
ENGROSSED SENATE BILL 6641

State of Washington

60th Legislature

2008 Regular Session

By Senators Regala, Zarelli, and Carrell; by request of Department of Revenue

Read first time 01/21/08. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing that voter-approved property tax
2 increases do not permanently increase a taxing district's levy base,
3 unless expressly stated in the ballot proposition; amending RCW
4 84.55.050; creating a new section; and declaring an emergency.

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

6 **Sec. 1.** RCW 84.55.050 and 2007 c 380 s 2 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 (~~specific~~) limited
16 purposes for which the proposed annual increases during the specified
17 period of up to six consecutive years shall be used, and funds raised
18 under the levy shall not supplant existing funds used for these
19 purposes. For purposes of this subsection, existing funds means the
20 actual operating expenditures for the calendar year in which the ballot
21 measure is approved by voters. Actual operating expenditures excludes
22 lost federal funds, lost or expired state grants or loans,
23 extraordinary events not likely to reoccur, changes in contract
24 provisions beyond the control of the taxing district receiving the
25 services, and major nonrecurring capital expenditures.

26 (3) After a levy authorized pursuant to this section is made, the
27 dollar amount of such levy (~~shall~~) may not be used for the purpose of
28 computing the limitations for subsequent levies provided for in this
29 chapter, (~~except as provided in subsection (5) of this section~~)
30 unless the ballot proposition expressly states that the levy made under
31 this section will be used for this purpose.

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

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

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

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

7 ~~((c))~~ **(d)** Set the levy or levies at a rate less than the maximum
8 rate allowed for the district; or

9 ~~((d))~~ **(e)** Include any combination of the conditions in this
10 subsection.

11 (5) Except as otherwise ~~((provided))~~ expressly stated in an
12 approved ballot measure under this section, ~~((after the expiration of
13 a limited period under subsection (4)(a) of this section or the
14 satisfaction of a limited purpose under subsection (4)(b) of this
15 section, whichever comes first,))~~ subsequent levies shall be computed
16 as if:

17 (a) The ~~((limited))~~ proposition under ~~((subsection (4) of))~~ this
18 section had not been approved; and

19 (b) The taxing district had made levies at the maximum rates which
20 would otherwise have been allowed under this chapter during the years
21 levies were made under the ~~((limited))~~ proposition.

22 NEW SECTION. Sec. 2. This act applies prospectively only to levy
23 lid lift ballot propositions under RCW 84.55.050 that receive voter
24 approval on or after the effective date of this act.

25 NEW SECTION. Sec. 3. This act is necessary for the immediate
26 preservation of the public peace, health, or safety, or support of the
27 state government and its existing public institutions, and takes effect
28 immediately.

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