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Relief from soaring property taxes — in 2019 — proposed in Washington state budget agreement



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The state Legislature, which meets in the Capitol in Olympia, is scheduled to end its 2018 regular session on Thursday. (Ted S. Warren/AP)

The supplemental budget plan is aimed at satisfying the long-running state Supreme Court school-funding order known as the McCleary decision, and easing the pain of homeowners facing steep property-tax hikes.

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By [Joseph O'Sullivan](#)

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OLYMPIA — Washington Democrats on Wednesday released a state budget agreement that would add court-ordered K-12-school funding and also give a one-time property-tax cut.

The 2017-19 supplemental operating budget plan is aimed at satisfying the long-running state Supreme Court school-funding order known as the McCleary decision.

Lawmakers, meanwhile, are trying to ease the pain of homeowners after they boosted the state property tax last year to fund the plan called for by the court.

The agreement comes after a state forecast recently projected Washington would bring in about \$1.3 billion more revenue through 2021 in existing taxes.

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Sen. Christine Rolfes, D-Bainbridge Island, said the budget should fulfill both the McCleary decision and another court order regarding Washington's mental-health system.

"Big investments in our public schools and our mental-health system," said Rolfes, the chief Democratic Senate budget writer.

Lawmakers released the plan just a day before the Legislature is to end its 2018 legislative session. The budget must be approved by both the House and Senate before going to Gov. Jay Inslee's desk for approval.

The nearly \$400 million tax cut would take effect for the 2019 calendar year. It is intended to ease the burden of the state property-tax hike lawmakers approved last year to fund Washington's schools.

This year, overall [property taxes are jumping nearly 17 percent on average in King County](#) and 16 percent in Snohomish County — largely due to the state tax increase.

This year's budget agreement would cut the 2019 property-tax rate to \$2.40 cents per \$1,000 per assessed value, down from \$2.70.

That part of the budget deal comes in [Senate Bill 6614](#), which gets the money by ultimately diverting hundreds of millions of dollars from going into the state's constitutionally protected emergency reserves, called the rainy-day fund.

Senate lawmakers Wednesday evening approved the bill on a party-line vote, but not before Republicans balked.

Sen. John Braun, R-Centralia, had earlier said the method of funding the tax cut "circumvents the spirit of the law" by reducing the amount of money going into the rainy-day fund.

"There was a better way to do this," Braun said during the floor debate, adding

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negotiate this on a bipartisan manner."

State Treasurer Duane Davidson said using money intended for budget reserves could hurt Washington down the road.

“Choosing to not save today when we’re experiencing extraordinary revenue growth guarantees that our budget problems will be much greater when the next recession hits,” Davidson said in a statement.

Democrats rejected three Republican amendments, including efforts to enact property tax relief this year and to do a bigger cut without touching the rainy day fund.

Last year, in a move Democrats reluctantly agreed to, lawmakers hiked the state property-tax rate for every homeowner in 2018 by about 80 cents per \$1,000 in assessed valuation.

Then, the plan caps and lowers local property taxes collected by the state’s 295 school districts beginning next year.

Many homeowners ultimately are expected to see an eventual overall tax decrease. But many in the Puget Sound region will face higher overall property-tax bills.

In November, the state Supreme Court [ruled that lawmakers’ 2017 plan](#) was acceptable — but didn’t move quickly enough to hit the September 2018 deadline for full state funding.

The court suggested that about \$1 billion be added this year, largely to cover teacher salaries. Democratic lawmakers in their new plan provide \$776 million.

The supplemental budget is intended to make adjustments to the two-year operating budget approved by the Legislature last year.

The agreement includes \$48 million to help improve Western State Hospital, which remains under federal oversight, and \$15 million to fight the opioid crisis.

Also on Wednesday, House lawmakers passed a compromise proposal to change [Washington’s deadly-force statute for law enforcement](#).



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