

HOUSE BILL REPORT

SHB 1122

As Reported By House Committee On:
Local Government

Title: An act relating to parks.

Brief Description: Changing provisions relating to excess levies in park and recreation districts and service areas.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Pruitt, Schmidt, Zellinsky, H. Myers, B. Thomas, Dunshee, Valle, R. Meyers, Basich, Brough and Quall).

Brief History:

Reported by House Committee on:
Local Government, February 1, 1994, DP.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 11 members: Representatives H. Myers, Chair; Springer, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Horn; Moak; Rayburn; Van Luven and Zellinsky.

Staff: Steve Lundin (786-7127).

Background:

A. Property tax levies.

Regular property tax levies are property taxes subject to the constitutional one percent limitation on cumulative property taxes that may be imposed on any property. Statutes permit most regular property tax levies to be imposed without voter approval, although a few regular property tax levies may be imposed only if authorized by voters.

Excess property tax levies are property tax levies that are imposed above, or in excess of, the constitutional one percent limitation on cumulative regular property tax levies. Except for non-voter approved tax levies by port districts and public utility districts, all excess levies must be approved by voters by a 60 percent affirmative vote, with a 40 percent validation requirement. Most taxing

districts are authorized to impose both single-year excess property tax levies that may be used for any operating or capital purpose of the taxing district and multiple year excess levies used to retire general indebtedness issued for capital purposes.

B. Park and recreation districts.

A park and recreation district is a special district authorized to provide park and recreation improvements. The governing body of a park and recreation district is a directly-elected five-member board of commissioners.

Park and recreation districts are taxing districts authorized to impose both types of voter-approved excess property tax levies, as well as voter-approved regular property tax levies. Voters of a park and recreation district may approve a ballot proposition authorizing the district to impose regular property tax levies at a rate of up to 15 cents per \$1,000 of assessed valuation each year for five consecutive years. The ballot proposition authorizing the levies must be approved by a 60 percent vote with a 40 percent validation requirement even though these are regular levies and not excess levies.

C. Park and recreation service areas.

A park and recreation service area is a special district authorized to provide park and recreation improvements and facilities. The county legislative authority of the county in which a service area is located acts in an ex officio capacity as the governing body of a service area.

Service areas are taxing districts authorized to impose both types of voter-approved excess levies, as well as voter-approved regular property tax levies. Voters of a service area may approve ballot propositions authorizing the service area to impose regular property tax levies at a rate of 15 cents per \$1,000 of assessed valuation each year for six consecutive years. The ballot proposition authorizing the levies must be approved by a 60 percent vote with a 40 percent validation requirement even though these are regular property tax levies and not excess levies.

Summary of Bill: Statutes are clarified that a park and recreation district or park and recreation service area may impose more than one excess levy if authorized by voters.

Voter-approved regular property tax levies of park and recreation districts and park and recreation service areas are altered to increase the maximum annual rate from 15 cents to 75 cents per \$1,000 of assessed valuation. The

number of years that voters may authorize a park and recreation district to impose its regular levies is increased by one year to a total of six years.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This provides a more secure source of funding and reduces administrative expenses. The current 15 cent levy is not sufficient to fund many park operations. Districts now go out for single year excess levies once every two years that are sufficient to finance their activities. The vote on the regular levies is the same as for an excess levy. This is the lowest status regular property tax levy and is eliminated under levy prorationing before any other tax levies are reduced or eliminated.

Testimony Against: None.

Witnesses: Representative Wes Pruitt, prime sponsor; and Mike Ryherd, Evergreen Alliance.