases to 1% per year unless approved by the voters. Politicians have repeatedly failed to limit skyrocketing property taxes either by reducing property taxes or by limiting property tax increases in any meaningful way. Throughout Washington every year, taxing authorities regularly increase property taxes to the maximum limit factor of 106% while also receiving additional property tax revenue from new construction, improvements, increases in the value of state-assessed property, excess levies approved by the voters, and tax revenues generated from real estate excise taxes when property is sold. Property taxes are increasing so rapidly that working class families and senior citizens are being taxed out of their homes and making it nearly impossible for first-time home buyers to afford a home. The Washington state Constitution limits property taxes to 1% per year; this measure matches this principle by limiting property tax increases to 1% per year.

**LIMITING PROPERTY TAX INCREASES TO 1% PER YEAR  
UNLESS APPROVED BY THE VOTERS**

**Sec. 2.** RCW 84.55.005 and 2001 c 2 s 5 (Initiative Measure No. 722) are each amended to read as follows:

As used in this chapter:

(1) "Inflation" means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce in September of the year before the taxes are payable;

(2) "Limit factor" means:

(a) For taxing districts with a population of less than ten thousand in the calendar year prior to the assessment year, one hundred (~~((two))~~) one percent;

(b) For taxing districts for which a limit factor is authorized under RCW 84.55.0101, the lesser of the limit factor under that section or one hundred (~~((two))~~) one percent;

(c) For all other districts, the lesser of one hundred (~~((two))~~) one percent or one hundred percent plus inflation; and

(3) "Regular property taxes" has the meaning given it in RCW 84.04.140.

**Sec. 3.** RCW 84.55.0101 and 2001 c 2 s 6 (Initiative Measure No. 722) are each amended to read as follows:

Upon a finding of substantial need, the legislative authority of a taxing district other than the state may provide for the use of a limit factor under this chapter of

one hundred (~~two~~) one percent or less unless an increase greater than this limit is approved by the voters at an election as provided in RCW 84.55.050. In districts with legislative authorities of four members or less, two-thirds of the members must approve an ordinance or resolution under this section. In districts with more than four members, a majority plus one vote must approve an ordinance or resolution under this section. The new limit factor shall be effective for taxes collected in the following year only.

**CONSTRUCTION CLAUSE**

NEW SECTION. **Sec. 4.** The provisions of this act are to be liberally construed to effectuate the policies and purposes of this act.

**SEVERABILITY CLAUSE**

NEW SECTION. **Sec. 5.** 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.

**LEGISLATIVE INTENT**

NEW SECTION. **Sec. 6.** The people have clearly expressed their desire to limit taxes through the overwhelming passage of numerous initiatives and referendums. However, politicians throughout the state of Washington continue to ignore the mandate of these measures.

Politicians are reminded:

- (1) All political power is vested in the people, as stated in Article I, section 1 of the Washington state Constitution.
- (2) The first power reserved by the people is the initiative, as stated in Article II, section 1 of the Washington state Constitution.
- (3) Politicians are an employee of the people, not their boss.
- (4) Any property tax increase which violates the clear intent of this measure undermines the trust of the people in their government and will increase the likelihood of future tax limitation measures.

Originally filed in Office of Secretary of State January 11, 2001.

Approved by the People of the State of Washington in the General Election on November 6, 2001.

**CHAPTER 2**

[Initiative 773]

**ADDITIONAL TOBACCO TAXES**

AN ACT Relating to improving the health of low-income persons; amending RCW 43.72.900; adding a new section to chapter 70.47 RCW; adding a new section to chapter 82.24 RCW; and adding a new section to chapter 82.26 RCW.

Be it enacted by the People of the State of Washington:

NEW SECTION. **Sec. 1.** A new section is added to chapter 70.47 RCW to read as follows: