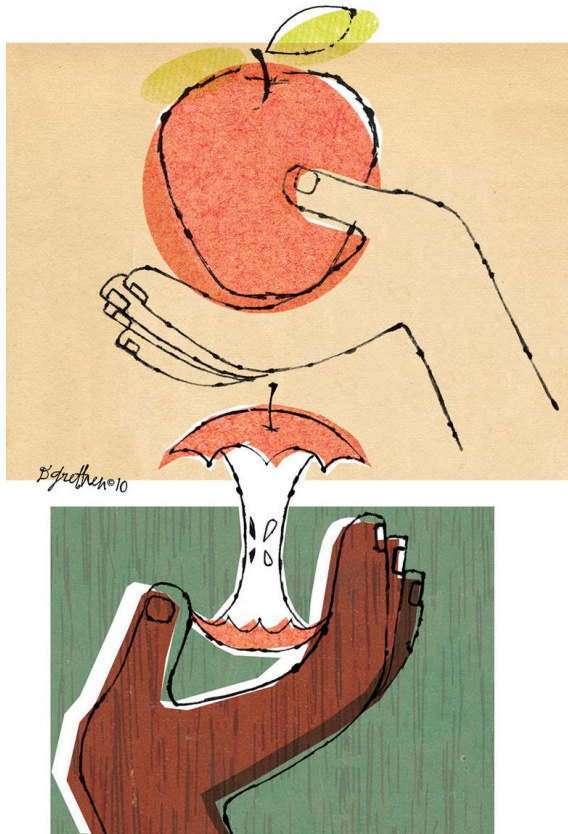


Lawmakers must seek a balanced tax burden on households to fund schools

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Donna Grethen / Op-Art

What's fair in Aberdeen versus Seattle? Lawmakers must look beyond simple rates as they rejigger Washington's tax system to fund schools.



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Talking to lawmakers about ways to better fund schools, I hear a lot of concern about making Washington's tax system more fair.

It's not fair that schools in some areas are underfunded — most agree the state must amply fund all public schools, as mandated by its constitution.

There's also an argument that it's unfair some parts of the state pay higher local-tax levy rates to fund schools.

This deserves a closer look, since the Republicans' plan to generate billions more for schools is likely to call for adjusting and evening out levy rates.

It sounds fair. But for their plan to work, it would have to substantially increase property taxes — and therefore the cost of living or operating a business — in some areas, particularly King County. Other areas could get tax cuts.

Democrats are looking instead to put the burden of additional school funding on the rich, using capital gains taxes, which are in place in nearly all other states. They're also considering carbon taxes and higher taxes on service businesses.

One way or another, levies will be affected as the state picks up the tab for education costs that have been backfilled by local levies. This is being forced by the state Supreme Court's McCleary ruling.

As this progresses, lawmakers and the public must consider more than just rates, which can be misleading when taken out of context.

Focusing on rates may obscure what people actually pay, similar to the way special rate offers on cable service make it easy to overlook out-of-pocket costs.

Lawmakers should consider the total tax burden their education-funding plan places on households. This should be clearly explained, so the public can provide informed input.

It's not hard to estimate levy costs using readily available public records. This information could help avoid making policy decisions based on anecdotes, assumptions and geographic stereotypes.

One such assumption is that owners of property with high assessed value are rich and can afford to cover the state's school bill. That's especially false in Seattle, where abnormal market conditions are increasing the paper value of homes and property taxes faster than homeowner incomes are rising.

I've heard several anecdotes about Aberdeen, in Grays Harbor County. They are used to argue it's unfair that residents in places like Aberdeen pay much higher levy rates than those in more prosperous areas.

This piqued my interest because I can barely afford taxes on my house in Seattle, so I did some comparisons.

My levy rate is a relatively low \$9.48 per \$1,000 of value. But because the assessed value of our little fixer-upper is absurdly high, my 2016 taxes were \$7,176. Of that, \$3,300 went to schools.

Not to pick on anyone, but the Grays Harbor Assessor's Office tells me that Republican State Rep. Jim Walsh has a gorgeous house in Aberdeen.

Walsh's levy rate is \$15.12 per thousand dollars of value, including \$4.51 for a local schools operating levy. The rate's abnormally high but his 2016 tax bill was just \$2,600. Less than half went to schools.

Across the state in Ritzville, Adams County, records say Republican Senate Majority Leader Mark Schoesler's farmhouse on acreage has a relatively high \$12.56 levy. Last year's tax bill on the home was \$2,161, of which about \$1,228 went to schools.

House Speaker Frank Chopp pays a lower rate on his modest Wallingford home — \$9.48 per thousand, according to King County. Even so, the Democrat's 2016 tax was \$5,284, about \$2,300 of which went to schools.

One might argue that it would be fair for Chopp and me to pay a higher levy rate. Or you could argue that we're already paying far more for schools, relative to our incomes. Would it be fairer if rates increased and we paid four times more for schools?

If the state splits the difference between Seattle and Aberdeen levy rates, so both paid \$12 per \$1,000, Rep. Walsh saves about \$450. He'd pay maybe \$10 less per month toward schools. I'd pay an additional \$2,175 annually.

Yes, I'm fortunate to have bought a house in my hometown years ago. But like most King County residents, I'm not rich.

More than half of workers in the county earn less than \$65,000 and 80 percent of households earned under \$150,000 in 2015, according to the U.S. Census. Less than 5 percent work in computer and math occupations.

This mostly middle-class area already pays more and gets less for schools.

Smaller, rural school districts may pay higher rates, but they also receive substantially more dollars per student than big, urban districts, according to the Legislature's education-funding research.

Factoring in the current levy-equalization system that attempts to balance school funding, levies provide an average of \$2,828 per pupil in rural districts, versus the \$2,516 average in urban districts.

So in the state's largest district, Seattle, property owners pay more for schools that receive less levy funding per student. Would it be fair for them to pay even more to cover the statewide school funding shortfall, and enable other regions to get tax cuts?

Obviously I'm biased here, but this isn't about avoiding taxes. I'm glad to support schools and other public services. I'm just trying to figure out what's fair for schools and taxpayers alike.

Our elected representatives are struggling with the same question. Hopefully they'll find the answer by considering what households actually pay and not just rates.

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