

**Issue Brief:**  
**Levy Lid Lifts**  
**(HB2545)**

---



The annual increase in library district property taxes is restricted by a property tax revenue limit that was established in 2001 by Initiative 747 and then reenacted by the Legislature in late 2007 after the state Supreme Court ruled that I-747 was unconstitutional. It requires the district's tax rate to be reduced as necessary to limit the total amount of property taxes collected to the highest amount in the three most recent years, plus 1%, plus an amount equal to last year's tax rate multiplied by the value of new construction in the district. The result is that district levy rates are below the maximum established by the Legislature for the district.

The district's revenue may be exceeded upon the majority vote of the people. This exception is often called a "lid lift" or "levy lid override." A voter-approved levy lid lift allows a taxing district to increase its highest lawful regular property tax levy allowed by statute by more than 1% limit, up to but not exceeding its statutory maximum levy rate for one year.

In the 2007 Legislative session, the authority given cities, towns and counties in the 2003 session to ask voters to approve a levy lid lift that sets the growth rate for the property tax limit calculation for up to six years was extended to all taxing districts through SSB 5498. The growth factor may be fixed, variable, or linked to an index such as the CPI. It puts local voters in the driver's seat in determining their local library district's funding level. It also:

- Provides funding stability to maintain library service levels and carry them out more efficiently.
- Saves hundreds of thousands of dollars in election costs state-wide.

Subsequent to its effective date, it was determined that the bill's language makes every multi-year levy lid lift permanent without a specific statement to that effect in the ballot proposition. As a result, the Department of Revenue has requested legislation, HB 2526, amending the statute to provide that all such multi-year levies are temporary unless otherwise stated in the ballot proposition.

Because the Washington Library Association supports the right of voters to be fully informed about ballot proposition impacts, it fully supports the HB 2526 and encourages Legislative approval during the 2008 session.