

# HB 2720

## Bill Analysis

January 29, 1998

**Brief Description:** Regulating port district property tax levies.

**Bill Sponsors:** Representatives McCune, B. Thomas, Thompson, Sheahan, Sherstad, Dunn and Keiser.

**Staff:** Rick Peterson, 786-7150.

**Background:** All real and personal property in this state is subject to the property tax every year based on its value unless a specific exemption is provided by law.

The Constitution limits the amount of property taxes that may be imposed on an individual parcel of property without voter approval to 1 percent of its true and fair value, except levies by port districts and public utility districts.

Port districts have been authorized to impose the following property tax levies:

- A. up to \$0.45 per \$1,000 of assessed value for general port purposes;
- B. up to \$0.45 per \$1,000 of assessed value for dredging, canal construction, and land leveling and filling purposes if approved by a majority vote of the voters;
- C. up to \$0.45 per \$1,000 of assessed value for port districts that have adopted a comprehensive scheme of harbor improvements and industrial developments. To impose this levy for more than six years, the port district must provide notice to voters in the year before the second six-year levy is to be collected. If a petition is received by the county auditor within 90 days with signatures equal to 8 percent of the votes cast in the district in the last gubernatorial election, the proposition must be referred to the people at a special election. The levy must then be approved by a majority of the voters. A third six-year industrial development levy is available for any port district in a county bordering on the Pacific Ocean if a majority of the voters approve.

**Summary of Bill:** The property taxing authority of port districts with a population of one million or more is restricted. The \$0.45 per \$1,000 of assessed value general port levy is

phased down as follows:

- (1) the tax levied for collection in 1999 is limited to  $\frac{2}{3}$ 's of the tax levied for collection in 1998;
- (2) the tax levied for collection in 2000 is limited to  $\frac{1}{3}$  of the tax levied for collection in 1998; and
- (3) no tax may be levied for collection in 2001 and thereafter.

However, a port district may continue to tax for the purpose of making interest and principal payments on general debt incurred before the effective date of the bill.

Port districts with a population of one million or more may not impose the additional \$0.45 per \$1,000 of assessed value tax levy for harbor improvements and industrial development.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which the bill is passed.