

INITIATIVE 864

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 864 to the People is a true and correct copy as it was received by this office.

AN ACT Relating to property tax levies; adding a new section to chapter 84.55 RCW; and creating new sections.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

LEGISLATIVE INTENT

NEW SECTION. **Sec. 1.** The 25% Property Tax Initiative provides lower property taxes for everyone. It is long overdue. This measure would reduce regular property tax levies for counties, cities, and other local taxing districts by 25% beginning in 2005. This measure would not affect voter-approved levies. Property taxes for education, including local school levies, would also be unaffected. During these tough economic times, struggling working families and senior citizens desperately need and deserve meaningful property tax relief. Property taxes have skyrocketed for decades and politicians have done nothing to address this very real problem. This measure also provides a much-needed economic stimulus to our state's slow-growing economy by providing tax incentives to all businesses and individuals. This helps everyone, both employers and employees. So, this measure ensures meaningful tax relief, a big boost to our state's economy, no impact on

education, and long-overdue reform of government. It's a smart, balanced, reasonable solution to our state's property tax problem.

**DECREASING THE PROPERTY TAX BURDEN BY REDUCING REGULAR PROPERTY TAX
LEVIES FOR LOCAL TAXING DISTRICTS BY 25%**

NEW SECTION. **Sec. 2.** A new section is added to chapter 84.55 RCW to read as follows:

(1) The regular property tax levy for each local taxing district shall be reduced by 25.0 percent of the levy amount that would otherwise be allowed under this chapter without regard to this section beginning with taxes levied for collection in 2005 and every year thereafter.

(2) Before applying the reduction in the property tax levy required by this section, levies shall be set every year at the amount that would otherwise be allowed under this chapter without regard to the prior years' reductions provided for in this section.

(3) For purposes of this section, "local taxing district" means any taxing district other than the state and subject to RCW 84.55.050 which does not include any voter-approved levies, such as local school levies.

(4) For purposes of this section, "regular property tax levy" has the same meaning as provided in RCW 84.55.005 except does not include any tax levy approved by the voters at an election so any voter-approved levies, including local school levies, would not be affected.

CONSTRUCTION CLAUSE

NEW SECTION. **Sec. 3.** The provisions of this act are to be liberally construed to effectuate the policies, purposes, and intent of this act.

SEVERABILITY CLAUSE

NEW SECTION. **Sec. 4.** If any provision of this act, or its application to any person or circumstance or contract, including bonds, is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected. If the reduction of property tax revenue in this act is judicially held to

impair any local taxing district's contract in existence as of the effective date of this act, any property tax revenue not pledged to that contract shall be reduced as provided in Section 2. The reduction of property tax revenue shall apply notwithstanding any other or subsequent contract, including novation, renewal, or refunding (in the case of bond contract). The reduction of property tax revenue shall take effect as soon as any contract in existence as of the effective date of this act is no longer held to be impaired.

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