

Initiative Measure No. 1509

Filed May 4, 2022

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: I-4517.1/22

ATTY/TYPIST: CL:jlb

BRIEF DESCRIPTION:

Initiative Measure No. 1509

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AN ACT Relating to exempting a portion of the valuation of real property from property taxation; adding a new section to chapter 84.36 RCW; and adding a new section to chapter 84.52 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 84.36 RCW to read as follows:

(1)(a) Subject to the conditions in this section, a portion of the assessed value of a parcel of real property is exempt from the total state property tax under RCW 84.52.065 (1) and (2). Beginning with taxes levied for collection in calendar year 2024 and subject to the adjustments and limitations in subsection (3) of this section, the exemption from state property taxes is equal to the first \$250,000 of valuation of each real property tax parcel.

(b) For taxes levied for collection in calendar year 2025 and each subsequent year thereafter, the amount of exemption must be increased from the prior year's exemption amount by the percentage growth in the state levy for the prior calendar year. The department is responsible for making a determination of any increase in the amount of the exemption and may round the dollar amount of the homestead exemption to the nearest \$1,000.

(2) The amount of the exemption may not result in a tax reduction that exceeds the amount of state property taxes that would otherwise be levied on that residence.

(3) The exemption is in addition to the exemption provided in RCW 84.36.379 through 84.36.389.

(4) The department may conduct audits of the administration of this section as the department considers necessary. The powers of the department under chapter 84.08 RCW apply to these audits.

(5) The exemption under this section applies to the total state property tax levied under RCW 84.52.065. The exemption does not apply to any local property taxes.

(6) The department may adopt such rules in accordance with chapter 34.05 RCW, and prescribe such forms, as the department deems necessary and appropriate to implement and administer this section.

(7) For purposes of this section, "real property" has the same meaning as in RCW 84.04.090.

NEW SECTION. **Sec. 2.** A new section is added to chapter 84.52 RCW to read as follows:

The state levy must be reduced as necessary to prevent the value exempted under the parcel of real property exemption in section 1 of this act from resulting in a higher state tax rate than would have occurred in the absence of the exemption.

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