



## Limit Property Tax Revenue to Inflation and Growth

Counties only have two principal sources of tax revenue to support public services - **property tax and sales tax** - a structure that dates back to the farm-based economy of the 1850s. Property tax far exceeds any other revenue source for counties, accounting for nearly half of all General Fund and Road Fund revenues.

### Arbitrary 1% Cap on Revenue

By voter initiative and then passed into law by the Washington State Legislature, county **property tax levies can only increase by 1% per year**, plus revenue from new construction. This cap on revenue has resulted in the cost of maintaining services far out pacing income.

The cost for essential services rise 3-5% yearly, while revenue collection trails behind

### Counties are Being Left Behind

The State reliance on Sales & Use tax, and other revenue streams, is resulting in economic recovery for the state while counties are left behind.

#### For comparison the State of Washington:

- Receives revenue from 36 separate taxes
- Relies on property tax for ~10% of its General Fund revenue
- Generates revenue through the Retail Sales & Use Tax, which grows annually at an average rate of approximately 6%

### Impacts

Counties are struggling to keep up with demand because of the 1% property tax cap that limits revenue growth.

#### Counties across the state have experienced:

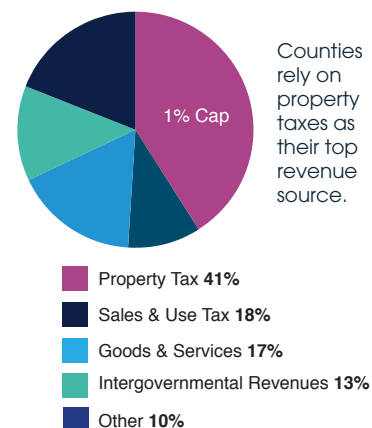
- **Reduction** in the number of deputies on the road
- **Cuts** to law enforcement training
- **Delayed** public safety response times & justice proceedings
- **Caps** on inmates booked into county jails
- **Overcrowding** in jails
- **Increased** diversion from road funds for law enforcement
- **Dangerous** road and bridge conditions

### A New Approach is Needed

**Lawmakers need to replace the 1% property tax cap with a cap to a factor of inflation plus the rate of population growth - the actual factors that drive county costs.** Locally accountable officials will then be able to publicly decide whether or not to utilize the new cap.

Strengthen Locally Accountable  
Public Finance Decisions.

General Fund



Annual Impact

**\$12.64**

The annual impact to the average home owner in King County, if both the city and county adopt a 1% property tax increase.

Visit [wsac.org](http://wsac.org) to learn more.

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