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## Local Government Committee

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# HB 2509

**Brief Description:** Requiring fiscal information in local tax ballot measure titles.

**Sponsors:** Representatives Takko, Morrell, Simpson and Dickerson.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Modifies ballot provisions relating to voter-approved locally-imposed property taxes.</li></ul>
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**Hearing Date:** 1/19/06

**Staff:** Kasa Tupua (786-7291).

### **Background:**

#### Bill Title Requirements

State law establishes bill title requirements for various measures submitted to voters, including constitutional amendments, state initiatives and referenda, and local government ballot propositions. The ballot title for a measure submitted to voters of a local government must include a statement of the subject matter, an identification of the enacting legislative body, and a concise description of the measure that is posed as a question. A 75 word limit also applies to local government ballot measures.

The city or town attorney is required to prepare the concise description if the local government unit is a city or town. If the local government unit is a county, the prosecuting attorney must prepare the description. If the local government unit is other than a city, town, or county, the prosecuting attorney of the county in which the unit is located is obligated to prepare the description.

#### Ballot Form for Property Tax Levies

State law requires the following information on a ballot form authorizing a taxing district to impose either a regular property tax levy or a permanent tax levy:

- the name of the taxing district;
- the rate of the assessed valuation;
- the maximum number of years (for a regular property tax levy); and
- "yes" or "no" boxes for voting.

#### Tax Revenue Limit Provisions

A property taxing district's regular property tax levy is limited by a statutory maximum growth rate in the amount of tax revenue that may be collected annually. Voters may approve a proposition that increases the amount of a regular property tax levy, which is called a "lid lift." Voters also may approve:

- a permanent or temporary lid lift;
- a lid lift that sets the growth rate for the property tax revenue limit calculation for up to six years;
- to limit the purpose of the lid lift;
- to set the rate at less than the maximum allowed; or
- to use the maximum allowable dollar amount of the final annual levy to compute the limitations on levy increases occurring after the expiration of the period.

After the expiration of the period for a lid lift, the property tax levy reverts to the amount that would have been allowed under the one percent revenue limit had the lid lift not been in place.

**Summary of Bill:**

Local ballot statutes are changed in three ways. First, qualifying ballot titles must contain an amount in terms of dollars, along with an estimate of the dollar rate of the tax levy. Second, qualifying ballot propositions must include additional information regarding the levy amount, estimated rate, and imposition year. Third, ballot provisions pertaining to voter-approved locally-imposed property taxes must also state the dollar amount, and an estimate of the dollar rate of the tax levy. These ballot provisions must set the levy amount so the estimated rate is less than the maximum rate allowed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.