



New State School Property Tax

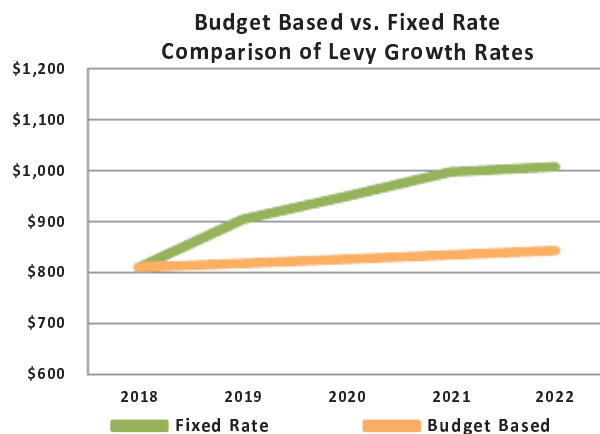
EHB 2242 – Education Funding Plan

2018

EHB 2242 Overview

The Washington State Legislature passed Engrossed House Bill 2242. This act intends to fully fund the State’s program of basic K-12 education by providing equitable education opportunities through reform of state and local education contributions. **This Bill became effective on October 19, 2017.**

The bill addresses school funding formulas, school employee benefits, accounting and budgeting requirements and other education provisions. For the purpose of this notice we focus on the state school and local property tax and enrichment levies.



State Property Tax

The statewide school levy rate for the 2017 tax year in Clallam County was \$2.09 per \$1,000 of assessed value.

Beginning in 2018, Washington State property owners will pay a second state school levy. The new combined rate for the current state school levy #1 and the new state school levy #2 is \$2.70 per \$1,000 of **fair market value***. The state school tax rate that appears on Clallam County’s 2018 tax bill is \$3.00 per \$1,000 based on our County’s property valuations adjusted for fair market value. The new combined state rate will not be subject to normal 1% budget limits until the 2021 tax pending any changes at the legislative level.

Changing school funding from a variable budget based levy to a fixed rate means the actual tax amount will be driven by increases/decreases to assessed value each year as depicted in the illustration to the left.

***Washington State determines the county ratio based on sales information and current county fair market values**

State and Local “Levy Swap”

Existing voter-approved local school district maintenance and operations (M&O) levies will remain in effect through 2018. Beginning with calendar year 2019, M&O levies are renamed “enrichment levies,” and school districts may collect enrichment levies based on a new levy lid. A district maximum enrichment levy will be limited to no more than \$1.50 per \$1,000 of assessed value. This “levy swap” will likely result in local M&O levy amounts decreasing in 2019. There is no impact to voter approved school bonds, or capital project levies. Impacts on property owners will vary by local school district.

IMPORTANT NOTICE

This change does not affect senior citizens and disabled persons who have already qualified for tax exemptions

Questions regarding House Bill 2242 should be directed to the following:

Representative Mike Chapman: (360) 786-7916 – Email: Mike.Chapman@leg.wa.gov
Representative Steve Tharinger: (360) 786-7904 – Email: Steve.Tharinger@leg.wa.gov
Senator Kevin Van De Wege: (360) 786-7646 – Email: Kevin.VanDeWege@leg.wa.gov
Office of Superintendent of Public Instruction: (360) 534-1400 – www.k12.wa.us