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HOUSE BILL 1268

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State of Washington

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By Representatives Carrell, B. Thomas, Mulliken, DeBolt, Lisk, Mastin, Hickel, Boldt, D. Sommers, Backlund, Chandler, Dyer, McDonald, Cooke, Dunn, Kessler, Bush and Sherstad

Read first time 01/20/97. Referred to Committee on Finance.

1 AN ACT Relating to property taxes; reducing the one hundred six  
2 percent limit for all taxing districts to the lesser of inflation or  
3 six percent; allowing for spreading out over time valuation increases  
4 without the use of credits or caps on valuation; amending RCW  
5 84.55.005, 84.55.010, 84.55.020, 35.61.210, 70.44.060, and 84.08.115;  
6 and creating a new section.

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

8 **Sec. 1.** RCW 84.55.005 and 1994 c 301 s 49 are each amended to read  
9 as follows:

10 As used in this chapter(~~(, the term)~~):

11 (1) "Inflation" means the percentage change in the implicit price  
12 deflator for personal consumption expenditures for the United States as  
13 published for the most recent twelve-month period by the bureau of  
14 economic analysis of the federal department of commerce in September of  
15 the year before taxes are payable; and

16 (2) "Regular property taxes" has the meaning given it in RCW  
17 84.04.140, and also includes amounts received in lieu of regular  
18 property taxes.

1       **Sec. 2.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended to  
2 read as follows:

3       Except as provided in this chapter, the levy for a taxing district  
4 in any year shall be set so that the regular property taxes payable in  
5 the following year shall not exceed the lesser of one hundred six  
6 percent ((øf)) or one hundred percent plus inflation, multiplied by the  
7 amount of regular property taxes lawfully levied for such district in  
8 the highest of the three most recent years in which such taxes were  
9 levied for such district plus an additional dollar amount calculated by  
10 multiplying the increase in assessed value in that district resulting  
11 from new construction, improvements to property, and any increase in  
12 the assessed value of state-assessed property by the regular property  
13 tax levy rate of that district for the preceding year.

14       **Sec. 3.** RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended  
15 to read as follows:

16       Notwithstanding the limitation set forth in RCW 84.55.010, the  
17 first levy for a taxing district created from consolidation of similar  
18 taxing districts shall be set so that the regular property taxes  
19 payable in the following year shall not exceed the lesser of one  
20 hundred six percent ((øf)) or one hundred percent plus inflation,  
21 multiplied by the sum of the amount of regular property taxes lawfully  
22 levied for each component taxing district in the highest of the three  
23 most recent years in which such taxes were levied for such district  
24 plus the additional dollar amount calculated by multiplying the  
25 increase in assessed value in each component district resulting from  
26 new construction and improvements to property by the regular property  
27 tax rate of each component district for the preceding year.

28       **Sec. 4.** RCW 35.61.210 and 1990 c 234 s 3 are each amended to read  
29 as follows:

30       The board of park commissioners may levy or cause to be levied a  
31 general tax on all the property located in said park district each year  
32 not to exceed fifty cents per thousand dollars of assessed value of the  
33 property in such park district. In addition, the board of park  
34 commissioners may levy or cause to be levied a general tax on all  
35 property located in said park district each year not to exceed twenty-  
36 five cents per thousand dollars of assessed valuation. Although park  
37 districts are authorized to impose two separate regular property tax

1 levies, the levies shall be considered to be a single levy for purposes  
2 of the ((one hundred six percent)) limitation provided for in chapter  
3 84.55 RCW.

4 The board is hereby authorized to levy a general tax in excess of  
5 its regular property tax levy or levies when authorized so to do at a  
6 special election conducted in accordance with and subject to all the  
7 requirements of the Constitution and laws of the state now in force or  
8 hereafter enacted governing the limitation of tax levies. The board is  
9 hereby authorized to call a special election for the purpose of  
10 submitting to the qualified voters of the park district a proposition  
11 to levy a tax in excess of the seventy-five cents per thousand dollars  
12 of assessed value herein specifically authorized. The manner of  
13 submitting any such proposition, of certifying the same, and of giving  
14 or publishing notice thereof, shall be as provided by law for the  
15 submission of propositions by cities or towns.

16 The board shall include in its general tax levy for each year a  
17 sufficient sum to pay the interest on all outstanding bonds and may  
18 include a sufficient amount to create a sinking fund for the redemption  
19 of all outstanding bonds. The levy shall be certified to the proper  
20 county officials for collection the same as other general taxes and  
21 when collected, the general tax shall be placed in a separate fund in  
22 the office of the county treasurer to be known as the "metropolitan  
23 park district fund" and paid out on warrants.

24 **Sec. 5.** RCW 70.44.060 and 1990 c 234 s 2 are each amended to read  
25 as follows:

26 All public hospital districts organized under the provisions of  
27 this chapter shall have power:

28 (1) To make a survey of existing hospital and other health care  
29 facilities within and without such district.

30 (2) To construct, condemn and purchase, purchase, acquire, lease,  
31 add to, maintain, operate, develop and regulate, sell and convey all  
32 lands, property, property rights, equipment, hospital and other health  
33 care facilities and systems for the maintenance of hospitals,  
34 buildings, structures, and any and all other facilities, and to  
35 exercise the right of eminent domain to effectuate the foregoing  
36 purposes or for the acquisition and damaging of the same or property of  
37 any kind appurtenant thereto, and such right of eminent domain shall be  
38 exercised and instituted pursuant to a resolution of the commission and

1 conducted in the same manner and by the same procedure as in or may be  
2 provided by law for the exercise of the power of eminent domain by  
3 incorporated cities and towns of the state of Washington in the  
4 acquisition of property rights: PROVIDED, That no public hospital  
5 district shall have the right of eminent domain and the power of  
6 condemnation against any health care facility.

7 (3) To lease existing hospital and other health care facilities and  
8 equipment and/or other property used in connection therewith, including  
9 ambulances, and to pay such rental therefor as the commissioners shall  
10 deem proper; to provide hospital and other health care services for  
11 residents of said district by facilities located outside the boundaries  
12 of said district, by contract or in any other manner said commissioners  
13 may deem expedient or necessary under the existing conditions; and said  
14 hospital district shall have the power to contract with other  
15 communities, corporations, or individuals for the services provided by  
16 said hospital district; and they may further receive in said hospitals  
17 and other health care facilities and furnish proper and adequate  
18 services to all persons not residents of said district at such  
19 reasonable and fair compensation as may be considered proper:  
20 PROVIDED, That it must at all times make adequate provision for the  
21 needs of the district and residents of said district shall have prior  
22 rights to the available hospital and other health care facilities of  
23 said district, at rates set by the district commissioners.

24 (4) For the purpose aforesaid, it shall be lawful for any district  
25 so organized to take, condemn and purchase, lease, or acquire, any and  
26 all property, and property rights, including state and county lands,  
27 for any of the purposes aforesaid, and any and all other facilities  
28 necessary or convenient, and in connection with the construction,  
29 maintenance, and operation of any such hospitals and other health care  
30 facilities, subject, however, to the applicable limitations provided in  
31 subsection (2) of this section.

32 (5) To contract indebtedness or borrow money for corporate purposes  
33 on the credit of the corporation or the revenues of the hospitals  
34 thereof, and the revenues of any other facilities or services that the  
35 district is or hereafter may be authorized by law to provide, and to  
36 issue and sell: (a) Revenue bonds, revenue warrants, or other revenue  
37 obligations therefor payable solely out of a special fund or funds into  
38 which the district may pledge such amount of the revenues of the  
39 hospitals thereof, and the revenues of any other facilities or services

1 that the district is or hereafter may be authorized by law to provide,  
2 to pay the same as the commissioners of the district may determine,  
3 such revenue bonds, warrants, or other obligations to be issued and  
4 sold in the same manner and subject to the same provisions as provided  
5 for the issuance of revenue bonds, warrants, or other obligations by  
6 cities or towns under the Municipal Revenue Bond Act, chapter 35.41  
7 RCW, as may hereafter be amended; (b) general obligation bonds therefor  
8 in the manner and form as provided in RCW 70.44.110 and 70.44.130, as  
9 may hereafter be amended; or (c) interest-bearing warrants to be drawn  
10 on a fund pending deposit in such fund of money sufficient to redeem  
11 such warrants and to be issued and paid in such manner and upon such  
12 terms and conditions as the board of commissioners may deem to be in  
13 the best interest of the district; and to assign or sell hospital  
14 accounts receivable, and accounts receivable for the use of other  
15 facilities or services that the district is or hereafter may be  
16 authorized by law to provide, for collection with or without recourse.  
17 General obligation bonds shall be issued and sold in accordance with  
18 chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue  
19 obligations may be issued and sold in accordance with chapter 39.46  
20 RCW.

21 (6) To raise revenue by the levy of an annual tax on all taxable  
22 property within such public hospital district not to exceed fifty cents  
23 per thousand dollars of assessed value, and an additional annual tax on  
24 all taxable property within such public hospital district not to exceed  
25 twenty-five cents per thousand dollars of assessed value, or such  
26 further amount as has been or shall be authorized by a vote of the  
27 people. Although public hospital districts are authorized to impose  
28 two separate regular property tax levies, the levies shall be  
29 considered to be a single levy for purposes of the (~~one hundred six~~  
30 ~~percent~~)) limitation provided for in chapter 84.55 RCW. Public  
31 hospital districts are authorized to levy such a general tax in excess  
32 of their regular property taxes when authorized so to do at a special  
33 election conducted in accordance with and subject to all of the  
34 requirements of the Constitution and the laws of the state of  
35 Washington now in force or hereafter enacted governing the limitation  
36 of tax levies. The said board of district commissioners is authorized  
37 and empowered to call a special election for the purpose of submitting  
38 to the qualified voters of the hospital district a proposition or  
39 propositions to levy taxes in excess of its regular property taxes.

1 The superintendent shall prepare a proposed budget of the contemplated  
2 financial transactions for the ensuing year and file the same in the  
3 records of the commission on or before the first Monday in September.  
4 Notice of the filing of said proposed budget and the date and place of  
5 hearing on the same shall be published for at least two consecutive  
6 weeks in a newspaper printed and of general circulation in said county.  
7 On the first Monday in October the commission shall hold a public  
8 hearing on said proposed budget at which any taxpayer may appear and be  
9 heard against the whole or any part of the proposed budget. Upon the  
10 conclusion of said hearing, the commission shall, by resolution, adopt  
11 the budget as finally determined and fix the final amount of  
12 expenditures for the ensuing year. Taxes levied by the commission  
13 shall be certified to and collected by the proper county officer of the  
14 county in which such public hospital district is located in the same  
15 manner as is or may be provided by law for the certification and  
16 collection of port district taxes. The commission is authorized, prior  
17 to the receipt of taxes raised by levy, to borrow money or issue  
18 warrants of the district in anticipation of the revenue to be derived  
19 by such district from the levy of taxes for the purpose of such  
20 district, and such warrants shall be redeemed from the first money  
21 available from such taxes when collected, and such warrants shall not  
22 exceed the anticipated revenues of one year, and shall bear interest at  
23 a rate or rates as authorized by the commission.

24 (7) To enter into any contract with the United States government or  
25 any state, municipality, or other hospital district, or any department  
26 of those governing bodies, for carrying out any of the powers  
27 authorized by this chapter.

28 (8) To sue and be sued in any court of competent jurisdiction:  
29 PROVIDED, That all suits against the public hospital district shall be  
30 brought in the county in which the public hospital district is located.

31 (9) To pay actual necessary travel expenses and living expenses  
32 incurred while in travel status for (a) qualified physicians who are  
33 candidates for medical staff positions, and (b) other qualified persons  
34 who are candidates for superintendent or other managerial and technical  
35 positions, when the district finds that hospitals or other health care  
36 facilities owned and operated by it are not adequately staffed and  
37 determines that personal interviews with said candidates to be held in  
38 the district are necessary or desirable for the adequate staffing of  
39 said facilities.

1 (10) To make contracts, employ superintendents, attorneys, and  
2 other technical or professional assistants and all other employees; to  
3 make contracts with private or public institutions for employee  
4 retirement programs; to print and publish information or literature;  
5 and to do all other things necessary to carry out the provisions of  
6 this chapter.

7 **Sec. 6.** RCW 84.08.115 and 1991 c 218 s 2 are each amended to read  
8 as follows:

9 (1) The department shall prepare a clear and succinct explanation  
10 of the property tax system, including but not limited to:

11 (a) The standard of true and fair value as the basis of the  
12 property tax.

13 (b) How the assessed value for particular parcels is determined.

14 (c) The procedures and timing of the assessment process.

15 (d) How district levy rates are determined, including the ((~~one~~  
16 ~~hundred six percent~~)) limit under chapter 84.55 RCW.

17 (e) How the composite tax rate is determined.

18 (f) How the amount of tax is calculated.

19 (g) How a taxpayer may appeal an assessment, and what issues are  
20 appropriate as a basis of appeal.

21 (h) A summary of tax exemption and relief programs, along with the  
22 eligibility standards and application processes.

23 (2) Each county assessor shall provide copies of the explanation to  
24 taxpayers on request, free of charge. Each revaluation notice shall  
25 include information regarding the availability of the explanation.

26 NEW SECTION. **Sec. 7.** Sections 1 through 3 of this act apply to  
27 taxes levied for collection in 1998 and thereafter.

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