
HOUSE BILL 2856

State of Washington 57th Legislature 2002 Regular Session

By Representatives McIntire, Veloria and Kenney

Read first time 01/30/2002. Referred to Committee on Finance.

1 AN ACT Relating to adjusting property tax rates for senior taxing
2 districts; amending RCW 84.52.043, 84.52.010, and 84.52.065; and adding
3 a new chapter to Title 36 RCW.

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

5 NEW SECTION. **Sec. 1.** (1) The legislative authority of a county
6 may establish an unincorporated area service district within the county
7 for the purpose of providing services to persons residing within the
8 unincorporated area of the county. The district may not include any
9 area within the corporate limits of a city or town.

10 (2) An unincorporated area service district is a quasi-municipal
11 corporation, an independent taxing "authority" within the meaning of
12 Article VII, section 1 of the state Constitution, and a "taxing
13 district" within the meaning of Article VII, section 2 of the state
14 Constitution.

15 (3) An unincorporated area service district constitutes a body
16 corporate and possesses all the usual powers of a corporation for
17 public purposes as well as all other powers that may now or hereafter
18 be specifically conferred by statute including, but not limited to, the
19 authority to hire employees, staff, and services, to enter into

1 contracts, to acquire, hold, and dispose of real and personal property,
2 and to sue and be sued.

3 (4) The county legislative authority is the governing body of an
4 unincorporated area service district. The county treasurer shall act
5 as the ex officio treasurer of the unincorporated area service
6 district. The electors of an unincorporated area service district are
7 all registered voters residing within the district.

8 NEW SECTION. **Sec. 2.** A county legislative may adopt a resolution
9 providing for the submission of a proposal to establish an
10 unincorporated area service district. A proposition to create an
11 unincorporated area service district shall be submitted to the affected
12 voters at the next general election held sixty or more days after the
13 adoption of the resolution providing for the submittal by the county
14 legislative authority. The district shall be created upon approval of
15 the proposition by simple majority vote.

16 NEW SECTION. **Sec. 3.** The legislative authority of an
17 unincorporated area service district may submit an authorizing
18 proposition to its voters and, if approved by a majority of persons
19 voting, may impose a regular property tax levy not to exceed thirty
20 cents per thousand dollars of assessed value of taxable property within
21 the unincorporated area service district. The unincorporated area
22 service district may in subsequent years impose a levy in the same
23 amount or a lesser amount without voter approval. The limitations in
24 RCW 84.52.043 do not apply to the levy authorized in this section.

25 NEW SECTION. **Sec. 4.** The legislative authority of an
26 unincorporated area service district is authorized to contract with the
27 county within which it is located for the provision of services to
28 persons residing within the unincorporated area of the county.

29 **Sec. 5.** RCW 84.52.043 and 1995 c 99 s 3 are each amended to read
30 as follows:

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

34 (1) Levies of the senior taxing districts shall be as follows: (a)
35 The levy by the state shall not exceed three dollars and ((sixty))

1 thirty cents per thousand dollars of assessed value adjusted to the
2 state equalized value in accordance with the indicated ratio fixed by
3 the state department of revenue to be used exclusively for the support
4 of the common schools; (b) the levy by any county shall not exceed one
5 dollar and eighty cents per thousand dollars of assessed value; (c) the
6 levy by any road district shall not exceed two dollars and twenty-five
7 cents per thousand dollars of assessed value; ((and)) (d) the levy by
8 any city or town shall not exceed three dollars and thirty-seven and
9 one-half cents per thousand dollars of assessed value; and (e) the levy
10 by any unincorporated area service district shall not exceed thirty
11 cents per thousand dollars of assessed value. ((However))

12 (2) Notwithstanding subsection (1) of this section, any county is
13 hereby authorized to increase its levy from one dollar and eighty cents
14 to a rate not to exceed two dollars and forty-seven and one-half cents
15 per thousand dollars of assessed value for general county purposes if
16 the total levies for both the county and any road district within the
17 county do not exceed four dollars and five cents per thousand dollars
18 of assessed value, and no other taxing district has its levy reduced as
19 a result of the increased county levy.

20 ((+2)) (3) Notwithstanding subsection (1) of this section, the
21 legislative authority of any city or town may submit an authorizing
22 proposition to its voters, and if approved by a majority of persons
23 voting, may increase its levy from three dollars and thirty-seven and
24 one-half cents to a rate not to exceed three dollars and sixty-seven
25 and one-half cents per thousand dollars of assessed value of taxable
26 property within the city or town. The city or town may in subsequent
27 years impose a levy in the same amount or a lesser amount without voter
28 approval.

29 (4) The aggregate levies of junior taxing districts and senior
30 taxing districts, other than the state, shall not exceed five dollars
31 and ninety cents per thousand dollars of assessed valuation. The term
32 "junior taxing districts" includes all taxing districts other than the
33 state, counties, road districts, cities, towns, port districts, and
34 public utility districts. The limitations provided in this subsection
35 shall not apply to: (a) Levies at the rates provided by existing law
36 by or for any port or public utility district; (b) excess property tax
37 levies authorized in Article VII, section 2 of the state Constitution;
38 (c) levies for acquiring conservation futures as authorized under RCW
39 84.34.230; (d) levies for emergency medical care or emergency medical

1 services imposed under RCW 84.52.069; (e) levies to finance affordable
2 housing for very low-income housing imposed under RCW 84.52.105;
3 ((and)) (f) the portions of levies by metropolitan park districts that
4 are protected under RCW 84.52.120; and (g) unincorporated area service
5 district levies under section 3 of this act.

6 **Sec. 6.** RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each amended
7 to read as follows:

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

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

21 When a county assessor finds that the aggregate rate of tax levy on
22 any property, that is subject to the limitations set forth in RCW
23 84.52.043 or 84.52.050, exceeds the limitations provided in either of
24 these sections, the assessor shall recompute and establish a
25 consolidated levy in the following manner:

26 (1) The full certified rates of tax levy for state, county, county
27 road district, and city or town purposes shall be extended on the tax
28 rolls in amounts not exceeding the limitations established by law;
29 however any state levy shall take precedence over all other levies and
30 shall not be reduced for any purpose other than that required by RCW
31 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
32 84.34.230, the portion of the levy by a metropolitan park district that
33 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
34 regular property tax levies that are subject to the one percent
35 limitation exceeds one percent of the true and fair value of any
36 property, then these levies shall be reduced as follows: (a) The
37 portion of the levy by a city or town that exceeds three dollars and
38 thirty-seven and one-half cents per thousand dollars of assessed value,

1 the levy imposed by an unincorporated area service district shall be
2 reduced on a pro rata basis until the combined rate no longer exceeds
3 one percent of the true and fair value of any property or shall be
4 eliminated; (b) if the combined rate of regular property tax levies
5 that are subject to the one percent limitation still exceeds one
6 percent of the true and fair value of any property, then the portion of
7 the levy by a metropolitan park district that is protected under RCW
8 84.52.120 shall be reduced until the combined rate no longer exceeds
9 one percent of the true and fair value of any property or shall be
10 eliminated; (~~(b)~~) (c) if the combined rate of regular property tax
11 levies that are subject to the one percent limitation still exceeds one
12 percent of the true and fair value of any property, then the levies
13 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
14 imposed under RCW 84.52.069 that is in excess of thirty cents per
15 thousand dollars of assessed value, shall be reduced on a pro rata
16 basis until the combined rate no longer exceeds one percent of the true
17 and fair value of any property or shall be eliminated; and (~~(c)~~) (d)
18 if the combined rate of regular property tax levies that are subject to
19 the one percent limitation still exceeds one percent of the true and
20 fair value of any property, then the thirty cents per thousand dollars
21 of assessed value of tax levy imposed under RCW 84.52.069 shall be
22 reduced until the combined rate no longer exceeds one percent of the
23 true and fair value of any property or eliminated.

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

28 (a) First, the certified property tax levy rates of those junior
29 taxing districts authorized under RCW 36.68.525, 36.69.145, and
30 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

34 (c) Third, if the consolidated tax levy rate still exceeds these
35 limitations, the certified property tax levy rates of all other junior
36 taxing districts, other than fire protection districts, library
37 districts, the first fifty cent per thousand dollars of assessed
38 valuation levies for metropolitan park districts, and the first fifty

1 cent per thousand dollars of assessed valuation levies for public
2 hospital districts, shall be reduced on a pro rata basis or eliminated;

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

7 (e) Fifth, if the consolidated tax levy rate still exceeds these
8 limitations, the certified property tax levy rates authorized for fire
9 protection districts under RCW 52.16.130, library districts,
10 metropolitan park districts under their first fifty cent per thousand
11 dollars of assessed valuation levy, and public hospital districts under
12 their first fifty cent per thousand dollars of assessed valuation levy,
13 shall be reduced on a pro rata basis or eliminated.

14 In determining whether the aggregate rate of tax levy on any
15 property, that is subject to the limitations set forth in RCW
16 84.52.050, exceeds the limitations provided in that section, the
17 assessor shall use the hypothetical state levy, as apportioned to the
18 county under RCW 84.48.080, that was computed under RCW 84.48.080
19 without regard to the reduction under RCW 84.55.012.

20 **Sec. 7.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to
21 read as follows:

22 Subject to the limitations in RCW 84.55.010, in each year the state
23 shall levy for collection in the following year for the support of
24 common schools of the state a tax of three dollars and (~~sixty~~) thirty
25 cents per thousand dollars of assessed value upon the assessed
26 valuation of all taxable property within the state adjusted to the
27 state equalized value in accordance with the indicated ratio fixed by
28 the state department of revenue.

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

32 NEW SECTION. **Sec. 8.** Sections 1 through 4 of this act shall
33 constitute a new chapter in Title 36 RCW.

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