
SENATE BILL 5836

State of Washington 60th Legislature 2007 Regular Session

By Senators Fairley, Roach, Kline and Pridemore

Read first time 02/02/2007. Referred to Committee on Government Operations & Elections.

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 June 30th and
2 December 30th following the annexation; and

3 (b) Fire district taxes on annexed property that were levied, but
4 not collected, and were delinquent at the time of the annexation shall,
5 when collected, be paid to the fire district.

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

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

13 (b) Library district taxes on annexed property that were levied,
14 but not collected, and were delinquent at the time of the annexation
15 shall, when collected, be paid to the library district.

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

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

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

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

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

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

1 (b) In counties that have a boundary review board, the city or town
2 shall provide notification of the proposed annexation to the fire
3 district or library district simultaneously when notice of the proposed
4 annexation is provided by the jurisdiction to the boundary review board
5 under RCW 36.93.090.

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

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

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

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

24 (a) Fire district taxes on annexed property that were levied, but
25 not collected, and were not delinquent at the time of the annexation
26 shall, when collected, be paid to the annexing code city at times
27 required by the county, but no less frequently than by June 30th and
28 December 30th following the annexation; and

29 (b) Fire district taxes on annexed property that were levied, but
30 not collected, and were delinquent at the time of the annexation shall,
31 when collected, be paid to the fire district.

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

34 (a) Library district taxes on annexed property that were levied,
35 but not collected, and were not delinquent at the time of the
36 annexation shall, when collected, be paid to the annexing code city at

1 times required by the county, but no less frequently than by June 30th
2 and December 30th following the annexation; and

3 (b) Library district taxes on annexed property that were levied,
4 but not collected, and were delinquent at the time of the annexation
5 shall, when collected, be paid to the library district.

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

8 (5) If a code city annexes property within a fire district or
9 library district while a nonvoter-approved general obligation bond
10 secured by the taxing authority of the district is outstanding, the
11 bonded indebtedness of the fire district or library district remains an
12 obligation of the taxable property annexed as if the annexation had not
13 occurred.

14 (6) The code city is required to provide notification, by certified
15 mail, that includes a list of annexed parcel numbers, to the county
16 treasurer and assessor, and to the fire district and library district,
17 as appropriate, at least thirty days before the effective date of the
18 annexation. The county treasurer is only required to remit to the code
19 city those road taxes, fire district taxes, and library district taxes
20 collected thirty or more days after receipt of the notification.

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

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

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

28 (b) In counties that have a boundary review board, the code city
29 shall provide notification of the proposed annexation to the fire
30 district or library district simultaneously when notice of the proposed
31 annexation is provided by the jurisdiction to the boundary review board
32 under RCW 36.93.090.

33 (8) The provisions of this section regarding (a) the transfer of
34 fire and library district property taxes and (b) code city
35 notifications to fire and library districts do not apply if the code
36 city has been annexed to and is within the fire or library district
37 when the code city approves a resolution to annex unincorporated county
38 territory.

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

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

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

11 (1) Boundaries for a newly incorporated city shall be established
12 on the last day of March of the year in which the initial property tax
13 levy is made, and the boundaries of a road district, library district,
14 or fire protection district or districts, that include any portion of
15 the area that was incorporated within its boundaries shall be altered
16 as of this date to exclude this area, if the budget for the newly
17 incorporated city is filed pursuant to RCW 84.52.020 and the levy
18 request of the newly incorporated city is made pursuant to RCW
19 84.52.070. Whenever a proposed city incorporation is on the March
20 special election ballot, the county auditor shall submit the legal
21 description of the proposed city to the department of revenue on or
22 before the first day of March;

23 (2) Boundaries for a newly incorporated port district or regional
24 fire protection service authority shall be established on the first day
25 of October if the boundaries of the newly incorporated port district or
26 regional fire protection service authority are coterminous with the
27 boundaries of another taxing district or districts, as they existed on
28 the first day of March of that year;

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

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

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

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

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