

Overview of Veterans Property Tax Issues

King County Executive Ron Sims
Office of Management and Budget
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History

RCW 73.08.080 mandates dedicated county millage for Veterans Relief of between 1.1125 and 27.0 cents per \$1,000 assessed value (1945).

The King County Council adopted the first levy of property taxes under the home rule charter in 1969, for collection in 1970. After approving an initial millage levy rate of 5 cents, the first actual levy ordinance enacted a levy rate of 2.5 cents for Veterans Relief.

In 1974, the Legislature enacted the 106 percent limit on regular property taxes (Chapter 84.55 RCW). The county general levy could not grow more than six percent annually, plus new construction. The legislation permitted the county to reduce the effective millage rate for Veterans Relief provided it grew proportionate to the rest of the general levy. Starting in 1975, dedicated millage in King County for Veterans Relief would grow at the same rate as the current expense levy, but slower than assessed valuation.

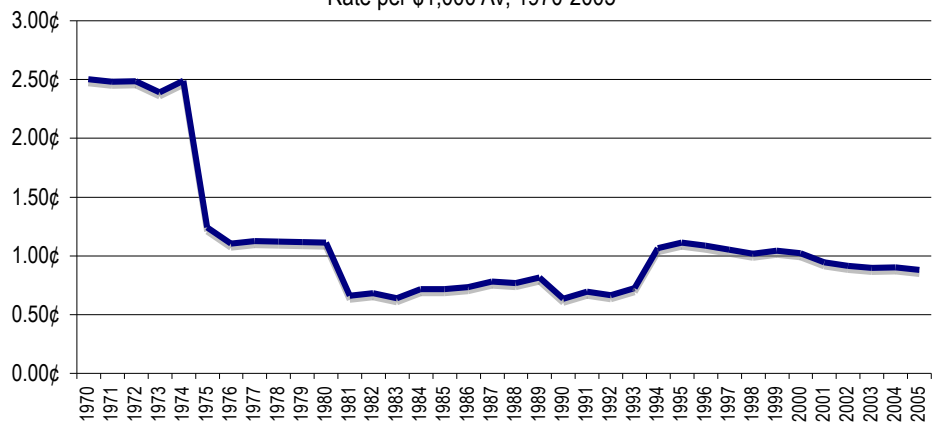
After reaching a low of 0.63 cents in 1983, dedicated millage for Veterans Relief generally grew faster than assessed valuation in the late 1980s and early 1990s. Both millage for Veterans Relief and the overall general levy increased by six percent, annually, net of new construction, throughout this period. Veterans Relief millage reached a post-1975 high of 1.11 cents in 1995.

In the late 1990s, a series of budgets by King County Executive Ron Sims held property tax increases under six percent per year. At the same time, assessed valuation soared, increasing 61.9 percent between 1996 and 2001. As a consequence, the effective millage rate for Veterans Relief was reduced, reaching 0.94 cents in 2001.

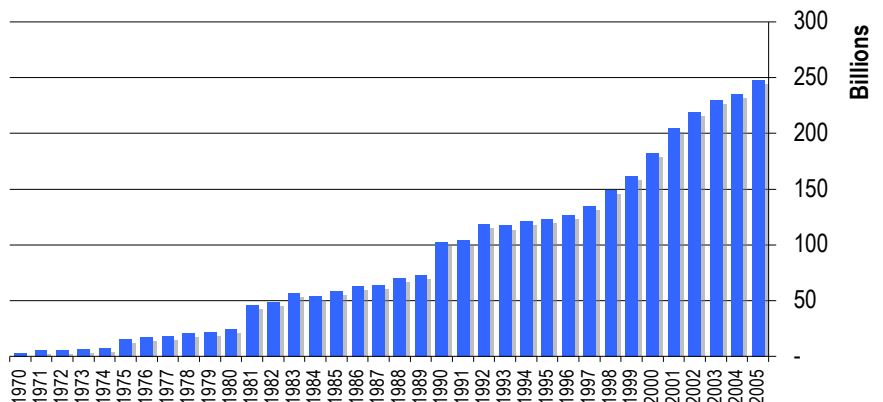
In November 2001, Washington voters approved Initiative 747, which changed the 106 percent limit to a cap of one percent growth, plus new construction. The Veterans Relief levy has grown at this rate since 2002.

Veterans Assistance Dedicated Millage

Rate per \$1,000 AV, 1970-2005



King County assessed valuation, 1970-2005



King County dedicated millage for Veterans Relief, 1970-2005

	Veterans Assistance Levy	Rate per \$1,000 assessed value	Current Expense percentage	Countywide percentage
1970	123,291	2.500¢	0.89%	0.49%
1971	131,089	2.481¢	0.96%	0.45%
1972	134,616	2.482¢	1.14%	0.42%
1973	149,658	2.388¢	1.27%	0.49%
1974	180,159	2.486¢	1.13%	0.44%
1975	187,952	1.239¢	1.02%	0.44%
1976	183,776	1.100¢	0.92%	0.39%
1977	202,528	1.125¢	0.87%	0.42%
1978	230,461	1.118¢	0.92%	0.43%
1979	245,498	1.116¢	0.77%	0.44%
1980	274,148	1.112¢	0.76%	0.40%
1981	298,840	0.657¢	0.68%	0.40%
1982	325,899	0.680¢	0.68%	0.41%
1983	359,375	0.636¢	0.70%	0.41%
1984	387,297	0.714¢	0.69%	0.41%
1985	418,418	0.714¢	0.67%	0.42%
1986	456,796	0.731¢	0.68%	0.39%
1987	496,890	0.778¢	0.66%	0.39%
1988	538,940	0.766¢	0.67%	0.40%
1989	593,261	0.814¢	0.67%	0.38%
1990	648,902	0.634¢	0.67%	0.39%
1991	721,300	0.694¢	0.67%	0.37%
1992	781,901	0.664¢	0.68%	0.37%
1993	843,671	0.722¢	0.68%	0.30%
1994	1,280,802	1.061¢	0.96%	0.44%
1995	1,358,835	1.111¢	0.95%	0.45%
1996	1,371,429	1.084¢	0.90%	0.46%
1997	1,420,080	1.052¢	0.92%	0.47%
1998	1,514,052	1.015¢	0.89%	0.61%
1999	1,677,186	1.042¢	0.93%	0.63%
2000	1,856,137	1.019¢	0.97%	0.67%
2001	1,927,150	0.941¢	0.96%	0.66%
2002	1,999,066	0.914¢	0.92%	0.56%
2003	2,054,498	0.894¢	0.92%	0.57%
2004	2,113,593	0.900¢	0.91%	0.54%
2005	2,178,596	0.879¢	0.93%	0.55%

Property Tax Options

In general, all voter-approved property tax measures must specify a tax rate or levy amount, a purpose, and a period of duration.

Regular Lid Lift

By a simple majority vote at any election, King County can impose property taxes in excess of the Initiative 747 limit, up to the statutory maximum of \$1.80 per thousand assessed valuation. For 2006, King County is projected to have 73.99 cents of statutory rate capacity, or \$197.1 million in levy capacity.

Regular lid lifts can be of any duration, from one year to permanent. Regular lid lifts for the explicit purpose of bond repayment cannot exceed nine years. After the initial levy, subsequent years are limited by the provisions of Initiative 747 to one percent growth, plus new construction.

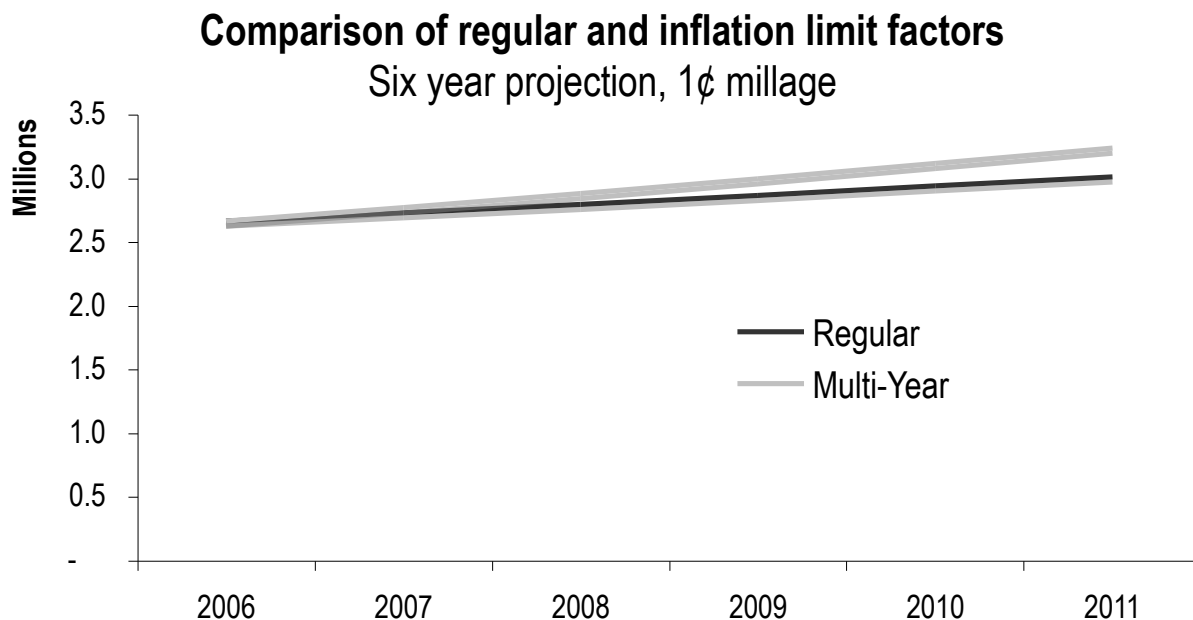
Multi-Year Lid Lift

At a primary or general election, a multi-year lid lift can be imposed by a simple majority vote. Multi-year lid lifts are still subject to the statutory rate maximum of \$1.80, but they are not subject to Initiative 747. Lid lift measures of more than one year under this provision can specify the exact levy amount for subsequent years, or an alternative limit factor, such as inflation or household income, instead of one percent.

Multi-year lid lifts can be no longer than six years in duration.

Recent countywide property tax measures

May 2003	Parks	4.900 cents
November 2001	EMS	25.000 cents
September 2000	AFIS	5.784 cents



Excess Levy

Excess levies can be approved at any election, but require a sixty percent supermajority along with minimum turnout requirements. Excess levies are outside of the \$1.80 statutory rate limitation and are authorized under the state constitution. Excess levies are limited to one year unless explicitly tied to debt service.

Projected 2006 Revenue

Countywide lid lift

<i>Rate</i>	<i>Levy</i>	<i>Revenue</i>
1.1125 cents	2,996,994	2,952,039
2.0000 cents	5,327,989	5,248,069
4.0000 cents	10,655,977	10,496,137
4.1000 cents	10,922,376	10,758,541
5.0000 cents	13,319,971	13,120,172
8.0000 cents	21,311,954	20,992,275
10.000 cents	26,639,943	26,240,344

Impact of Property Tax Lid Lift on typical taxpayers

2005 Taxable Assessed Valuation

	Median Taxable Home Value	Levy Rate						
		1.1125¢	2.0000¢	4.0000¢	4.1000¢	5.0000¢	8.0000¢	10.000¢
Countywide	264,000	\$2.97	\$5.28	\$10.56	\$10.82	\$13.20	\$21.12	\$26.40
Algona	163,000	\$1.83	\$3.26	\$6.52	\$6.68	\$8.15	\$13.04	\$16.30
Auburn	180,000	\$2.03	\$3.60	\$7.20	\$7.38	\$9.00	\$14.40	\$18.00
Beaux Arts	613,000	\$6.90	\$12.26	\$24.52	\$25.13	\$30.65	\$49.04	\$61.30
Bellevue	327,000	\$3.68	\$6.54	\$13.08	\$13.41	\$16.35	\$26.16	\$32.70
Black Diamond	226,000	\$2.54	\$4.52	\$9.04	\$9.27	\$11.30	\$18.08	\$22.60
Bothell	276,000	\$3.11	\$5.52	\$11.04	\$11.32	\$13.80	\$22.08	\$27.60
Burien	210,000	\$2.36	\$4.20	\$8.40	\$8.61	\$10.50	\$16.80	\$21.00
Carnation	218,000	\$2.45	\$4.36	\$8.72	\$8.94	\$10.90	\$17.44	\$21.80
Clyde Hill	838,000	\$9.43	\$16.76	\$33.52	\$34.36	\$41.90	\$67.04	\$83.80
Covington	202,000	\$2.27	\$4.04	\$8.08	\$8.28	\$10.10	\$16.16	\$20.20
Des Moines	203,000	\$2.28	\$4.06	\$8.12	\$8.32	\$10.15	\$16.24	\$20.30
Duvall	270,000	\$3.04	\$5.40	\$10.80	\$11.07	\$13.50	\$21.60	\$27.00
Enumclaw	184,000	\$2.07	\$3.68	\$7.36	\$7.54	\$9.20	\$14.72	\$18.40
Federal Way	196,000	\$2.21	\$3.92	\$7.84	\$8.04	\$9.80	\$15.68	\$19.60
Hunts Point	2,426,000	\$27.29	\$48.52	\$97.04	\$99.47	\$121.30	\$194.08	\$242.60
Issaquah	267,000	\$3.00	\$5.34	\$10.68	\$10.95	\$13.35	\$21.36	\$26.70
Kenmore	274,000	\$3.08	\$5.48	\$10.96	\$11.23	\$13.70	\$21.92	\$27.40
Kent	206,000	\$2.32	\$4.12	\$8.24	\$8.45	\$10.30	\$16.48	\$20.60
Kirkland	292,000	\$3.29	\$5.84	\$11.68	\$11.97	\$14.60	\$23.36	\$29.20
Lake Forest Park	306,000	\$3.44	\$6.12	\$12.24	\$12.55	\$15.30	\$24.48	\$30.60
Maple Valley	229,115	\$2.58	\$4.58	\$9.16	\$9.39	\$11.46	\$18.33	\$22.91
Medina	947,000	\$10.65	\$18.94	\$37.88	\$38.83	\$47.35	\$75.76	\$94.70
Mercer Island	582,000	\$6.55	\$11.64	\$23.28	\$23.86	\$29.10	\$46.56	\$58.20
Milton	193,000	\$2.17	\$3.86	\$7.72	\$7.91	\$9.65	\$15.44	\$19.30
Newcastle	362,000	\$4.07	\$7.24	\$14.48	\$14.84	\$18.10	\$28.96	\$36.20
Normandy Park	368,000	\$4.14	\$7.36	\$14.72	\$15.09	\$18.40	\$29.44	\$36.80
North Bend	296,000	\$3.33	\$5.92	\$11.84	\$12.14	\$14.80	\$23.68	\$29.60
Pacific	182,000	\$2.05	\$3.64	\$7.28	\$7.46	\$9.10	\$14.56	\$18.20
Redmond	286,000	\$3.22	\$5.72	\$11.44	\$11.73	\$14.30	\$22.88	\$28.60
Renton	216,000	\$2.43	\$4.32	\$8.64	\$8.86	\$10.80	\$17.28	\$21.60
Sammamish	397,000	\$4.47	\$7.94	\$15.88	\$16.28	\$19.85	\$31.76	\$39.70
SeaTac	188,000	\$2.12	\$3.76	\$7.52	\$7.71	\$9.40	\$15.04	\$18.80
Seattle	294,000	\$3.31	\$5.88	\$11.76	\$12.05	\$14.70	\$23.52	\$29.40
Shoreline	242,000	\$2.72	\$4.84	\$9.68	\$9.92	\$12.10	\$19.36	\$24.20
Skykomish	93,000	\$1.05	\$1.86	\$3.72	\$3.81	\$4.65	\$7.44	\$9.30
Snoqualmie	298,000	\$3.35	\$5.96	\$11.92	\$12.22	\$14.90	\$23.84	\$29.80
Tukwila	178,000	\$2.00	\$3.56	\$7.12	\$7.30	\$8.90	\$14.24	\$17.80
Woodinville	296,000	\$3.33	\$5.92	\$11.84	\$12.14	\$14.80	\$23.68	\$29.60
Yarrow Point	925,000	\$10.41	\$18.50	\$37.00	\$37.93	\$46.25	\$74.00	\$92.50
Unincorporated	254,000	\$2.86	\$5.08	\$10.16	\$10.41	\$12.70	\$20.32	\$25.40