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**ENGROSSED SUBSTITUTE HOUSE BILL 1562**

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**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** House Committee on Local Government (originally sponsored by Representatives Brown, Dellwo, H. Myers, Orr, Mastin and J. Kohl)

Read first time 02/19/93.

1       AN ACT Relating to the authority of counties, cities, and towns to  
2 exceed statutory property tax limitations for the purpose of financing  
3 affordable housing for very low-income households; amending RCW  
4 84.52.043, 84.52.010, and 84.52.069; adding a new section to chapter  
5 84.52 RCW; and creating a new section.

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

7       NEW SECTION.   **Sec. 1.** The legislature finds that:

8       (1) Many very low-income residents of the state of Washington are  
9 unable to afford housing that is decent, safe, and appropriate to their  
10 living needs;

11       (2) Recent federal housing legislation conditions funding for  
12 affordable housing on the availability of local matching funds;

13       (3) Current statutory debt limitations may impair the ability of  
14 counties, cities, and towns to meet federal matching requirements and,  
15 as a consequence, may impair the ability of such counties, cities, and  
16 towns to develop appropriate and effective strategies to increase the  
17 availability of safe, decent, and appropriate housing that is  
18 affordable to very low-income households; and

1 (4) It is in the public interest to encourage counties, cities, and  
2 towns to develop locally based affordable housing financing plans  
3 designed to expand the availability of housing that is decent, safe,  
4 affordable, and appropriate to the living needs of very low-income  
5 households of the counties, cities, and towns.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.52 RCW  
7 to read as follows:

8 (1) A county, city, or town may impose additional regular property  
9 tax levies of up to fifty cents per thousand dollars of assessed value  
10 of property in each year for up to ten consecutive years to finance  
11 affordable housing for very low-income households when specifically  
12 authorized to do so by a majority of the voters of the taxing district  
13 voting on a ballot proposition authorizing the levies. If both a  
14 county, and a city or town within the county, impose levies authorized  
15 under this section, the levies of the last jurisdiction to receive  
16 voter approval for the levies shall be reduced or eliminated so that  
17 the combined rates of these levies may not exceed fifty cents per  
18 thousand dollars of assessed valuation in any area within the county.  
19 A ballot proposition authorizing a levy under this section must conform  
20 with RCW 84.52.054.

21 (2) The additional property tax levies may not be imposed until:

22 (a) The governing body of the county, city, or town declares the  
23 existence of an emergency with respect to the availability of housing  
24 that is affordable to very low-income households in the taxing  
25 district; and

26 (b) The governing body of the county, city, or town adopts an  
27 affordable housing financing plan to serve as the plan for expenditure  
28 of funds raised by a levy authorized under this section, and the  
29 governing body determines that the affordable housing financing plan is  
30 consistent with either the locally adopted or state-adopted  
31 comprehensive housing affordability strategy, required under the  
32 Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec.  
33 12701, et seq.), as amended.

34 (3) For purposes of this section, the term "very low-income  
35 household" means a single person, family, or unrelated persons living  
36 together whose income is at or below fifty percent of the median  
37 income, as determined by the United States department of housing and

1 urban development, with adjustments for household size, for the county  
2 where the taxing district is located.

3 **Sec. 3.** RCW 84.52.043 and 1990 c 234 s 1 are each amended to read  
4 as follows:

5 Within and subject to the limitations imposed by RCW 84.52.050 as  
6 amended, the regular ad valorem tax levies upon real and personal  
7 property by the taxing districts hereafter named shall be as follows:

8 (1) Levies of the senior taxing districts shall be as follows: (a)  
9 The levy by the state shall not exceed three dollars and sixty cents  
10 per thousand dollars of assessed value adjusted to the state equalized  
11 value in accordance with the indicated ratio fixed by the state  
12 department of revenue to be used exclusively for the support of the  
13 common schools; (b) the levy by any county shall not exceed one dollar  
14 and eighty cents per thousand dollars of assessed value; (c) the levy  
15 by any road district shall not exceed two dollars and twenty-five cents  
16 per thousand dollars of assessed value; and (d) the levy by any city or  
17 town shall not exceed three dollars and thirty-seven and one-half cents  
18 per thousand dollars of assessed value. However any county is hereby  
19 authorized to increase its levy from one dollar and eighty cents to a  
20 rate not to exceed two dollars and forty-seven and one-half cents per  
21 thousand dollars of assessed value for general county purposes if the  
22 total levies for both the county and any road district within the  
23 county do not exceed four dollars and five cents per thousand dollars  
24 of assessed value, and no other taxing district has its levy reduced as  
25 a result of the increased county levy.

26 (2) (~~Except as provided in RCW 84.52.100,~~) The aggregate levies  
27 of junior taxing districts and senior taxing districts, other than the  
28 state, shall not exceed five dollars and ninety cents per thousand  
29 dollars of assessed valuation. The term "junior taxing districts"  
30 includes all taxing districts other than the state, counties, road  
31 districts, cities, towns, port districts, and public utility districts.  
32 The limitations provided in this subsection shall not apply to: (a)  
33 Levies at the rates provided by existing law by or for any port or  
34 public utility district; (b) excess property tax levies authorized in  
35 Article VII, section 2 of the state Constitution; (c) levies for  
36 acquiring conservation futures as authorized under RCW 84.34.230;  
37 (~~and~~) (d) levies for emergency medical care or emergency medical  
38 services imposed under RCW 84.52.069; and (e) levies to finance

1 affordable housing for very low-income housing imposed under section 2  
2 of this act.

3 **Sec. 4.** RCW 84.52.010 and 1990 c 234 s 4 are each amended to read  
4 as follows:

5 Except as is permitted under RCW 84.55.050, all taxes shall be  
6 levied or voted in specific amounts.

7 The rate percent of all taxes for state and county purposes, and  
8 purposes of taxing districts coextensive with the county, shall be  
9 determined, calculated and fixed by the county assessors of the  
10 respective counties, within the limitations provided by law, upon the  
11 assessed valuation of the property of the county, as shown by the  
12 completed tax rolls of the county, and the rate percent of all taxes  
13 levied for purposes of taxing districts within any county shall be  
14 determined, calculated and fixed by the county assessors of the  
15 respective counties, within the limitations provided by law, upon the  
16 assessed valuation of the property of the taxing districts  
17 respectively.

18 When a county assessor finds that the aggregate rate of tax levy on  
19 any property, that is subject to the limitations set forth in RCW  
20 84.52.043 or 84.52.050, as now or hereafter amended, exceeds the  
21 limitations provided in either of these sections, the assessor shall  
22 recompute and establish a consolidated levy in the following manner:

23 (1) The full certified rates of tax levy for state, county, county  
24 road district, and city or town purposes shall be extended on the tax  
25 rolls in amounts not exceeding the limitations established by law,  
26 subject to subsection (2)(e) of this section; however any state levy  
27 shall take precedence over all other levies and shall not be reduced  
28 for any purpose other than that required by RCW 84.55.010; however, if  
29 as a result of the levies imposed under RCW 84.52.069, 84.34.230, and  
30 section 2 of this act, the combined rates of regular property tax  
31 levies exceed one percent of the true and fair value of any property,  
32 then these levies shall be reduced on a pro rata basis or eliminated  
33 until the combined rates of regular property tax levies no longer  
34 exceed one percent of the true and fair value of any property; and

35 (2) The certified rates of tax levy subject to these limitations by  
36 all junior taxing districts imposing taxes on such property shall be  
37 reduced or eliminated as follows to bring the consolidated levy of  
38 taxes on such property within the provisions of these limitations:

1 (a) First, the certified property tax levy rates of those junior  
2 taxing districts authorized under RCW 36.68.525, 36.69.145, and  
3 67.38.130 shall be reduced on a pro rata basis or eliminated;

4 (b) Second, if the consolidated tax levy rate still exceeds these  
5 limitations, the certified property tax levy rates of flood control  
6 zone districts shall be reduced on a pro rata basis or eliminated;

7 (c) Third, if the consolidated tax levy rate still exceeds these  
8 limitations, the certified property tax levy rates of all other junior  
9 taxing districts, other than fire protection districts, library  
10 districts, the first fifty cent per thousand dollars of assessed  
11 valuation levies for metropolitan park districts, and the first fifty  
12 cent per thousand dollars of assessed valuation levies for public  
13 hospital districts, shall be reduced on a pro rata basis or eliminated;

14 (d) Fourth, if the consolidated tax levy rate still exceeds these  
15 limitations, the certified property tax levy rates authorized to fire  
16 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced  
17 on a pro rata basis or eliminated; and

18 (e) Fifth, if the consolidated tax levy rate still exceeds these  
19 limitations, the certified property tax levy rates authorized for fire  
20 protection districts under RCW 52.16.130, library districts,  
21 metropolitan park districts under their first fifty cent per thousand  
22 dollars of assessed valuation levy, and public hospital districts under  
23 their first fifty cent per thousand dollars of assessed valuation levy,  
24 shall be reduced on a pro rata basis or eliminated.

25 **Sec. 5.** RCW 84.52.069 and 1991 c 175 s 1 are each amended to read  
26 as follows:

27 (1) As used in this section, "taxing district" means a county,  
28 emergency medical service district, city or town, public hospital  
29 district, or fire protection district.

30 (2) A taxing district may impose additional regular property tax  
31 levies in an amount equal to fifty cents or less per thousand dollars  
32 of the assessed value of property in the taxing district in each year  
33 for six consecutive years when specifically authorized so to do by a  
34 majority of at least three-fifths of the registered voters thereof  
35 approving a proposition authorizing the levies submitted at a general  
36 or special election, at which election the number of persons voting  
37 "yes" on the proposition shall constitute three-fifths of a number  
38 equal to forty per centum of the total votes cast in such taxing

1 district at the last preceding general election when the number of  
2 registered voters voting on the proposition does not exceed forty per  
3 centum of the total votes cast in such taxing district in the last  
4 preceding general election; or by a majority of at least three-fifths  
5 of the registered voters thereof voting on the proposition when the  
6 number of registered voters voting on the proposition exceeds forty per  
7 centum of the total votes cast in such taxing district in the last  
8 preceding general election. Ballot propositions shall conform with RCW  
9 29.30.111.

10 (3) Any tax imposed under this section shall be used only for the  
11 provision of emergency medical care or emergency medical services,  
12 including related personnel costs, training for such personnel, and  
13 related equipment, supplies, vehicles and structures needed for the  
14 provision of emergency medical care or emergency medical services.

15 (4) If a county levies a tax under this section, no taxing district  
16 within the county may levy a tax under this section. No other taxing  
17 district may levy a tax under this section if another taxing district  
18 has levied a tax under this section within its boundaries: PROVIDED,  
19 That if a county levies less than fifty cents per thousand dollars of  
20 the assessed value of property, then any other taxing district may levy  
21 a tax under this section equal to the difference between the rate of  
22 the levy by the county and fifty cents: PROVIDED FURTHER, That if a  
23 taxing district within a county levies this tax, and the voters of the  
24 county subsequently approve a levying of this tax, then the amount of  
25 the taxing district levy within the county shall be reduced, when the  
26 combined levies exceed fifty cents. Whenever a tax is levied county-  
27 wide, the service shall, insofar as is feasible, be provided throughout  
28 the county: PROVIDED FURTHER, That no county-wide levy proposal may be  
29 placed on the ballot without the approval of the legislative authority  
30 of each city exceeding fifty thousand population within the county:  
31 AND PROVIDED FURTHER, That this section and RCW 36.32.480 shall not  
32 prohibit any city or town from levying an annual excess levy to fund  
33 emergency medical services: AND PROVIDED, FURTHER, That if a county  
34 proposes to impose tax levies under this section, no other ballot  
35 proposition authorizing tax levies under this section by another taxing  
36 district in the county may be placed before the voters at the same  
37 election at which the county ballot proposition is placed: AND  
38 PROVIDED FURTHER, That any taxing district emergency medical service  
39 levy that is authorized subsequent to a county emergency medical

1 service levy, shall expire concurrently with the county emergency  
2 medical service levy.

3 (5) The tax levy authorized in this section is in addition to the  
4 tax levy authorized in RCW 84.52.043.

5 (6) The limitation in RCW 84.55.010 shall not apply to the first  
6 levy imposed pursuant to this section following the approval of such  
7 levy by the voters pursuant to subsection (2) of this section.

8 ~~((7) No taxing district may levy under this section more than  
9 twenty-five cents per thousand dollars of assessed value of property if  
10 reductions under RCW 84.52.010(2) are made for the year within the  
11 boundaries of the taxing district.))~~

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