
SUBSTITUTE HOUSE BILL 1940

State of Washington

64th Legislature

2015 Regular Session

By House Finance (originally sponsored by Representatives Stokesbary, Fitzgibbon, Ryu, Magendanz, Kochmar, Hargrove, Rodne, Bergquist, Hurst, Gregerson, Orwall, and Jinkins)

READ FIRST TIME 02/27/15.

1 AN ACT Relating to exempting levies imposed by qualifying flood
2 control zone districts from certain limitations upon regular property
3 tax levies; amending RCW 84.52.010 and 84.52.043; adding a new
4 section to chapter 84.52 RCW; creating new sections; and providing an
5 effective date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that flooding is a
8 critical problem in Washington that can result in loss of human life,
9 damage to property, destruction of infrastructure, and bring economic
10 activity to a standstill. The legislature further finds that flood
11 control zone districts offer critical services to protect communities
12 against flooding's devastating effects. Therefore, it is the
13 legislature's intent to exempt levies imposed by a qualifying flood
14 control zone district from certain limitations upon regular property
15 tax levies.

16 **Sec. 2.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to
17 read as follows:

18 (1) Except as is permitted under RCW 84.55.050, all taxes
19 (~~shall~~) must be levied or voted in specific amounts.

1 (2) The rate percent of all taxes for state and county purposes,
2 and purposes of taxing districts coextensive with the county,
3 (~~shall~~) must be determined, calculated and fixed by the county
4 assessors of the respective counties, within the limitations provided
5 by law, upon the assessed valuation of the property of the county, as
6 shown by the completed tax rolls of the county, and the rate percent
7 of all taxes levied for purposes of taxing districts within any
8 county (~~shall~~) must be determined, calculated and fixed by the
9 county assessors of the respective counties, within the limitations
10 provided by law, upon the assessed valuation of the property of the
11 taxing districts respectively.

12 (3) When a county assessor finds that the aggregate rate of tax
13 levy on any property, that is subject to the limitations set forth in
14 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in
15 either of these sections, the assessor (~~shall~~) must recompute and
16 establish a consolidated levy in the following manner:

17 (~~(1)~~) (a) The full certified rates of tax levy for state,
18 county, county road district, and city or town purposes (~~shall~~)
19 must be extended on the tax rolls in amounts not exceeding the
20 limitations established by law; however any state levy (~~shall~~)
21 takes precedence over all other levies and (~~shall~~) may not be
22 reduced for any purpose other than that required by RCW 84.55.010.
23 If, as a result of the levies imposed under RCW 36.54.130, 84.34.230,
24 84.52.069, 84.52.105, the portion of the levy by a metropolitan park
25 district that was protected under RCW 84.52.120, 84.52.125,
26 84.52.135, and 84.52.140, and the portion of the levy by a flood
27 control zone district that was protected under section 3 of this act,
28 the combined rate of regular property tax levies that are subject to
29 the one percent limitation exceeds one percent of the true and fair
30 value of any property, then these levies (~~shall~~) must be reduced as
31 follows:

32 (~~(a)~~) (i) The portion of the levy by a flood control zone
33 district that was protected under section 3 of this act must be
34 reduced until the combined rate no longer exceeds one percent of the
35 true and fair value of any property or must be eliminated;

36 (ii) If the combined rate of regular property tax levies that are
37 subject to the one percent limitation still exceeds one percent of
38 the true and fair value of any property, the levy imposed by a county
39 under RCW 84.52.140 (~~shall~~) must be reduced until the combined rate

1 no longer exceeds one percent of the true and fair value of any
2 property or (~~shall~~) must be eliminated;

3 (~~(b)~~) (iii) If the combined rate of regular property tax levies
4 that are subject to the one percent limitation still exceeds one
5 percent of the true and fair value of any property, the portion of
6 the levy by a fire protection district that is protected under RCW
7 84.52.125 (~~shall~~) must be reduced until the combined rate no longer
8 exceeds one percent of the true and fair value of any property or
9 (~~shall~~) must be eliminated;

10 (~~(c)~~) (iv) If the combined rate of regular property tax levies
11 that are subject to the one percent limitation still exceeds one
12 percent of the true and fair value of any property, the levy imposed
13 by a county under RCW 84.52.135 must be reduced until the combined
14 rate no longer exceeds one percent of the true and fair value of any
15 property or must be eliminated;

16 (~~(d)~~) (v) If the combined rate of regular property tax levies
17 that are subject to the one percent limitation still exceeds one
18 percent of the true and fair value of any property, the levy imposed
19 by a ferry district under RCW 36.54.130 must be reduced until the
20 combined rate no longer exceeds one percent of the true and fair
21 value of any property or must be eliminated;

22 (~~(e)~~) (vi) If the combined rate of regular property tax levies
23 that are subject to the one percent limitation still exceeds one
24 percent of the true and fair value of any property, the portion of
25 the levy by a metropolitan park district that is protected under RCW
26 84.52.120 (~~shall~~) must be reduced until the combined rate no longer
27 exceeds one percent of the true and fair value of any property or
28 (~~shall~~) must be eliminated;

29 (~~(f)~~) (vii) If the combined rate of regular property tax levies
30 that are subject to the one percent limitation still exceeds one
31 percent of the true and fair value of any property, then the levies
32 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
33 imposed under RCW 84.52.069 that is in excess of thirty cents per
34 thousand dollars of assessed value, (~~shall~~) must be reduced on a
35 pro rata basis until the combined rate no longer exceeds one percent
36 of the true and fair value of any property or (~~shall~~) must be
37 eliminated; and

38 (~~(g)~~) (viii) If the combined rate of regular property tax
39 levies that are subject to the one percent limitation still exceeds
40 one percent of the true and fair value of any property, then the

1 thirty cents per thousand dollars of assessed value of tax levy
2 imposed under RCW 84.52.069 (~~shall~~) must be reduced until the
3 combined rate no longer exceeds one percent of the true and fair
4 value of any property or eliminated.

5 ~~((2))~~ (b) The certified rates of tax levy subject to these
6 limitations by all junior taxing districts imposing taxes on such
7 property (~~shall~~) must be reduced or eliminated as follows to bring
8 the consolidated levy of taxes on such property within the provisions
9 of these limitations:

10 ~~((a))~~ (i) First, the certified property tax levy rates of those
11 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
12 35.95A.100, and 67.38.130 (~~shall~~) must be reduced on a pro rata
13 basis or eliminated;

14 ~~((b))~~ (ii) Second, if the consolidated tax levy rate still
15 exceeds these limitations, the certified property tax levy rates of
16 flood control zone districts (~~shall~~) other than the portion of a
17 levy protected under section 3 of this act must be reduced on a pro
18 rata basis or eliminated;

19 ~~((c))~~ (iii) Third, if the consolidated tax levy rate still
20 exceeds these limitations, the certified property tax levy rates of
21 all other junior taxing districts, other than fire protection
22 districts, regional fire protection service authorities, library
23 districts, the first fifty cent per thousand dollars of assessed
24 valuation levies for metropolitan park districts, and the first fifty
25 cent per thousand dollars of assessed valuation levies for public
26 hospital districts, (~~shall~~) must be reduced on a pro rata basis or
27 eliminated;

28 ~~((d))~~ (iv) Fourth, if the consolidated tax levy rate still
29 exceeds these limitations, the first fifty cent per thousand dollars
30 of assessed valuation levies for metropolitan park districts created
31 on or after January 1, 2002, (~~shall~~) must be reduced on a pro rata
32 basis or eliminated;

33 ~~((e))~~ (v) Fifth, if the consolidated tax levy rate still
34 exceeds these limitations, the certified property tax levy rates
35 authorized to fire protection districts under RCW 52.16.140 and
36 52.16.160 and regional fire protection service authorities under RCW
37 52.26.140(1) (b) and (c) (~~shall~~) must be reduced on a pro rata
38 basis or eliminated; and

39 ~~((f))~~ (vi) Sixth, if the consolidated tax levy rate still
40 exceeds these limitations, the certified property tax levy rates

1 authorized for fire protection districts under RCW 52.16.130,
2 regional fire protection service authorities under RCW
3 52.26.140(1)(a), library districts, metropolitan park districts
4 created before January 1, 2002, under their first fifty cent per
5 thousand dollars of assessed valuation levy, and public hospital
6 districts under their first fifty cent per thousand dollars of
7 assessed valuation levy, (~~shall~~) must be reduced on a pro rata
8 basis or eliminated.

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.52
10 RCW to read as follows:

11 A flood control zone district in a county with a population of
12 seven hundred seventy-five thousand or more that is coextensive with
13 a county may protect the levy under RCW 86.15.160 from prorationing
14 under RCW 84.52.010(3)(b)(ii) by imposing up to a total of twenty-
15 five cents per thousand dollars of assessed value of the tax levy
16 authorized under RCW 86.15.160 outside of the five dollars and ninety
17 cents per thousand dollars of assessed value limitation under RCW
18 84.52.043(2), if those taxes otherwise would be prorated under RCW
19 84.52.010(3)(b)(ii).

20 **Sec. 4.** RCW 84.52.043 and 2009 c 551 s 6 are each amended to
21 read as follows:

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

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

1 cents to a rate not to exceed two dollars and forty-seven and one-
2 half cents per thousand dollars of assessed value for general county
3 purposes if the total levies for both the county and any road
4 district within the county do not exceed four dollars and five cents
5 per thousand dollars of assessed value, and no other taxing district
6 has its levy reduced as a result of the increased county levy.

7 (2) The aggregate levies of junior taxing districts and senior
8 taxing districts, other than the state, (~~shall~~) may not exceed five
9 dollars and ninety cents per thousand dollars of assessed valuation.
10 The term "junior taxing districts" includes all taxing districts
11 other than the state, counties, road districts, cities, towns, port
12 districts, and public utility districts. The limitations provided in
13 this subsection (~~shall~~) do not apply to: (a) Levies at the rates
14 provided by existing law by or for any port or public utility
15 district; (b) excess property tax levies authorized in Article VII,
16 section 2 of the state Constitution; (c) levies for acquiring
17 conservation futures as authorized under RCW 84.34.230; (d) levies
18 for emergency medical care or emergency medical services imposed
19 under RCW 84.52.069; (e) levies to finance affordable housing for
20 very low-income housing imposed under RCW 84.52.105; (f) the portions
21 of levies by metropolitan park districts that are protected under RCW
22 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130;
23 (h) levies for criminal justice purposes under RCW 84.52.135; (i) the
24 portions of levies by fire protection districts that are protected
25 under RCW 84.52.125; (~~and~~) (j) levies by counties for transit-
26 related purposes under RCW 84.52.140; and (k) the portion of the levy
27 by flood control zone districts that is protected under section 3 of
28 this act.

29 NEW SECTION. **Sec. 5.** With respect to a flood control zone
30 district in a county with a population of one million five hundred
31 thousand or more that is coextensive with a county, this act applies,
32 only if the rights, powers, functions, and obligations of the
33 district have been assumed by the county.

34 NEW SECTION. **Sec. 6.** This act takes effect January 1, 2018.

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