
SUBSTITUTE SENATE BILL 5836

State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Fairley, Roach, Kline and Pridemore)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to the timing of accrual of property tax revenues;
2 and amending RCW 35.13.270, 35A.14.801, and 84.09.030.

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

4 **Sec. 1.** RCW 35.13.270 and 2001 c 299 s 2 are each amended to read
5 as follows:

6 (1) Whenever any territory is annexed to a city or town which is
7 part of a road district of the county and road district taxes have been
8 levied but not collected on any property within the annexed territory,
9 the same shall when collected by the county treasurer be paid to the
10 city or town and by the city or town placed in the city or town street
11 fund; except that road district taxes that are delinquent before the
12 date of annexation shall be paid to the county and placed in the county
13 road fund. ((This section shall))

14 (2) When territory that is part of a fire district is annexed to a
15 city or town, the following apply:

16 (a) Fire district taxes on annexed property that were levied, but
17 not collected, and were not delinquent at the time of the annexation
18 shall, when collected, be paid to the annexing city or town at times

1 required by the county, but no less frequently than by July 10th for
2 collections through June 30th and January 10th for collections through
3 December 31st following the annexation; and

4 (b) Fire district taxes on annexed property that were levied, but
5 not collected, and were delinquent at the time of the annexation and
6 the pro rata share of the current year levy budgeted for general
7 obligation debt, when collected, shall be paid to the fire district.

8 (3) When territory that is part of a library district is annexed to
9 a city or town, the following apply:

10 (a) Library district taxes on annexed property that were levied,
11 but not collected, and were not delinquent at the time of the
12 annexation shall, when collected, be paid to the annexing city or town
13 at times required by the county, but no less frequently than by July
14 10th for collections through June 30th and January 10th for collections
15 through December 31st following the annexation; and

16 (b) Library district taxes on annexed property that were levied,
17 but not collected, and were delinquent at the time of the annexation
18 and the pro rata share of the current year levy budgeted for general
19 obligation debt, when collected, shall be paid to the library district.

20 (4) Subsections (1) through (3) of this section do not apply to any
21 special assessments due in behalf of such property.

22 (5) If a city or town annexes property within a fire district or
23 library district while any general obligation bond secured by the
24 taxing authority of the district is outstanding, the bonded
25 indebtedness of the fire district or library district remains an
26 obligation of the taxable property annexed as if the annexation had not
27 occurred.

28 (6) The city or town is required to provide notification, by
29 certified mail, that includes a list of annexed parcel numbers, to the
30 county treasurer and assessor, and to the fire district and library
31 district, as appropriate, at least thirty days before the effective
32 date of the annexation. The county treasurer is only required to remit
33 to the city or town those road taxes, fire district taxes, and library
34 district taxes collected thirty days or more after receipt of the
35 notification.

36 (7)(a) In counties that do not have a boundary review board, the
37 city or town shall provide notification to the fire district or library

1 district of the jurisdiction's resolution approving the annexation.

2 The notification required under this subsection must:

3 (i) Be made by certified mail within seven days of the resolution
4 approving the annexation; and

5 (ii) Include a description of the annexed area.

6 (b) In counties that have a boundary review board, the city or town
7 shall provide notification of the proposed annexation to the fire
8 district or library district simultaneously when notice of the proposed
9 annexation is provided by the jurisdiction to the boundary review board
10 under RCW 36.93.090.

11 (8) The provisions of this section regarding (a) the transfer of
12 fire and library district property taxes and (b) city and town
13 notifications to fire and library districts do not apply if the city or
14 town has been annexed to and is within the fire or library district
15 when the city or town approves a resolution to annex unincorporated
16 county territory.

17 **Sec. 2.** RCW 35A.14.801 and 2001 c 299 s 3 are each amended to read
18 as follows:

19 (1) Whenever any territory is annexed to a code city which is part
20 of a road district of the county and road district taxes have been
21 levied but not collected on any property within the annexed territory,
22 the same shall when collected by the county treasurer be paid to the
23 code city and by the city placed in the city street fund; except that
24 road district taxes that are delinquent before the date of annexation
25 shall be paid to the county and placed in the county road fund. ((This
26 section shall))

27 (2) When territory that is part of a fire district is annexed to a
28 code city, the following apply:

29 (a) Fire district taxes on annexed property that were levied, but
30 not collected, and were not delinquent at the time of the annexation
31 shall, when collected, be paid to the annexing code city at times
32 required by the county, but no less frequently than by July 10th for
33 collections through June 30th and January 10th for collections through
34 December 31st following the annexation; and

35 (b) Fire district taxes on annexed property that were levied, but
36 not collected, and were delinquent at the time of the annexation and

1 the pro rata share of the current year levy budgeted for general
2 obligation debt, when collected, shall be paid to the fire district.

3 (3) When territory that is part of a library district is annexed to
4 a code city, the following apply:

5 (a) Library district taxes on annexed property that were levied,
6 but not collected, and were not delinquent at the time of the
7 annexation shall, when collected, be paid to the annexing code city at
8 times required by the county, but no less frequently than by July 10th
9 for collections through June 30th and January 10th for collections
10 through December 31st following the annexation; and

11 (b) Library district taxes on annexed property that were levied,
12 but not collected, and were delinquent at the time of the annexation
13 and the pro rata share of the current year levy budgeted for general
14 obligation debt, when collected, shall be paid to the library district.

15 (4) Subsections (1) through (3) of this section do not apply to any
16 special assessments due in behalf of such property.

17 (5) If a code city annexes property within a fire district or
18 library district while any general obligation bond secured by the
19 taxing authority of the district is outstanding, the bonded
20 indebtedness of the fire district or library district remains an
21 obligation of the taxable property annexed as if the annexation had not
22 occurred.

23 (6) The code city is required to provide notification, by certified
24 mail, that includes a list of annexed parcel numbers, to the county
25 treasurer and assessor, and to the fire district and library district,
26 as appropriate, at least thirty days before the effective date of the
27 annexation. The county treasurer is only required to remit to the code
28 city those road taxes, fire district taxes, and library district taxes
29 collected thirty or more days after receipt of the notification.

30 (7)(a) In counties that do not have a boundary review board, the
31 code city shall provide notification to the fire district or library
32 district of the jurisdiction's resolution approving the annexation.
33 The notification required under this subsection must:

34 (i) Be made by certified mail within seven days of the resolution
35 approving the annexation; and

36 (ii) Include a description of the annexed area.

37 (b) In counties that have a boundary review board, the code city
38 shall provide notification of the proposed annexation to the fire

1 district or library district simultaneously when notice of the proposed
2 annexation is provided by the jurisdiction to the boundary review board
3 under RCW 36.93.090.

4 (8) The provisions of this section regarding (a) the transfer of
5 fire and library district property taxes and (b) code city
6 notifications to fire and library districts do not apply if the code
7 city has been annexed to and is within the fire or library district
8 when the code city approves a resolution to annex unincorporated county
9 territory.

10 **Sec. 3.** RCW 84.09.030 and 2004 c 129 s 19 are each amended to read
11 as follows:

12 Except as follows, the boundaries of counties, cities, and all
13 other taxing districts, for purposes of property taxation and the levy
14 of property taxes, shall be the established official boundaries of such
15 districts existing on the first day of (~~March~~) August of the year in
16 which the property tax levy is made.

17 The official boundaries of a newly incorporated taxing district
18 shall be established at a different date in the year in which the
19 incorporation occurred as follows:

20 (1) Boundaries for a newly incorporated city shall be established
21 on the last day of March of the year in which the initial property tax
22 levy is made, and the boundaries of a road district, library district,
23 or fire protection district or districts, that include any portion of
24 the area that was incorporated within its boundaries shall be altered
25 as of this date to exclude this area, if the budget for the newly
26 incorporated city is filed pursuant to RCW 84.52.020 and the levy
27 request of the newly incorporated city is made pursuant to RCW
28 84.52.070. Whenever a proposed city incorporation is on the March
29 special election ballot, the county auditor shall submit the legal
30 description of the proposed city to the department of revenue on or
31 before the first day of March;

32 (2) Boundaries for a newly incorporated port district or regional
33 fire protection service authority shall be established on the first day
34 of October if the boundaries of the newly incorporated port district or
35 regional fire protection service authority are coterminous with the
36 boundaries of another taxing district or districts, as they existed on
37 the first day of March of that year;

1 (3) Boundaries of any other newly incorporated taxing district
2 shall be established on the first day of June of the year in which the
3 property tax levy is made if the taxing district has boundaries
4 coterminous with the boundaries of another taxing district, as they
5 existed on the first day of March of that year;

6 (4) Boundaries for a newly incorporated water-sewer district shall
7 be established on the fifteenth of June of the year in which the
8 proposition under RCW 57.04.050 authorizing a water district excess
9 levy is approved.

10 The boundaries of a taxing district shall be established on the
11 first day of June if territory has been added to, or removed from, the
12 taxing district after the first day of March of that year with
13 boundaries coterminous with the boundaries of another taxing district
14 as they existed on the first day of March of that year. However, the
15 boundaries of a road district, library district, or fire protection
16 district or districts, that include any portion of the area that was
17 annexed to a city or town within its boundaries shall be altered as of
18 this date to exclude this area. In any case where any instrument
19 setting forth the official boundaries of any newly established taxing
20 district, or setting forth any change in such boundaries, is required
21 by law to be filed in the office of the county auditor or other county
22 official, said instrument shall be filed in triplicate. The officer
23 with whom such instrument is filed shall transmit two copies to the
24 county assessor.

25 No property tax levy shall be made for any taxing district whose
26 boundaries are not established as of the dates provided in this
27 section.

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