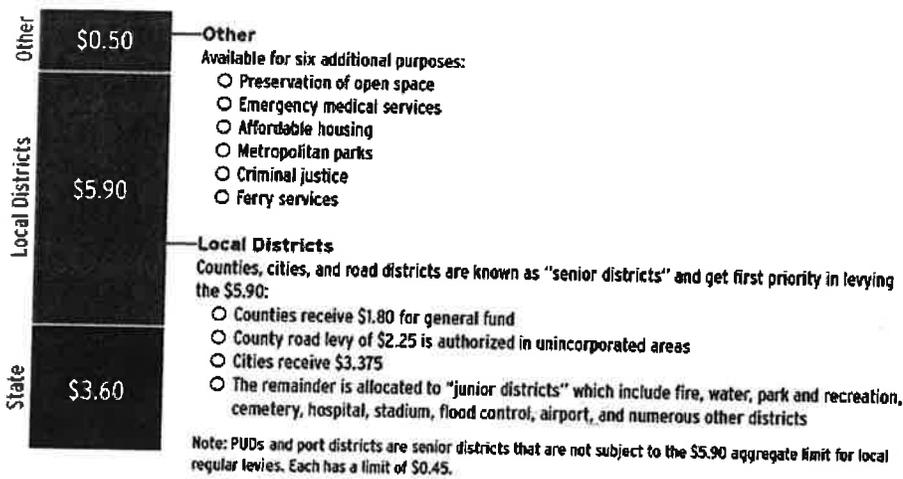


The following chart shows how the \$10 limit is allocated. The aggregate limit for cities, counties and most special districts is \$5.90 per \$1,000 assessed value.



Special Considerations Relating to Levy Rate Limitations

What if the sum of the levy rates imposed by the various taxing authorities goes over the limit?

It's complicated. First, there are two limits:

- One is the 1% constitutional limit.
- The other is the \$5.90 limit on cities, counties and junior taxing districts.

If either of those limits are exceeded, then the junior taxing district levies involved must be reduced through prorationing. See [RCW 84.52.010](#).

Which levies are lowered in prorationing, by how much and in what order, depends upon whether the \$5.90 limit or the 1% limit has been exceeded. The Department of Revenue [Property Tax Levies Operations Manual](#) and [WAC 458-19-075](#) include step by step instructions for calculating prorationing. The Department of Revenue has developed Prorationing Worksheets for both the \$5.90 Aggregate Limit ([REV 64 0097](#)) and the 1% Aggregate Limit ([REV 64 0096](#)) to help in making these calculations.

Can a county raise its regular general fund (current expense) levy rate above \$1.80?

A county can raise its general fund levy rate up to \$2.475 per \$1,000 AV, provided the total of the levy rates for the general fund and road fund do not exceed \$4.05 per \$1,000 AV and the increase in the general fund levy does not result in a reduction in the levy of any other taxing district through prorationing. See [RCW 84.52.043](#).

What if my city has a fireman's pension fund?

Some cities have a Firemen's Pension Fund. (If you do not know whether you have one, you probably do not.) Those cities can levy an additional \$0.225 per \$1,000 assessed valuation, resulting in a maximum levy of \$3.60 per \$1,000 assessed value. See [RCW 41.16.060](#).

What if my city belongs to a fire and/or library district?

Funding a Transportation Improvement District

Vehicle License Fees

The most common TBD funding source is a vehicle license fee (RCW 82.80.140, RCW 36.73.040(3)(b)). TBDs may impose vehicle license fees up to \$50 without a public vote, subject to the conditions below, or may impose fees up to \$100 with voter approval.

Until 2015, vehicle license fees of \$20 or less could be imposed without voter approval, but 2ESSB 5987 increased the allowable nonvoted vehicle license fee up to a \$50 maximum.

However, a TBD may only impose a nonvoted vehicle license fee above \$20 as follows:

- Up to \$40, but only if a \$20 fee has been in effect for at least 24 months.
- Up to \$50, but only if a \$40 fee has been in effect for at least 24 months. Any nonvoted fee higher than \$40 is subject to potential referendum, as provided in RCW 36.73.065(6).

Any license fees over these amounts, up to \$100, must be approved by a simple majority of voters. However, voters have rejected these measures almost every time. The only TBD to successfully pass a voted vehicle license fee is the Seattle TBD, whose voters approved a \$60 fee increase in 2014 after rejecting a similar increase in 2011.

If two or more TBDs with the authority to impose a nonvoted fee overlap, credits must be issued so that the combined nonvoted fees do not exceed \$50 total.

If a countywide TBD wishes to impose a vehicle license fee, it must distribute the revenues to each city in the county by interlocal agreement, which must be approved by 60% of the cities representing 75% of the city population (RCW 82.80.140(2)(a)). If this threshold cannot be met, a district that includes the unincorporated areas only may impose the nonvoted license fees discussed above (RCW 36.73.065(5)).

For a list of current TBD vehicle license fees, see the Department of Licensing's page on local transportation benefit district fees.

Sales and Use Taxes

Another common TBD funding source is a sales and use tax of up to 0.2% (RCW 82.14.0455, RCW 36.73.040(3)(a)). This tax may not be imposed for longer than 10 years at a time, except to repay debt, and must be approved by a simple majority of voters.

More Flexible Metropolitan Park District Formation

SSB 5138 authorizes a local jurisdiction proposing or approving a petition regarding the formation of a metropolitan park district (MPD) to limit the purpose and taxing powers of the proposed MPD in its resolution calling for the election.

While the statute sets the maximum, aggregate levy for a metropolitan park district at \$0.75 cents per thousand dollars of assessed value, it also provides for an alternate method of MPD formation where the ballot proposition would limit the taxing powers to a levy rate that *could not be exceeded* unless approved by the voters at a subsequent election.

SSB 5138 also permits a local government to limit scope of purpose to specifically identified public parks or recreational facilities. To do so the ballot proposition must specify those public parks or recreational facilities to be funded, which may be accomplished by referencing the MPD plan that was approved by the legislative authority of the city, county, or contiguous group of cities or counties proposing the formation of the district or by referencing a specific facility or public park.