

School Property Taxes: What to Expect in Okanogan County 2018-2019

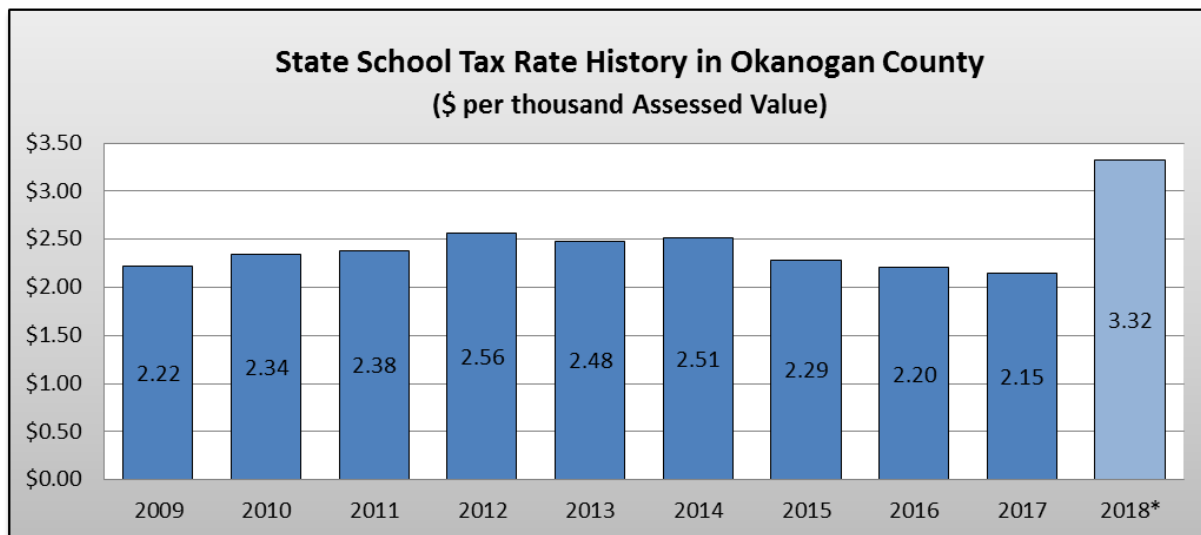
The Washington State Legislature passed EHB 2242 in July 2017, taking on a greater share of school funding and reducing reliance on local levies to fund basic education. The key provisions are a higher state property tax rate starting in 2018 and new limits on local school operating levies starting in 2019.

Property taxes that fund school operations consist of two components:

1. A regular levy based on the State School Levy Rate
2. An excess, voter-approved local levy to support educational programs (formerly known as a Maintenance & Operations levy, now known as an Educational Programs Levy or Enrichment Levy)

Most taxpayers in Okanogan County can expect to see an increase in school taxes in 2018, followed by a decrease in school taxes in 2019. The change does not affect groups already exempted, such as senior citizens, nonprofits and the disabled.

The new law increased the State property tax rate to \$2.70 per thousand of fair market value, up from \$1.89 per thousand in 2017. Because assessment practices vary by county, the State Department of Revenue adjusts the rate by county to ensure that the state property tax is equally applied to all property across Washington. Below is a chart showing the recent history of the State School property tax rate relative to assessed value in Okanogan County. The chart also includes projections for the rate for 2018 from a preliminary analysis provided in January 2018 by the Okanogan County Assessor.



*** Projected 2018 State Tax Rate Source: Okanogan County Assessor, January 16, 2018.**

For more information on why the statewide rate varies by county, see

https://dor.wa.gov/sites/default/files/legacy/Docs/Pubs/Misc/Funding_Ed_Infographic.pdf.

The local levy for Okanogan County residents will vary by school district. The rates for 2018 will be based on Maintenance & Operations levies previously approved by local voters. Beginning in 2019, the local levies for operations will be renamed Educational Programs Levies or Enrichment Levies, and will be limited by EHB 2242 to the lesser of \$1.50 per thousand assessed value, or \$2,500 per student.