

WAC 458-19-030 Levy limit—Consolidation of districts. (1) **Introduction.** This rule describes the method used to calculate the first levy for a taxing district created by the consolidation of similar taxing districts in accordance with RCW 84.55.020.

(2) **Calculation of the first levy of a consolidated taxing district.** The first regular property tax levy made by a taxing district, created by the consolidation of two or more similar taxing districts, cannot exceed:

(a) The sum of the product of the limit factor multiplied by the amount of regular property taxes each component taxing district could have levied under RCW 84.55.092; plus

(b) The sum of each of the amounts calculated by multiplying the regular property tax levy rate of each of the component districts for the preceding year by the increase in assessed value in each component district resulting from:

(i) New construction;

(ii) Improvements to property;

(iii) Increases in the assessed value of state assessed property;

(iv) Increases in assessed value due to the construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under RCW 84.55.020 for purposes of providing an additional dollar amount. The property may be classified as real or personal property; and

(v) Increases in assessed value of real property, as defined in RCW 39.114.010, within an increment area as designated by any local government under RCW 39.114.020 if the increase is not included elsewhere under RCW 84.55.020. This subsection (2)(b)(v) does not apply to:

(A) Levies by the state;

(B) Levies by a port district for purposes of making required payments of principal and interest on general indebtedness; and

(C) Levies by a public utility district for purposes of making required payments of principal and interest on general indebtedness.

(3) **Example.** Taxing district "A" and taxing district "B" consolidate, becoming one taxing district. The highest amount of regular property taxes district "A" could have levied under RCW 84.55.092 is \$100,000. The highest amount of regular property taxes district "B" could have levied under RCW 84.55.092 is \$150,000. The increase in assessed value due to amounts from subsection (2)(b)(i) through (v) of this rule in district "A" since the year prior to consolidation was \$600,000. The increase in assessed value due to amounts from subsection (2)(b)(i) through (v) of this rule in district "B" since the year prior to consolidation was \$900,000. The regular property tax rate for district "A" in the year prior to consolidation was \$0.50 per \$1,000 of assessed value. The regular property tax rate for district "B" in the year prior to consolidation was \$0.45 per \$1,000 of assessed value. Assume the limit factor for this example is 101 percent because it is the lesser of 101 percent and 100 percent plus the rate of inflation. The maximum amount of regular property taxes that can be levied in the year of consolidation, for taxes payable the following year, by the new consolidated taxing district is calculated as follows:

	Highest regular levy	
District "A" -	\$100,000	
District "B" -	150,000	
Total -	<u>\$250,000</u>	x 1.01 = \$252,500

Highest regular levy

Increases in assessed value multiplied by levy rate:

District "A" - \$600,000 x \$0.50 ÷ \$1,000	= \$300
District "B" - \$900,000 x \$0.45 ÷ \$1,000	= \$405
	<u> </u>
	\$705

Maximum regular property taxes that can be levied in the year of consolidation, payable in the year following consolidation:

$$\$252,500 + \$705 = \$253,205$$

[Statutory Authority: RCW 84.08.010, 84.08.070, and 84.55.060. WSR 23-23-067, § 458-19-030, filed 11/9/23, effective 12/10/23. Statutory Authority: RCW 84.08.010, 84.08.070, 84.08.080, 84.48.200, 84.52.0502, and 84.55.060. WSR 15-03-087, § 458-19-030, filed 1/21/15, effective 2/21/15. Statutory Authority: RCW 84.08.010, 84.08.070, 84.48.080, 84.55.060, 84.52.0502, chapters 84.52 and 84.55 RCW, and RCW 34.05.230(1). WSR 02-24-015, § 458-19-030, filed 11/25/02, effective 12/26/02. Statutory Authority: RCW 84.55.060 and 84.08.070. WSR 94-07-066, § 458-19-030, filed 3/14/94, effective 4/14/94.]