



Rep. Dan Kristiansen - 39th District

House Republican Caucus Chairman

Dear Friends:

Property taxes, assessments and levy limits are often very confusing. This confusion frequently leads to frustration when homeowners receive their property tax bills. That's why I have prepared this list of frequently asked questions (and answers) to help you further understand the issue of property taxes. I welcome your comments.

Rep. Dan Kristiansen
427A Legislative Bldg.
Olympia, WA 98504
Phone: (360) 786-7967

Rep. Dan Kristiansen Web site: www.houseRepublicans.wa.gov/Kristiansen

PROPERTY TAXES – Questions and Answers

Q: Why have my property taxes increased by more than the 1 percent limit?

A: The 1 percent limit voters approved in 2001 through Initiative 747, which was overturned by the state Supreme Court in November 2007 and then re-instated by the Legislature three weeks later, is frequently misunderstood.

I-747 limits the increase in total taxing district levy amounts to 1 percent each year, plus additional amounts for new construction. It does not limit the amount of tax paid on individual properties or the rate at which assessed values may increase.

Additionally, voter-approved levies (such as school district maintenance and operation levies) are not subject to this limitation. So, it is possible for an individual's property tax statement to reflect an increase of more than 1 percent.



Q: How is my property tax bill determined?

A: Your property tax bill is based on the assessed value of your property and the tax levy rate. The county assessor determines market value of all properties in the district as of Jan. 1 and comes up with a taxable value which takes into account any exemptions or alternative valuation schedules. Then, taxing districts set their budget amounts (levies) and the assessor calculates the necessary tax rate. Dividing your property value by \$1,000 and multiplying that by the tax rate determines your total property tax bill, which is collected by the county treasurer in the following year after the assessment. For example, your 2009 property tax bill is based on the assessed value as of Jan. 1, 2008, and your 2010 tax bill will be based on the value as of Jan. 1, 2009.



Q: Why am I still paying higher property taxes even though the assessed value of my home has decreased?

A: The tax rate can fluctuate with property values. For example, the average state-wide property tax rate in 2007 was \$10.48 per \$1,000 of assessed value. As property values went up, the tax rate in 2008 decreased to \$9.72 per \$1,000 of value. Lately, property values have declined significantly and while you may expect your property tax bill to follow suit, some taxing districts can increase the tax rate to compensate for some of that lost value. It is possible for your property tax bill to remain close to or even increase with the lower property value.



(continued next page)

Rep. Dan Kristiansen – 39th District PROPERTY TAXES – Questions and Answers

(Continued from page 1)

Q: Why are some levies higher than the 1 percent limit?

A: Voters can approve property taxes higher than the 1 percent limit. These levies have increased steadily in recent years. In 2008, about 35 percent of the total amount of property taxes collected statewide consisted of voter-approved levies.



Q: How is my property tax money used?

A: To give you an idea of where your property tax dollars are spent, the following breakdown (at right) shows the distribution of that revenue statewide in 2008. These figures may be higher or lower depending on where you live. ➡ ➡ ➡

State of Washington	21.5%
Local schools (Voter approved)	32.4%
County	16.9%
City	13.3%
Other districts—Fire, port, library, etc. (Many of these levies are voter approved.)	15.9%
Source: Department of Revenue 2008 Property Tax Statistics	

Q: Do I have any recourse if I dispute the assessed value listed for my property?

A: If you disagree with the county assessor's assessed value of your property, you may file an appeal with the county Board of Equalization. The deadline for filing an appeal is July 1 of the assessment year or within 30 days of when the Change of Value Notice was mailed by the assessor's office, whichever is later. (Certain counties extend the filing deadline to 60 days. Check with your county Board of Equalization for your filing deadline.)

Q: Is property tax relief available?

A: Tax relief is available for qualifying senior citizens and disabled persons and veterans with a 100 percent service-connected disability.

The **Senior Citizens and Disabled Property Tax Exemption Program** freezes the value of your residence, as of Jan. 1 of the initial year of application, and exempts all excess levies. It may exempt a portion of regular levies, depending on income level.

The **Senior Citizen and Disabled Person Property Tax Deferral Program** allows qualifying citizens to defer property taxes and special assessments up to 80 percent of the equity in their home. The state places a lien against the property equal to the amount of owed taxes plus 5 percent. Total taxes are collected when the property is sold or passed on.

The Legislature has also provided a property tax deferral program for homeowners with limited income and property tax assistance for widows or widowers of veterans.

Q: I am not a senior citizen, nor am I disabled. Could I still qualify for tax relief?

A: The Legislature has provided certain tax exemptions for all homeowners. These exemptions include:

- **Damaged/destroyed property:** If your property is damaged or destroyed, you may qualify for a reduced assessed value for taxes payable in the following year.
- **Current use/open space program:** Owners of agricultural, open space or timberland may qualify for a reduced assessed value under the current use/open space program.
- **Remodeling:** If you improve your home, such as adding a new room or patio, you may qualify for a three-year exemption on the value of the improvements. Normal maintenance does not qualify. Be sure to contact the assessor's office BEFORE you start your project. Otherwise, you won't get the break.

Call your county assessor's office to see if you qualify for these or other property tax relief programs.

