
HOUSE BILL 2075

State of Washington 55th Legislature 1997 Regular Session

By Representatives McMorris, Gombosky, Wood, D. Sommers, Benson, Chandler and Mulliken

Read first time 02/19/97. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to tax increment financing; amending RCW 84.52.043,
2 84.52.065, 84.52.067, 36.33.220, 36.79.140, 36.82.040, 46.68.124, and
3 82.03.130; adding a new section to chapter 27.12 RCW; adding a new
4 section to chapter 35.61 RCW; adding a new section to chapter 36.32
5 RCW; adding a new section to chapter 36.68 RCW; adding a new section to
6 chapter 36.69 RCW; adding a new section to chapter 36.75 RCW; adding a
7 new section to chapter 52.12 RCW; adding a new section to chapter 53.08
8 RCW; adding a new section to chapter 54.16 RCW; adding a new section to
9 chapter 67.38 RCW; adding a new section to chapter 68.52 RCW; adding a
10 new section to chapter 70.44 RCW; adding a new section to chapter 86.15
11 RCW; adding a new section to chapter 84.55 RCW; adding a new chapter to
12 Title 39 RCW; creating new sections; repealing RCW 39.88.010,
13 39.88.020, 39.88.030, 39.88.040, 39.88.050, 39.88.060, 39.88.070,
14 39.88.080, 39.88.090, 39.88.100, 39.88.110, 39.88.120, 39.88.130,
15 39.88.900, 39.88.905, 39.88.910, 39.88.915, and 84.55.080; and
16 providing an expiration date.

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

18 NEW SECTION. **Sec. 1.** The purpose of this act is to authorize the
19 temporary use of tax increment financing in cities with populations of

1 one hundred thousand or more to finance public improvements that both
2 encourage private investment in job-producing development and expand
3 the tax base. Affected taxing districts must approve the use of tax
4 increment financing before this new and alternative procedure may be
5 used to finance public improvements. Further, it is the purpose of
6 this act for the department of community, trade, and economic
7 development to study the use of tax increment financing as authorized
8 under this act and report its findings and recommendations to the
9 legislature on or before December 31, 2002, on the success of tax
10 increment financing and whether or not tax increment financing should
11 be continued, and if continued, whether the enabling legislation should
12 be altered, including whether other jurisdictions should be authorized
13 to finance public improvements using tax increment financing.

14 **PART I--TAX INCREMENT FINANCING AUTHORIZED**

15 NEW SECTION. **Sec. 101.** The definitions in this section apply
16 throughout this chapter unless the context clearly requires otherwise.

17 (1) "Assessed value of real property" means the valuation of real
18 property as placed on the last completed assessment roll.

19 (2) "Local government" means a city with a population of one
20 hundred thousand or more.

21 (3) "Ordinance" means an instrument by which the governing body of
22 a local government takes formal action and adopts legislative
23 provisions and matters of some permanency, and includes what is
24 commonly called a resolution.

25 (4) "Public improvements" means the following public facilities:
26 (a) Street or highway improvements, including bridges, sidewalks,
27 curbs, gutters, lighting, signalization, and related improvements; (b)
28 storm drainage and storm water systems; (c) sanitary sewer systems; (d)
29 public water systems, including water systems for domestic purposes and
30 fire suppression purposes; (e) park and recreation improvements; (f)
31 parking facilities; (g) public squares and common areas; (h) decoration
32 and beautification of public areas; (i) eliminating railway grade
33 crossings; (j) transit terminals, stations, and loading and unloading
34 areas; (k) multimodal transportation system connections; (l)
35 undergrounding utility transmission lines; and (m) related landscaping
36 improvements.

1 (5) "Public improvement costs" means the costs of: (a) Design,
2 planning, acquisition, site preparation, construction, reconstruction,
3 rehabilitation, improvement, and installation of the public
4 improvements; (b) relocating, maintaining, and operating property
5 pending construction of the public improvements; (c) relocating
6 utilities as a result of the public improvements; (d) financing the
7 public improvements, including interest during construction, legal and
8 other professional services, taxes, insurance, principal and interest
9 costs on general indebtedness issued to finance the public
10 improvements, and any necessary reserves for such general indebtedness;
11 (e) the assessor that are incurred in revaluing real property for the
12 purpose of determining the tax allocation base value that are in excess
13 of costs incurred by the assessor in accordance with the revaluation
14 plan under chapter 84.41 RCW, and the costs of apportioning the taxes
15 and complying with this chapter and other applicable law; and (f)
16 administrative costs and feasibility studies reasonably necessary and
17 related to these costs, including such related costs that may have been
18 incurred before adoption of the ordinance authorizing the public
19 improvements and the use of tax increment financing to fund the costs
20 of the public improvements.

21 (6) "Regular property taxes" means regular property taxes as
22 defined in RCW 84.04.140, including property taxes imposed by a port
23 district or public utility district.

24 (7) "Tax allocation base value" means the true and fair value of
25 real property located within a tax increment area for taxes imposed in
26 the year in which the tax increment area is created, plus fifty percent
27 of any increase in the true and fair value of real property located
28 within a tax increment area that is placed on the assessment rolls
29 after the tax increment area is created.

30 (8) "Tax allocation revenues" means those tax revenues derived from
31 the imposition of regular property taxes on the tax increment value and
32 distributed to finance public improvements.

33 (9) "Tax increment area" means the geographic area surrounding the
34 public improvements proposed to be financed, in whole or in part, by
35 tax increment financing that is designated by the local government
36 proposing to make the public improvement and is located within the
37 boundaries of that local government.

1 (10) "Tax increment value" means fifty percent of any increase in
2 the true and fair value of real property in a tax increment area that
3 is placed on the tax rolls after the tax increment area is created.

4 (11) "Taxing districts" means a governmental entity that levies or
5 has levied for it regular property taxes upon real property located
6 within a proposed or approved tax increment area.

7 (12) "Value of taxable property" means value of the taxable
8 property as defined in RCW 39.36.015.

9 NEW SECTION. **Sec. 102.** A local government may finance public
10 improvements using tax increment financing subject to the following
11 conditions:

12 (1) The local government adopts an ordinance designating a tax
13 increment area within its boundaries and specifying the public
14 improvements proposed to be financed in whole or in part with the use
15 of tax increment financing;

16 (2) The public improvements proposed to be financed in whole or in
17 part using tax increment financing are expected to encourage private
18 development within the tax increment area and increasing the fair
19 market value of real property within the tax increment area;

20 (3) Private development that is anticipated to occur within the tax
21 increment area, as a result of the public improvements, will be
22 consistent with the county-wide planning policy adopted by the county
23 under RCW 36.70A.210 and the local government's comprehensive plan and
24 development regulations adopted under chapter 36.70A RCW;

25 (4) Every taxing district within which the tax increment area is
26 located approves the tax increment financing of the project under
27 section 104(1) of this act; and

28 (5) The combined amount of tax increment value in this tax
29 increment area, and all other tax increment areas located in the same
30 local government, constitute less than two percent of the assessed
31 value of any taxing district within which the tax increment area is
32 located.

33 NEW SECTION. **Sec. 103.** Public improvements that are financed with
34 tax increment financing may be undertaken and coordinated with other
35 programs or efforts undertaken by the local government and other taxing
36 districts and may be funded in part from revenue sources other than tax
37 increment financing.

1 NEW SECTION. **Sec. 104.** Before adopting an ordinance creating the
2 tax increment area, a local government must:

3 (1) Obtain written agreement for the use of tax increment financing
4 to finance all or a portion of the costs of the designated public
5 improvements from each taxing district within which the tax increment
6 area is located. Signing a written agreement constitutes concurrence
7 in the public improvement and participation in the public improvement
8 to the extent of providing limited funding under tax increment
9 financing authorized under this chapter. The agreement must be
10 authorized by the governing body of each taxing district and by the
11 director of the office of financial management for the state;

12 (2) Hold a public hearing on the proposed financing of the public
13 improvement in whole or in part with tax increment financing. Notice
14 of the public hearing must be published in the official local
15 government newspaper at least ten days before the public hearing and
16 posted in at least six conspicuous public places located in the
17 proposed tax increment area. Notices must describe the contemplated
18 public improvements, estimate the costs of the public improvements,
19 describe the portion of the costs of the public improvements to be
20 borne by tax increment financing, describe any other sources of revenue
21 to finance the public improvements, describe the boundaries of the
22 proposed tax increment area, and estimate the period during which tax
23 increment financing is contemplated to be used. The public hearing may
24 be held by either the governing body of the local government, or a
25 committee of the governing body that includes at least a majority of
26 the whole governing body; and

27 (3) Adopt an ordinance establishing the tax increment area that
28 describes the public improvements, describes the boundaries of the tax
29 increment area, estimates the cost of the public improvements and the
30 portion of these costs to be financed by tax increment financing,
31 estimates the time during which regular property taxes are to be
32 apportioned, provides the date when the apportionment of the regular
33 property taxes will commence, and finds that the conditions of section
34 102 of this act are met.

35 NEW SECTION. **Sec. 105.** Within fifteen days after a local
36 government adopts an ordinance creating the tax increment area and
37 authorizing tax increment financing, the local government shall:

1 (1) Publish notice in a legal newspaper circulated within the tax
2 increment area that describes the public improvement, describes the
3 boundaries of the tax increment area, and identifies the location and
4 times where the ordinance and other public information concerning the
5 public improvement may be inspected; and

6 (2) Deliver a certified copy of the ordinance to the county
7 treasurer, the county assessor, and the governing body of each taxing
8 district within which the tax increment area is located.

9 NEW SECTION. **Sec. 106.** (1) Commencing on the later of either the
10 date established in the ordinance creating the tax increment area, or
11 the first day of the calendar year following the passage of the
12 ordinance, the county treasurer shall distribute receipts from regular
13 taxes imposed on real property located in the tax increment area as
14 follows:

15 (a) Each taxing district shall receive that portion of its regular
16 property taxes produced by the rate of tax levied by or for the taxing
17 district on the tax allocation base value for that tax increment
18 financing project in the taxing district, or upon the total assessed
19 value of real property in the taxing district, whichever is smaller;
20 and

21 (b) The local government that created the tax increment area shall
22 receive an additional portion of the regular property taxes levied by
23 or for each taxing district upon the tax increment value within the tax
24 increment area. However, the local government that created the tax
25 increment area may agree to receive less than the full amount of this
26 portion as long as bond debt service, reserve, and other bond covenant
27 requirements are satisfied, in which case the balance of these tax
28 receipts shall be allocated to the taxing districts that imposed
29 regular property taxes, or have regular property taxes imposed for
30 them, in the tax increment area for collection that year in proportion
31 to their regular tax levy rates for collection that year. The local
32 government may request that the treasurer transfer this additional
33 portion of the property taxes to its designated agent. The portion of
34 the tax receipts distributed to the local government or its agent under
35 this subsection (1)(b) may only be expended to finance public
36 improvement costs associated with the public improvements financed in
37 whole or in part by tax increment financing.

1 (2) The county assessor shall allocate fifty percent of any
2 increased real property value occurring in the tax increment area to
3 the tax allocation base value and the other fifty percent to the tax
4 increment value. This section does not authorize revaluations of real
5 property by the assessor for property taxation that are not made in
6 accordance with the assessor's revaluation plan under chapter 84.41 RCW
7 or under other authorized revaluation procedures.

8 (3) The apportionment of increases in assessed valuation in a tax
9 increment area, and the associated distribution to the local government
10 of receipts from regular property taxes that are imposed on the tax
11 increment value, must cease when tax allocation revenues are no longer
12 necessary or obligated to pay the costs of the public improvements.
13 Any excess tax allocation revenues and earnings on the tax allocation
14 revenues remaining at the time the apportionment of tax receipts
15 terminates must be returned to the county treasurer and distributed to
16 the taxing districts that imposed regular property taxes, or had
17 regular property taxes imposed for it, in the tax increment area for
18 collection that year, in proportion to the rates of their regular
19 property tax levies for collection that year.

20 NEW SECTION. **Sec. 107.** (1) A local government designating a tax
21 increment area and authorizing the use of tax increment financing may
22 incur general indebtedness, and issue general obligation bonds, to
23 finance the public improvements and retire the indebtedness in whole or
24 in part from tax allocation revenues it receives, subject to the
25 following requirements:

26 (a) The ordinance adopted by the local government creating the tax
27 increment area and authorizing the use of tax increment financing
28 indicates an intent to incur this indebtedness and the maximum amount
29 of this indebtedness that is contemplated; and

30 (b) The local government includes this statement of the intent in
31 all notices required by section 104 of this act.

32 (2) The general indebtedness incurred under subsection (1) of this
33 section may be payable from other tax revenues, the full faith and
34 credit of the local government, and nontax income, revenues, fees, and
35 rents from the public improvements, as well as contributions, grants,
36 and nontax money available to the local government for payment of costs
37 of the public improvements or associated debt service on the general
38 indebtedness.

1 (3) The ordinance creating the tax increment area and authorizing
2 the use of tax increment financing is subject to potential referendum
3 action by the voters of the local government if the ordinance
4 authorizes the local government to incur non-voter-approved general
5 indebtedness payable from tax increment receipts. If the voters of the
6 local government otherwise possess the general power of referendum on
7 local government matters, the ordinance is subject to that procedure.
8 If the voters of the local government do not otherwise possess the
9 general power of referendum on local government matters, the referendum
10 shall conform to the requirements and procedures for referendum
11 petitions provided for code cities in RCW 35A.11.100.

12 NEW SECTION. **Sec. 108.** A direct or collateral attack on a public
13 improvement, public improvement ordinance, or tax increment area
14 purported to be authorized or created in conformance with applicable
15 legal requirements, including this chapter, may not be commenced more
16 than thirty days after publication of notice as required by section 105
17 of this act.

18 NEW SECTION. **Sec. 109.** (1) In addition to other authorities, the
19 state may provide public improvements as defined under section 101 of
20 this act, but this additional authority is limited to participating in
21 the financing of the public improvements by agreeing to the tax
22 increment financing as provided under section 104 of this act.

23 This section does not limit the authority of the state to otherwise
24 participate in the public improvements if that authority exists
25 elsewhere.

26 (2) It is recognized, as provided by Article XI, section 1 of the
27 state Constitution, that it is the paramount duty of the state to make
28 ample provision for the education of all children residing in this
29 state. Each year, the state property tax levy generates considerably
30 less than one-half of the money that the legislature has appropriated
31 for basic education that year, which is about one-quarter of the money
32 the legislature has appropriated for all K-12 education purposes that
33 year. Allowing a diversion of a small portion of the state property
34 tax levy for purposes provided in this chapter does not alter or limit
35 the paramount duty of the state to make ample provision for education
36 of all children residing in the state.

1 NEW SECTION. **Sec. 110.** This chapter supplements and neither
2 restricts nor limits any powers which the state or any local government
3 might otherwise have under any laws of this state.

4 NEW SECTION. **Sec. 111.** This chapter expires July 1, 2003.

5 NEW SECTION. **Sec. 112.** Sections 101 through 111 of this act
6 constitute a new chapter in Title 39 RCW.

7 **PART II--REFERENCES IN TAXING DISTRICTS' LAWS**

8 NEW SECTION. **Sec. 201.** A new section is added to chapter 27.12
9 RCW to read as follows:

10 In addition to other authority that a rural county library district
11 or intercounty rural library district possesses, a rural county library
12 district or an intercounty rural library district may provide any
13 public improvement as defined under section 101 of this act, but this
14 additional authority is limited to participating in the financing of
15 the public improvements by agreeing to the tax increment financing as
16 provided under section 104 of this act.

17 This section does not limit the authority of a rural county library
18 district or intercounty rural library district to otherwise participate
19 in the public improvements if that authority exists elsewhere.

20 NEW SECTION. **Sec. 202.** A new section is added to chapter 35.61
21 RCW to read as follows:

22 In addition to other authority that a metropolitan park district
23 possesses, a metropolitan park district may provide any public
24 improvement as defined under section 101 of this act, but this
25 additional authority is limited to participating in the financing of
26 the public improvements by agreeing to the tax increment financing as
27 provided under section 104 of this act.

28 This section does not limit the authority of a metropolitan park
29 district to otherwise participate in the public improvements if that
30 authority exists elsewhere.

31 NEW SECTION. **Sec. 203.** A new section is added to chapter 36.32
32 RCW to read as follows:

1 In addition to other authority that a county possesses, a county
2 may provide any public improvement as defined under section 101 of this
3 act, but this additional authority is limited to participating in the
4 financing of the public improvements by agreeing to the tax increment
5 financing as provided under section 104 of this act.

6 This section does not limit the authority of a county to otherwise
7 participate in the public improvements if that authority exists
8 elsewhere.

9 NEW SECTION. **Sec. 204.** A new section is added to chapter 36.68
10 RCW to read as follows:

11 In addition to other authority that a park and recreation service
12 area possesses, a park and recreation service area may provide any
13 public improvement as defined under section 101 of this act, but this
14 additional authority is limited to participating in the financing of
15 the public improvements by agreeing to the tax increment financing as
16 provided under section 104 of this act.

17 This section does not limit the authority of a park and recreation
18 service area to otherwise participate in the public improvements if
19 that authority exists elsewhere.

20 NEW SECTION. **Sec. 205.** A new section is added to chapter 36.69
21 RCW to read as follows:

22 In addition to other authority that a park and recreation district
23 possesses, a park and recreation district may provide any public
24 improvement as defined under section 101 of this act, but this
25 additional authority is limited to participating in the financing of
26 the public improvements by agreeing to the tax increment financing as
27 provided under section 104 of this act.

28 This section does not limit the authority of a park and recreation
29 district to otherwise participate in the public improvements if that
30 authority exists elsewhere.

31 NEW SECTION. **Sec. 206.** A new section is added to chapter 36.75
32 RCW to read as follows:

33 In addition to other authority that a road district possesses, a
34 road district may provide any public improvement as defined under
35 section 101 of this act, but this additional authority is limited to
36 participating in the financing of the public improvements by agreeing

1 to the tax increment financing as provided under section 104 of this
2 act.

3 This section does not limit the authority of a road district to
4 otherwise participate in the public improvements if that authority
5 exists elsewhere.

6 NEW SECTION. **Sec. 207.** A new section is added to chapter 52.12
7 RCW to read as follows:

8 In addition to other authority that a fire protection district
9 possesses, a fire protection district may provide any public
10 improvement as defined under section 101 of this act, but this
11 additional authority is limited to participating in the financing of
12 the public improvements by agreeing to the tax increment financing as
13 provided under section 104 of this act.

14 This section does not limit the authority of a fire protection
15 district to otherwise participate in the public improvements if that
16 authority exists elsewhere.

17 NEW SECTION. **Sec. 208.** A new section is added to chapter 53.08
18 RCW to read as follows:

19 In addition to other authority that a port district possesses, a
20 port district may provide any public improvement as defined under
21 section 101 of this act, but this additional authority is limited to
22 participating in the financing of the public improvements by agreeing
23 to the tax increment financing as provided under section 104 of this
24 act.

25 This section does not limit the authority of a port district to
26 otherwise participate in the public improvements if that authority
27 exists elsewhere.

28 NEW SECTION. **Sec. 209.** A new section is added to chapter 54.16
29 RCW to read as follows:

30 In addition to other authority that a public utility district
31 possesses, a public utility district may provide any public improvement
32 as defined under section 101 of this act, but this additional authority
33 is limited to participating in the financing of the public improvements
34 by agreeing to the tax increment financing as provided under section
35 104 of this act.

1 This section does not limit the authority of a public utility
2 district to otherwise participate in the public improvements if that
3 authority exists elsewhere.

4 NEW SECTION. **Sec. 210.** A new section is added to chapter 67.38
5 RCW to read as follows:

6 In addition to other authority that a cultural arts, stadium, and
7 convention center district possesses, a cultural arts, stadium, and
8 convention center district may provide any public improvement as
9 defined under section 101 of this act, but this additional authority is
10 limited to participating in the financing of the public improvements by
11 agreeing to the tax increment financing as provided under section 104
12 of this act.

13 This section does not limit the authority of a cultural arts,
14 stadium, and convention center district to otherwise participate in the
15 public improvements if that authority exists elsewhere.

16 NEW SECTION. **Sec. 211.** A new section is added to chapter 68.52
17 RCW to read as follows:

18 In addition to other authority that a cemetery district possesses,
19 a cemetery district may provide any public improvement as defined under
20 section 101 of this act, but this additional authority is limited to
21 participating in the financing of the public improvements by agreeing
22 to the tax increment financing as provided under section 104 of this
23 act.

24 This section does not limit the authority of a cemetery district to
25 otherwise participate in the public improvements if that authority
26 exists elsewhere.

27 NEW SECTION. **Sec. 212.** A new section is added to chapter 70.44
28 RCW to read as follows:

29 In addition to other authority that a public hospital district
30 possesses, a public hospital district may provide any public
31 improvement as defined under section 101 of this act, but this
32 additional authority is limited to participating in the financing of
33 the public improvements by agreeing to the tax increment financing as
34 provided under section 104 of this act.

1 This section does not limit the authority of a public hospital
2 district to otherwise participate in the public improvements if that
3 authority exists elsewhere.

4 NEW SECTION. **Sec. 213.** A new section is added to chapter 86.15
5 RCW to read as follows:

6 In addition to other authority that a flood control zone district
7 possesses, a flood control zone district may provide any public
8 improvement as defined under section 101 of this act, but this
9 additional authority is limited to participating in the financing of
10 the public improvements by agreeing to the tax increment financing as
11 provided under section 104 of this act.

12 This section does not limit the authority of a flood control zone
13 district to otherwise participate in the public improvements if that
14 authority exists elsewhere.

15 **PART III--MISCELLANEOUS**

16 NEW SECTION. **Sec. 301.** A new section is added to chapter 84.55
17 RCW to read as follows:

18 Limitations on regular property taxes that are provided in this
19 chapter shall continue in a taxing district whether or not a tax
20 increment area exists within the taxing district as provided under
21 chapter 39.-- RCW (sections 101 through 111 of this act).

22 **Sec. 302.** RCW 84.52.043 and 1995 c 99 s 3 are each amended to read
23 as follows:

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

27 (1) Levies of the senior taxing districts shall be as follows: (a)
28 The levy by the state shall not exceed three dollars and sixty cents
29 per thousand dollars of assessed value adjusted to the state equalized
30 value in accordance with the indicated ratio fixed by the state
31 department of revenue to be used exclusively for the support of the
32 common schools, except that a portion of this levy may be used as
33 provided in chapter 39.-- RCW (sections 101 through 111 of this act);
34 (b) the levy by any county shall not exceed one dollar and eighty cents
35 per thousand dollars of assessed value; (c) the levy by any road

1 district shall not exceed two dollars and twenty-five cents per
2 thousand dollars of assessed value; and (d) the levy by any city or
3 town shall not exceed three dollars and thirty-seven and one-half cents
4 per thousand dollars of assessed value. However any county is hereby
5 authorized to increase its levy from one dollar and eighty cents to a
6 rate not to exceed two dollars and forty-seven and one-half cents per
7 thousand dollars of assessed value for general county purposes if the
8 total levies for both the county and any road district within the
9 county do not exceed four dollars and five cents per thousand dollars
10 of assessed value, and no other taxing district has its levy reduced as
11 a result of the increased county levy.

12 (2) The aggregate levies of junior taxing districts and senior
13 taxing districts, other than the state, shall not exceed five dollars
14 and ninety cents per thousand dollars of assessed valuation. The term
15 "junior taxing districts" includes all taxing districts other than the
16 state, counties, road districts, cities, towns, port districts, and
17 public utility districts. The limitations provided in this subsection
18 shall not apply to: (a) Levies at the rates provided by existing law
19 by or for any port or public utility district; (b) excess property tax
20 levies authorized in Article VII, section 2 of the state Constitution;
21 (c) levies for acquiring conservation futures as authorized under RCW
22 84.34.230; (d) levies for emergency medical care or emergency medical
23 services imposed under RCW 84.52.069; (e) levies to finance affordable
24 housing for very low-income housing imposed under RCW 84.52.105; and
25 (f) the portions of levies by metropolitan park districts that are
26 protected under RCW 84.52.120.

27 **Sec. 303.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended
28 to read as follows:

29 Subject to the limitations in RCW 84.55.010, in each year the state
30 shall levy for collection in the following year for the support of
31 common schools of the state a tax of three dollars and sixty cents per
32 thousand dollars of assessed value upon the assessed valuation of all
33 taxable property within the state adjusted to the state equalized value
34 in accordance with the indicated ratio fixed by the state department of
35 revenue, except that a portion of this levy may be used as provided in
36 chapter 39.-- RCW (sections 101 through 111 of this act).

1 As used in this section, "the support of common schools" includes
2 the payment of the principal and interest on bonds issued for capital
3 construction projects for the common schools.

4 **Sec. 304.** RCW 84.52.067 and 1967 ex.s. c 133 s 2 are each amended
5 to read as follows:

6 All property taxes levied by the state for the support of common
7 schools, that are not diverted under chapter 39.-- RCW (sections 101
8 through 111 of this act), shall be paid into the general fund of the
9 state treasury as provided in RCW 84.56.280.

10 **Sec. 305.** RCW 36.33.220 and 1973 1st ex.s. c 195 s 142 are each
11 amended to read as follows:

12 The legislative authority of any county may budget, in accordance
13 with the provisions of chapter 36.40 RCW, and expend any portion of the
14 county road property tax revenues for any service to be provided in the
15 unincorporated area of the county notwithstanding any other provision
16 of law, including chapter 36.82 RCW and RCW 84.52.050 and 84.52.043.
17 County road property tax revenues that are diverted under chapter 39.--
18 RCW (sections 101 through 111 of this act) may be expended as provided
19 under chapter 39.-- RCW (sections 101 through 111 of this act).

20 **Sec. 306.** RCW 36.79.140 and 1991 c 363 s 84 are each amended to
21 read as follows:

22 At the time the board reviews the six-year program of each county
23 each even-numbered year, it shall consider and shall approve for
24 inclusion in its recommended budget, as required by RCW 36.79.130, the
25 portion of the rural arterial construction program scheduled to be
26 performed during the biennial period beginning the following July 1st.
27 Subject to the appropriations actually approved by the legislature, the
28 board shall as soon as feasible approve rural arterial trust account
29 funds to be spent during the ensuing biennium for preliminary proposals
30 in priority sequence as established pursuant to RCW 36.79.090. Only
31 those counties that during the preceding twelve months have spent all
32 revenues collected for road purposes only for such purposes, including
33 traffic law enforcement, as are allowed to the state by Article II,
34 section 40 of the state Constitution are eligible to receive funds from
35 the rural arterial trust account(~~(:—PROVIDED HOWEVER,)~~), except that:
36 (1) Counties with a population of from five thousand to less than eight

1 thousand are exempt from this eligibility restriction(~~(:—AND PROVIDED~~
2 ~~FURTHER,—That))~~); (2) counties expending revenues collected for road
3 purposes only on other governmental services after authorization from
4 the voters of that county under RCW 84.55.050 are also exempt from this
5 eligibility restriction; and (3) this restriction shall not apply to
6 any moneys diverted from the road district levy under chapter 39.-- RCW
7 (sections 101 through 111 of this act). The board shall authorize
8 rural arterial trust account funds for the construction project portion
9 of a project previously authorized for a preliminary proposal in the
10 sequence in which the preliminary proposal has been completed and the
11 construction project is to be placed under contract. At such time the
12 board may reserve rural arterial trust account funds for expenditure in
13 future years as may be necessary for completion of preliminary
14 proposals and construction projects to be commenced in the ensuing
15 biennium.

16 The board may, within the constraints of available rural arterial
17 trust funds, consider additional projects for authorization upon a
18 clear and conclusive showing by the submitting county that the proposed
19 project is of an emergent nature and that its need was unable to be
20 anticipated at the time the six-year program of the county was
21 developed. The proposed projects shall be evaluated on the basis of
22 the priority rating factors specified in RCW 36.79.080.

23 **Sec. 307.** RCW 36.82.040 and 1973 1st ex.s. c 195 s 41 are each
24 amended to read as follows:

25 For the purpose of raising revenue for establishing, laying out,
26 constructing, altering, repairing, improving, and maintaining county
27 roads, bridges, and wharves necessary for vehicle ferriage and for
28 other proper county purposes, the board shall annually at the time of
29 making the levy for general purposes make a uniform tax levy throughout
30 the county, or any road district thereof, of not to exceed two dollars
31 and twenty-five cents per thousand dollars of assessed value of the
32 last assessed valuation of the taxable property in the county, or road
33 district thereof, unless other law of the state requires a lower
34 maximum levy, in which event such lower maximum levy shall control.
35 All funds accruing from such levy shall be credited to and deposited in
36 the county road fund except that revenue diverted under RCW 36.33.220
37 shall be placed in a separate and identifiable account within the
38 county current expense fund and except that revenue diverted under

1 chapter 39.-- RCW (sections 101 through 111 of this act) shall be
2 expended as provided under chapter 39.-- RCW (sections 101 through 111
3 of this act).

4 **Sec. 308.** RCW 46.68.124 and 1990 c 33 s 586 are each amended to
5 read as follows:

6 (1) The equivalent population for each county shall be computed as
7 the sum of the population residing in the county's unincorporated area
8 plus twenty-five percent of the population residing in the county's
9 incorporated area. Population figures required for the computations in
10 this subsection shall be certified by the director of the office of
11 financial management on or before July 1st of each odd-numbered year.

12 (2) The total annual road cost for each county shall be computed as
13 the sum of one twenty-fifth of the total estimated county road
14 replacement cost, plus the total estimated annual maintenance cost.
15 Appropriate costs for bridges and ferries shall be included. The
16 county road administration board shall be responsible for establishing
17 a uniform system of roadway categories for both maintenance and
18 construction and also for establishing a single state-wide cost per
19 mile rate for each roadway category. The total annual cost for each
20 county will be based on the established state-wide cost per mile and
21 associated mileage for each category. The mileage to be used for these
22 computations shall be as shown in the county road log as maintained by
23 the county road administration board as of July 1, 1985, and each two
24 years thereafter. Each county shall be responsible for submitting
25 changes, corrections, and deletions as regards the county road log to
26 the county road administration board. Such changes, corrections, and
27 deletions shall be subject to verification and approval by the county
28 road administration board prior to inclusion in the county road log.

29 (3) The money need factor for each county shall be the county's
30 total annual road cost less the following four amounts:

31 (a) One-half the sum of the actual county road tax levied upon the
32 valuation of all taxable property within the county road districts
33 pursuant to RCW 36.82.040, including any amount of such tax diverted
34 under chapter 39.-- RCW (sections 101 through 111 of this act), for the
35 two calendar years next preceding the year of computation of the
36 allocation amounts as certified by the department of revenue;

37 (b) One-half the sum of all funds received by the county road fund
38 from the federal forest reserve fund pursuant to RCW 28A.520.010 and

1 28A.520.020 during the two calendar years next preceding the year of
2 computation of the allocation amounts as certified by the state
3 treasurer;

4 (c) One-half the sum of timber excise taxes received by the county
5 road fund pursuant to chapter 84.33 RCW in the two calendar years next
6 preceding the year of computation of the allocation amounts as
7 certified by the state treasurer;

8 (d) One-half the sum of motor vehicle license fees and motor
9 vehicle and special fuel taxes refunded to the county, pursuant to RCW
10 46.68.080 during the two calendar years next preceding the year of
11 computation of the allocation amounts as certified by the state
12 treasurer.

13 (4) The state treasurer and the department of revenue shall furnish
14 to the county road administration board the information required by
15 subsection (3) of this section on or before July 1st of each odd-
16 numbered year.

17 (5) The county road administration board, shall compute and provide
18 to the counties the allocation factors of the several counties on or
19 before September 1st of each year based solely upon the sources of
20 information herein before required: PROVIDED, That the allocation
21 factor shall be held to a level not more than five percent above or
22 five percent below the allocation factor in use during the previous
23 calendar year. Upon computation of the actual allocation factors of
24 the several counties, the county road administration board shall
25 provide such factors to the state treasurer to be used in the
26 computation of the counties' fuel tax allocation for the succeeding
27 calendar year. The state treasurer shall adjust the fuel tax
28 allocation of each county on January 1st of every year based solely
29 upon the information provided by the county road administration board.

30 **Sec. 309.** RCW 82.03.130 and 1994 c 123 s 3 are each amended to
31 read as follows:

32 The board shall have jurisdiction to decide the following types of
33 appeals:

34 (1) Appeals taken pursuant to RCW 82.03.190.

35 (2) Appeals from a county board of equalization pursuant to RCW
36 84.08.130.

37 (3) Appeals by an assessor or landowner from an order of the
38 director of revenue made pursuant to RCW 84.08.010 and 84.08.060, if

1 filed with the board of tax appeals within thirty days after the
2 mailing of the order, the right to such an appeal being hereby
3 established.

4 (4) Appeals by an assessor or owner of an intercounty public
5 utility or private car company from determinations by the director of
6 revenue of equalized assessed valuation of property and the
7 apportionment thereof to a county made pursuant to chapter 84.12 and
8 84.16 RCW, if filed with the board of tax appeals within thirty days
9 after mailing of the determination, the right to such appeal being
10 hereby established.

11 (5) Appeals by an assessor, landowner, or owner of an intercounty
12 public utility or private car company from a determination of any
13 county indicated ratio for such county compiled by the department of
14 revenue pursuant to RCW 84.48.075: PROVIDED, That

15 (a) Said appeal be filed after review of the ratio under RCW
16 84.48.075(3) and not later than fifteen days after the mailing of the
17 certification; and

18 (b) The hearing before the board shall be expeditiously held in
19 accordance with rules prescribed by the board and shall take precedence
20 over all matters of the same character.

21 (6) Appeals from the decisions of sale price of second class
22 shorelands on navigable lakes by the department of natural resources
23 pursuant to RCW 79.94.210.

24 ~~(7) ((Appeals from urban redevelopment property tax apportionment~~
25 ~~district proposals established by governmental ordinances pursuant to~~
26 ~~RCW 39.88.060.~~

27 ~~(8))~~ Appeals from interest rates as determined by the department
28 of revenue for use in valuing farmland under current use assessment
29 pursuant to RCW 84.34.065.

30 ~~((9))~~ (8) Appeals from revisions to stumpage value tables used to
31 determine value by the department of revenue pursuant to RCW 84.33.091.

32 ~~((10))~~ (9) Appeals from denial of tax exemption application by
33 the department of revenue pursuant to RCW 84.36.850.

34 ~~((11))~~ (10) Appeals pursuant to RCW 84.40.038(3).

35 **NEW SECTION. Sec. 310.** The following acts or parts of acts are
36 each repealed:

37 (1) RCW 39.88.010 and 1982 1st ex.s. c 42 s 2;

38 (2) RCW 39.88.020 and 1982 1st ex.s. c 42 s 3;

- 1 (3) RCW 39.88.030 and 1982 1st ex.s. c 42 s 4;
- 2 (4) RCW 39.88.040 and 1982 1st ex.s. c 42 s 5;
- 3 (5) RCW 39.88.050 and 1982 1st ex.s. c 42 s 6;
- 4 (6) RCW 39.88.060 and 1989 c 378 s 1 & 1982 1st ex.s. c 42 s 7;
- 5 (7) RCW 39.88.070 and 1982 1st ex.s. c 42 s 8;
- 6 (8) RCW 39.88.080 and 1982 1st ex.s. c 42 s 9;
- 7 (9) RCW 39.88.090 and 1982 1st ex.s. c 42 s 10;
- 8 (10) RCW 39.88.100 and 1982 1st ex.s. c 42 s 11;
- 9 (11) RCW 39.88.110 and 1982 1st ex.s. c 42 s 13;
- 10 (12) RCW 39.88.120 and 1982 1st ex.s. c 42 s 14;
- 11 (13) RCW 39.88.130 and 1982 1st ex.s. c 42 s 15;
- 12 (14) RCW 39.88.900 and 1982 1st ex.s. c 42 s 16;
- 13 (15) RCW 39.88.905 and 1982 1st ex.s. c 42 s 1;
- 14 (16) RCW 39.88.910 and 1982 1st ex.s. c 42 s 17;
- 15 (17) RCW 39.88.915 and 1982 1st ex.s. c 42 s 18; and
- 16 (18) RCW 84.55.080 and 1982 1st ex.s. c 42 s 12.

17 NEW SECTION. **Sec. 311.** If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected.

21 NEW SECTION. **Sec. 312.** Part headings as used in this act do not
22 constitute any part of the law.

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