

Washington Property Tax Updates: School Funding Revisited: Legislature Faces Homeowners with Sticker Shock and Unhappy Supreme Court

Legal Alert
March 2018
American Property Tax Counsel

Related Services

Property Tax
State & Local Tax
Tax

Last year's Legislature adopted significant property tax changes designed to satisfy a court decision requiring the state to fully fund K-12 education. The 2017 legislation, emanating from the Republican-controlled Senate, had two main tax features: (a) beginning in 2018, a large increase in the state's share of the total levy rate and (b) beginning in 2019, limits on local school district levies. Four subsequent events sent this year's Legislature back to the drawing board. Control of the Senate shifted in the general election; the Supreme Court made it clear that the 2017 legislation failed to achieve full funding fast enough; the state's revenue forecast went up significantly due to the strong economy; and this year's property tax bills shocked homeowners due to the combined effect of the state levy increase and rapidly rising property values. Consequently, this year's Legislature budgeted an additional \$935 million for the 2018-19 school year (prompting heavy criticism that this surplus should have gone to the state's rainy day fund) and, for taxes payable in 2019 only, the Legislature reduced the state share of the levy rate.