

HB 2904

Bill Analysis

February 2, 1998

Brief Description: Prescribing requirements for emergency medical care and services levies.

Bill Sponsors: Representatives Cooper, Costa, Poulsen, Constantine, Cody, Chopp, B. Thomas, O'Brien, Hatifeld, Conway, Appelwick, Gombosky and Mason.

Staff: Rick Peterson, 786-7150.

Background: All real and personal property in this state is subject to the property tax each year based on its value unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

The sum of property tax rates is limited by the State Constitution to a maximum of 1.0 percent of true and fair value, or \$10 per \$1,000 of value. The Constitution provides a procedure for voter approval for tax rates that exceed the 1 percent limit. These taxes are called "excess" levies. The most common excess levies are maintenance and operation levies for school districts and bond retirement levies. Excess levies must obtain a 60 percent majority vote plus meet a minimum voter turnout requirement.

Taxes imposed under the 1 percent limit are termed "regular" taxes. The Constitution does not require voter approval of regular taxes. However, some regular taxes are limited in time duration and are required to be voter approved. For example, emergency medical service taxes, park and recreation district taxes, and taxes for affordable housing are regular taxes but must have voter approval.

The time limits and voting requirements for these taxes are:

Emergency Medical Taxes:

Time limit: 6 years;

Voting requirement: When the voter turnout exceeds 40 percent of voter turnout at last general election - 60 percent yes- vote; When the voter turnout is less than 40 percent - the yes- votes must exceed 24 percent of the votes in the last general election.

Park and Recreation District Taxes:

Time limit: 6 years;

Voting requirement: When the voter turnout exceeds 40 percent of voter turnout at last general election - 60 percent yes- vote; When the voter turnout is less than 40 percent - the yes- votes must exceed 24 percent of the votes in the last general election.

Affordable Housing Taxes:

Time Limit: 10 years

Voting requirement: Simple majority.

Summary of Bill: Property taxes for emergency medical purposes may be imposed for up to 10 years. The voting requirement is changed to a simple majority.

Appropriation: None.

Fiscal Note: State fiscal note available, local fiscal note requested.

Effective Date: Effective for taxes levied for collection in 1999 and thereafter.