

Property Taxes

The costs of state and local government determine how much property tax will be levied. These include operating costs of schools, city and county government and other taxing districts such as the Port of Walla Walla, Rural Library, Fire and EMS districts. A large part of each property tax dollar goes to pay off bonds for such capital costs as school buildings and other public projects.

Establishing Tax Levies

The state constitution, statutory levy limits set by the legislature and excess levies approved by the voters are used to calculate the total property tax levy.

The tax rate on your property is the figure resulting from dividing the dollar amount required for the taxing district by the total value of property within the district and then adding up the rates of the various districts in which your property is located. The assessed value of the property, multiplied by the combined rate, produces a tax amount which is your fair share of the total property tax levy in your area. The tax statements are issued and taxes are paid to the Walla Walla County Treasurer.

Legal Limitations on Property Taxes

There are four restrictions or limits that affect how high property taxes can go. Each is described next.

The 1% constitutional limit: The primary limitation on property taxes was established by the 17th amendment to the Washington State Constitution in 1972. Article 7, Section 2 of the Constitution and RCW 84.52.050 limit the total regular property tax levy to a maximum of \$10.00 per \$1,000 of the market value of property. Excluded from this \$10 limit are levies for ports and public utility districts.

Statutory maximum rates for districts: RCW 84.52.043 establishes maximum

levy rates for the various types of taxing district (the state, counties, cities and towns, fire districts, etc.). In addition, this statute establishes a maximum aggregate rate of \$5.90 per \$1,000 of assessed value for counties, cities, fire districts, library districts and certain other junior taxing districts. The state levy for support of common schools is not subject to the \$5.90 limit, although it is subject to the constitutional \$10 limit.

The 101% limit: In 1971, Chapter 84.55 RCW established a limitation on the increase in regular property taxes for taxing districts. The current limitation each year for most districts is 101% of their highest lawful levy since 1985, plus an additional amount to allow for new construction within the district. The 101% limit applies to the total amount of property tax for a taxing district, **not** to individual properties.

With majority voter approval, districts may raise the 101% limit in order to exercise more levy authority under statutory and constitutional limits.

Excess levies: Most districts can submit propositions for additional property tax levies to a vote of the people. Local school districts have no regular levy authority (although they are allocated funds from the statewide school levy) so they receive a substantial portion of their funding from voter-approved excess levies. Excess levies must be authorized by a 60% majority of the voters and such levies are not subject to any of the limitations described above.

The Assessor uses the taxing district budget request, the total assessed value of the taxing district and the limitations to set the levy rate. Rates are expressed in dollars per every thousand dollars of assessed value.

When Levy Limits are Exceeded

The regular levy for each taxing district is reviewed by county authorities for compliance with the 101% limit, the district's statutory rate limit and the \$5.90 and 1% limits before the levy is made. If the statutory of 101% limits are exceeded by an individual district, then their levy is reduced to a lawful amount. The statutes establish a district hierarchy for rate reductions if the aggregate limits are exceeded and rates are reduced accordingly.

Calculating Your Taxes

You can estimate what your property taxes will be if you know the "assessed value" of your property and the tax levy rate.

For example, if the assessed value of your property is \$200,000 and the levy rate is \$15.00 per thousand dollars of value:

Value	200 (200,000/by 1,000)
<u>X Levy Rate</u>	<u>X \$15.00</u>
Taxes	= \$3,000 Estimated Tax

Paying Your Property Taxes

The Walla Walla County Treasurer is responsible for collecting taxes. Contact them at 509/524-2750 or treasurer@co.walla-walla.wa.us