
SENATE BILL 5432

State of Washington

61st Legislature

2009 Regular Session

By Senators Regala, Pridemore, Fraser, and Fairley

Read first time 01/22/09. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to adjusting the property tax levy lid limits for
2 certain local services; amending RCW 84.55.050, 84.55.0101, 71.20.110,
3 73.08.080, 84.52.069, 84.52.043, and 84.52.010; and creating a new
4 section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 84.55.050 and 2008 c 319 s 1 are each amended to read
7 as follows:

8 (1) Subject to any otherwise applicable statutory dollar rate
9 limitations, regular property taxes may be levied by or for a taxing
10 district in an amount exceeding the limitations provided for in this
11 chapter if such levy is authorized by a proposition approved by a
12 majority of the voters of the taxing district voting on the proposition
13 at a general election held within the district or at a special election
14 within the taxing district called by the district for the purpose of
15 submitting such proposition to the voters. Any election held pursuant
16 to this section shall be held not more than twelve months prior to the
17 date on which the proposed levy is to be made, except as provided in
18 subsection (2) of this section. The ballot of the proposition shall

1 state the dollar rate proposed and shall clearly state the conditions,
2 if any, which are applicable under subsection (4) of this section.

3 (2) Subject to statutory dollar limitations, a proposition placed
4 before the voters under this section may authorize annual increases in
5 levies for multiple consecutive years, up to six consecutive years,
6 during which period each year's authorized maximum legal levy shall be
7 used as the base upon which an increased levy limit for the succeeding
8 year is computed, but the ballot proposition must state the dollar rate
9 proposed only for the first year of the consecutive years and must
10 state the limit factor, or a specified index to be used for determining
11 a limit factor, such as the consumer price index, which need not be the
12 same for all years, by which the regular tax levy for the district may
13 be increased in each of the subsequent consecutive years. Elections
14 for this purpose must be held at a primary or general election. The
15 title of each ballot measure must state the limited purposes for which
16 the proposed annual increases during the specified period of up to six
17 consecutive years shall be used(~~(, and funds raised under the levy~~
18 ~~shall not supplant existing funds used for these purposes. For~~
19 ~~purposes of this subsection, existing funds means the actual operating~~
20 ~~expenditures for the calendar year in which the ballot measure is~~
21 ~~approved by voters. Actual operating expenditures excludes lost~~
22 ~~federal funds, lost or expired state grants or loans, extraordinary~~
23 ~~events not likely to reoccur, changes in contract provisions beyond the~~
24 ~~control of the taxing district receiving the services, and major~~
25 ~~nonrecurring capital expenditures)).~~

26 (3) After a levy authorized pursuant to this section is made, the
27 dollar amount of such levy may not be used for the purpose of computing
28 the limitations for subsequent levies provided for in this chapter,
29 unless the ballot proposition expressly states that the levy made under
30 this section will be used for this purpose.

31 (4) If expressly stated, a proposition placed before the voters
32 under subsection (1) or (2) of this section may:

33 (a) Use the dollar amount of a levy under subsection (1) of this
34 section, or the dollar amount of the final levy under subsection (2) of
35 this section, for the purpose of computing the limitations for
36 subsequent levies provided for in this chapter;

37 (b) Limit the period for which the increased levy is to be made
38 under (a) of this subsection;

1 (c) Limit the purpose for which the increased levy is to be made
2 under (a) of this subsection, but if the limited purpose includes
3 making redemption payments on bonds, the period for which the increased
4 levies are made shall not exceed nine years;

5 (d) Set the levy or levies at a rate less than the maximum rate
6 allowed for the district; or

7 (e) Include any combination of the conditions in this subsection.

8 (5) Except as otherwise expressly stated in an approved ballot
9 measure under this section, subsequent levies shall be computed as if:

10 (a) The proposition under this section had not been approved; and

11 (b) The taxing district had made levies at the maximum rates which
12 would otherwise have been allowed under this chapter during the years
13 levies were made under the proposition.

14 **Sec. 2.** RCW 84.55.0101 and 2007 sp.s. c 1 s 2 are each amended to
15 read as follows:

16 (1) Upon a finding of substantial need, the legislative authority
17 of a taxing district other than the state may provide for the use of a
18 limit factor under this chapter of one hundred one percent or less,
19 unless provided otherwise in subsection (2) of this section. In
20 districts with legislative authorities of four members or less, two-
21 thirds of the members must approve an ordinance or resolution under
22 this section. In districts with more than four members, a majority
23 plus one vote must approve an ordinance or resolution under this
24 section. The new limit factor shall be effective for taxes collected
25 in the following year only.

26 (2) A taxing district imposing a levy under RCW 71.20.110,
27 73.08.080, and 84.34.230, or a permanent levy under RCW 84.52.069, as
28 of or after the effective date of this act, may provide for the use of
29 a limit factor under this chapter of the greater of one hundred one
30 percent or inflation.

31 **Sec. 3.** RCW 71.20.110 and 1988 c 176 s 910 are each amended to
32 read as follows:

33 In order to provide additional funds for the coordination and
34 provision of community services for persons with developmental
35 disabilities or mental health services, the county governing authority
36 of each county in the state shall budget and levy, in addition to the

1 county general levy, annually a tax in a sum equal to the amount which
2 would be raised by a levy of two and one-half cents per thousand
3 dollars of assessed value against the taxable property in the county to
4 be used for (~~(such)~~) these purposes(~~(÷ PROVIDED, That)~~). All or part
5 of the funds collected from the tax levied for the purposes of this
6 section may be transferred to the state of Washington, department of
7 social and health services, for the purpose of obtaining federal
8 matching funds to provide and coordinate community services for persons
9 with developmental disabilities and mental health services. In the
10 event a county elects to transfer (~~(such)~~) the tax funds to the state
11 for this purpose, the state shall grant these moneys and the additional
12 funds received as matching funds to service-providing community
13 agencies or community boards in the county which has made (~~(such)~~) the
14 transfer, (~~(pursuant to)~~) under the plan approved by the county, as
15 provided by chapters 71.24 and 71.28 RCW and by chapter 71A.14 RCW, all
16 as now or hereafter amended.

17 The (~~(amount of a)~~) levy allocated to the purposes specified in
18 this section may be reduced in the same proportion as the regular
19 property tax levy of the county is reduced by chapter (~~(84.55)~~) 84.52
20 RCW.

21 **Sec. 4.** RCW 73.08.080 and 2005 c 250 s 6 are each amended to read
22 as follows:

23 (1) The legislative authority in each county shall budget and levy,
24 in addition to the county general levy and the taxes now levied by law,
25 a tax in a sum equal to the amount which would be raised by not less
26 than one and one-eighth cents per thousand dollars of assessed value,
27 and not greater than twenty-seven cents per thousand dollars of
28 assessed value against the taxable property of their respective
29 counties, to be levied and collected as now prescribed by law for the
30 assessment and collection of taxes, for the purpose of creating a
31 veterans' assistance fund. Expenditures from the veterans' assistance
32 fund, and interest earned on balances from the fund, may be used only
33 for:

- 34 (a) The veterans' assistance programs authorized by RCW 73.08.010;
35 (b) The burial or cremation of a deceased indigent veteran or
36 deceased family member of an indigent veteran as authorized by RCW
37 73.08.070; and

1 (c) The direct and indirect costs incurred in the administration of
2 the fund as authorized by subsection (2) of this section.

3 (2) If the funds on deposit in the veterans' assistance fund, less
4 outstanding warrants, on the first Tuesday in September exceed the
5 expected yield of one and one-eighth cents per thousand dollars of
6 assessed value against the taxable property of the county, the county
7 legislative authority may levy a lesser amount. The direct and
8 indirect costs incurred in the administration of the veterans'
9 assistance fund shall be computed by the county auditor, or the chief
10 financial officer in a county operating under a charter, not less than
11 annually. Following the computation of these direct and indirect
12 costs, an amount equal to these costs may then be transferred from the
13 veterans' assistance fund to the county current expense fund.

14 (3) The (~~amount of a~~) levy allocated to the purposes specified in
15 this section may be reduced in the same proportion as the regular
16 property tax levy of the county is reduced by chapter (~~84.55~~) 84.52
17 RCW.

18 **Sec. 5.** RCW 84.52.069 and 2004 c 129 s 23 are each amended to read
19 as follows:

20 (1) As used in this section, "taxing district" means a county,
21 emergency medical service district, city or town, public hospital
22 district, urban emergency medical service district, regional fire
23 protection service authority, or fire protection district.

24 (2) A taxing district may impose additional regular property tax
25 levies in an amount equal to fifty cents or less per thousand dollars
26 of the assessed value of property in the taxing district. The tax
27 shall be imposed (a) each year for six consecutive years, (b) each year
28 for ten consecutive years, or (c) permanently. A tax levy under this
29 section must be specifically authorized by a majority of (~~at least~~
30 ~~three fifths of the~~) registered voters thereof approving a proposition
31 authorizing the levies submitted at a general or special election(~~, at~~
32 ~~which election the number of persons voting "yes" on the proposition~~
33 ~~shall constitute three fifths of a number equal to forty percent of the~~
34 ~~total number of voters voting in such taxing district at the last~~
35 ~~preceding general election when the number of registered voters voting~~
36 ~~on the proposition does not exceed forty percent of the total number of~~
37 ~~voters voting in such taxing district in the last preceding general~~

1 ~~election; or by a majority of at least three fifths of the registered~~
2 ~~voters thereof voting on the proposition when the number of registered~~
3 ~~voters voting on the proposition exceeds forty percent of the total~~
4 ~~number of voters voting in such taxing district in the last preceding~~
5 ~~general election)).~~ Ballot propositions shall conform with RCW
6 29A.36.210. A taxing district shall not submit to the voters at the
7 same election multiple propositions to impose a levy under this
8 section.

9 (3) A taxing district imposing a permanent levy under this section
10 shall provide for separate accounting of expenditures of the revenues
11 generated by the levy. The taxing district shall maintain a statement
12 of the accounting which shall be updated at least every two years and
13 shall be available to the public upon request at no charge.

14 (4) A taxing district imposing a permanent levy under this section
15 shall provide for a referendum procedure to apply to the ordinance or
16 resolution imposing the tax. This referendum procedure shall specify
17 that a referendum petition may be filed at any time with a filing
18 officer, as identified in the ordinance or resolution. Within ten
19 days, the filing officer shall confer with the petitioner concerning
20 form and style of the petition, issue the petition an identification
21 number, and secure an accurate, concise, and positive ballot title from
22 the designated local official. The petitioner shall have thirty days
23 in which to secure the signatures of not less than fifteen percent of
24 the registered voters of the taxing district, as of the last general
25 election, upon petition forms which contain the ballot title and the
26 full text of the measure to be referred. The filing officer shall
27 verify the sufficiency of the signatures on the petition and, if
28 sufficient valid signatures are properly submitted, shall certify the
29 referendum measure to the next election within the taxing district if
30 one is to be held within one hundred eighty days from the date of
31 filing of the referendum petition, or at a special election to be
32 called for that purpose in accordance with RCW 29A.04.330.

33 The referendum procedure provided in this subsection shall be
34 exclusive in all instances for any taxing district imposing the tax
35 under this section and shall supersede the procedures provided under
36 all other statutory or charter provisions for initiative or referendum
37 which might otherwise apply.

1 (5) Any tax imposed under this section shall be used only for the
2 provision of emergency medical care or emergency medical services,
3 including related personnel costs, training for such personnel, and
4 related equipment, supplies, vehicles and structures needed for the
5 provision of emergency medical care or emergency medical services.

6 (6) If a county levies a tax under this section, no taxing district
7 within the county may levy a tax under this section. If a regional
8 fire protection service authority imposes a tax under this section, no
9 other taxing district that is a participating fire protection
10 jurisdiction in the regional fire protection service authority may levy
11 a tax under this section. No other taxing district may levy a tax
12 under this section if another taxing district has levied a tax under
13 this section within its boundaries: PROVIDED, That if a county levies
14 less than fifty cents per thousand dollars of the assessed value of
15 property, then any other taxing district may levy a tax under this
16 section equal to the difference between the rate of the levy by the
17 county and fifty cents: PROVIDED FURTHER, That if a taxing district
18 within a county levies this tax, and the voters of the county
19 subsequently approve a levying of this tax, then the amount of the
20 taxing district levy within the county shall be reduced, when the
21 combined levies exceed fifty cents. Whenever a tax is levied county-
22 wide, the service shall, insofar as is feasible, be provided throughout
23 the county: PROVIDED FURTHER, That no county-wide levy proposal may be
24 placed on the ballot without the approval of the legislative authority
25 of each city exceeding fifty thousand population within the county:
26 AND PROVIDED FURTHER, That this section and RCW 36.32.480 shall not
27 prohibit any city or town from levying an annual excess levy to fund
28 emergency medical services: AND PROVIDED, FURTHER, That if a county
29 proposes to impose tax levies under this section, no other ballot
30 proposition authorizing tax levies under this section by another taxing
31 district in the county may be placed before the voters at the same
32 election at which the county ballot proposition is placed: AND
33 PROVIDED FURTHER, That any taxing district emergency medical service
34 levy that is limited in duration and that is authorized subsequent to
35 a county emergency medical service levy that is limited in duration,
36 shall expire concurrently with the county emergency medical service
37 levy.

1 (7) The limitations in RCW 84.52.043 shall not apply to the tax
2 levy authorized in this section.

3 (8) If a ballot proposition approved under subsection (2) of this
4 section did not impose the maximum allowable levy amount authorized for
5 the taxing district under this section, any future increase up to the
6 maximum allowable levy amount must be specifically authorized by the
7 voters in accordance with subsection (2) of this section at a general
8 or special election.

9 (9) The limitation in RCW 84.55.010 shall not apply to the first
10 levy imposed pursuant to this section following the approval of such
11 levy by the voters pursuant to subsection (2) of this section.

12 (10) For purposes of this section, the following definitions apply:

13 (a) "Fire protection jurisdiction" means a fire protection
14 district, city, town, Indian tribe, or port district; and

15 (b) "Participating fire protection jurisdiction" means a fire
16 protection district, city, town, Indian tribe, or port district that is
17 represented on the governing board of a regional fire protection
18 service authority.

19 **Sec. 6.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to read
20 as follows:

21 Within and subject to the limitations imposed by RCW 84.52.050 as
22 amended, the regular ad valorem tax levies upon real and personal
23 property by the taxing districts hereafter named shall be as follows:

24 (1) Levies of the senior taxing districts shall be as follows: (a)
25 The levy by the state shall not exceed three dollars and sixty cents
26 per thousand dollars of assessed value adjusted to the state equalized
27 value in accordance with the indicated ratio fixed by the state
28 department of revenue to be used exclusively for the support of the
29 common schools; (b) the levy by any county shall not exceed one dollar
30 and eighty cents per thousand dollars of assessed value; (c) the levy
31 by any road district shall not exceed two dollars and twenty-five cents
32 per thousand dollars of assessed value; and (d) the levy by any city or
33 town shall not exceed three dollars and thirty-seven and one-half cents
34 per thousand dollars of assessed value. However any county is hereby
35 authorized to increase its levy from one dollar and eighty cents to a
36 rate not to exceed two dollars and forty-seven and one-half cents per
37 thousand dollars of assessed value for general county purposes if the

1 total levies for both the county and any road district within the
2 county do not exceed four dollars and five cents per thousand dollars
3 of assessed value, and no other taxing district has its levy reduced as
4 a result of the increased county levy.

5 (2) The aggregate levies of junior taxing districts and senior
6 taxing districts, other than the state, shall not exceed five dollars
7 and ninety cents per thousand dollars of assessed valuation. The term
8 "junior taxing districts" includes all taxing districts other than the
9 state, counties, road districts, cities, towns, port districts, and
10 public utility districts. The limitations provided in this subsection
11 shall not apply to: (a) Levies at the rates provided by existing law
12 by or for any port or public utility district; (b) excess property tax
13 levies authorized in Article VII, section 2 of the state Constitution;
14 (c) levies for acquiring conservation futures as authorized under RCW
15 84.34.230; (d) levies for emergency medical care or emergency medical
16 services imposed under RCW 84.52.069; (e) levies to finance affordable
17 housing for very low-income housing imposed under RCW 84.52.105; (f)
18 the portions of levies by metropolitan park districts that are
19 protected under RCW 84.52.120; (g) levies imposed by ferry districts
20 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW
21 84.52.135; (~~and~~) (i) levies for developmental disabilities or mental
22 health services under RCW 71.20.110; (j) levies for veterans'
23 assistance under RCW 73.08.080; and (k) the portions of levies by fire
24 protection districts that are protected under RCW 84.52.125.

25 **Sec. 7.** RCW 84.52.010 and 2007 c 54 s 26 are each amended to read
26 as follows:

27 Except as is permitted under RCW 84.55.050, all taxes shall be
28 levied or voted in specific amounts.

29 The rate percent of all taxes for state and county purposes, and
30 purposes of taxing districts coextensive with the county, shall be
31 determined, calculated and fixed by the county assessors of the
32 respective counties, within the limitations provided by law, upon the
33 assessed valuation of the property of the county, as shown by the
34 completed tax rolls of the county, and the rate percent of all taxes
35 levied for purposes of taxing districts within any county shall be
36 determined, calculated and fixed by the county assessors of the

1 respective counties, within the limitations provided by law, upon the
2 assessed valuation of the property of the taxing districts
3 respectively.

4 When a county assessor finds that the aggregate rate of tax levy on
5 any property, that is subject to the limitations set forth in RCW
6 84.52.043 or 84.52.050, exceeds the limitations provided in either of
7 these sections, the assessor shall recompute and establish a
8 consolidated levy in the following manner:

9 (1) The full certified rates of tax levy for state, county, county
10 road district, and city or town purposes shall be extended on the tax
11 rolls in amounts not exceeding the limitations established by law;
12 however any state levy shall take precedence over all other levies and
13 shall not be reduced for any purpose other than that required by RCW
14 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
15 71.20.110, 73.08.080, 84.34.230, 84.52.069, and 84.52.105, the portion
16 of the levy by a metropolitan park district that was protected under
17 RCW 84.52.120, 84.52.125, and 84.52.135, the combined rate of regular
18 property tax levies that are subject to the one percent limitation
19 exceeds one percent of the true and fair value of any property, then
20 these levies shall be reduced as follows:

21 (a) The portion of the levy by a fire protection district that is
22 protected under RCW 84.52.125 shall be reduced until the combined rate
23 no longer exceeds one percent of the true and fair value of any
24 property or shall be eliminated;

25 (b) If the combined rate of regular property tax levies that are
26 subject to the one percent limitation still exceeds one percent of the
27 true and fair value of any property, the levy imposed by a county under
28 RCW 84.52.135 must be reduced until the combined rate no longer exceeds
29 one percent of the true and fair value of any property or must be
30 eliminated;

31 (c) If the combined rate of regular property tax levies that are
32 subject to the one percent limitation still exceeds one percent of the
33 true and fair value of any property, the levy imposed by a ferry
34 district under RCW 36.54.130 must be reduced until the combined rate no
35 longer exceeds one percent of the true and fair value of any property
36 or must be eliminated;

37 (d) If the combined rate of regular property tax levies that are
38 subject to the one percent limitation still exceeds one percent of the

1 true and fair value of any property, the portion of the levy by a
2 metropolitan park district that is protected under RCW 84.52.120 shall
3 be reduced until the combined rate no longer exceeds one percent of the
4 true and fair value of any property or shall be eliminated;

5 (e) If the combined rate of regular property tax levies that are
6 subject to the one percent limitation still exceeds one percent of the
7 true and fair value of any property, then the levies imposed under RCW
8 84.34.230, 84.52.105, and any portion of the levy imposed under RCW
9 84.52.069 that is in excess of thirty cents per thousand dollars of
10 assessed value, shall be reduced on a pro rata basis until the combined
11 rate no longer exceeds one percent of the true and fair value of any
12 property or shall be eliminated; and

13 (f) If the combined rate of regular property tax levies that are
14 subject to the one percent limitation still exceeds one percent of the
15 true and fair value of any property, then the thirty cents per thousand
16 dollars of assessed value of tax levy imposed under RCW 84.52.069 shall
17 be reduced until the combined rate no longer exceeds one percent of the
18 true and fair value of any property or eliminated.

19 (2) The certified rates of tax levy subject to these limitations by
20 all junior taxing districts imposing taxes on such property shall be
21 reduced or eliminated as follows to bring the consolidated levy of
22 taxes on such property within the provisions of these limitations:

23 (a) First, the certified property tax levy rates of those junior
24 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,
25 and 67.38.130 shall be reduced on a pro rata basis or eliminated;

26 (b) Second, if the consolidated tax levy rate still exceeds these
27 limitations, the certified property tax levy rates of flood control
28 zone districts shall be reduced on a pro rata basis or eliminated;

29 (c) Third, if the consolidated tax levy rate still exceeds these
30 limitations, the certified property tax levy rates of all other junior
31 taxing districts, other than fire protection districts, regional fire
32 protection service authorities, library districts, the first fifty cent
33 per thousand dollars of assessed valuation levies for metropolitan park
34 districts, and the first fifty cent per thousand dollars of assessed
35 valuation levies for public hospital districts, shall be reduced on a
36 pro rata basis or eliminated;

37 (d) Fourth, if the consolidated tax levy rate still exceeds these

1 limitations, the first fifty cent per thousand dollars of assessed
2 valuation levies for metropolitan park districts created on or after
3 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

4 (e) Fifth, if the consolidated tax levy rate still exceeds these
5 limitations, the certified property tax levy rates authorized to fire
6 protection districts under RCW 52.16.140 and 52.16.160 and regional
7 fire protection service authorities under RCW 52.26.140(1) (b) and (c)
8 shall be reduced on a pro rata basis or eliminated; and

9 (f) Sixth, if the consolidated tax levy rate still exceeds these
10 limitations, the certified property tax levy rates authorized for fire
11 protection districts under RCW 52.16.130, regional fire protection
12 service authorities under RCW 52.26.140(1)(a), library districts,
13 metropolitan park districts created before January 1, 2002, under their
14 first fifty cent per thousand dollars of assessed valuation levy, and
15 public hospital districts under their first fifty cent per thousand
16 dollars of assessed valuation levy, shall be reduced on a pro rata
17 basis or eliminated.

18 NEW SECTION. **Sec. 8.** Sections 2 through 4, 6, and 7 of this act
19 apply to taxes levied for collection in 2010 and thereafter.

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