

HOUSE BILL REPORT

HJR 4216

As Reported by House Committee On:

Local Government

Finance

Brief Description: Amending the Constitution to allow four year excess tax levies for metropolitan park districts and library districts.

Sponsors: Representatives Jarrett, Conway, Skinner, Kirby, Hankins, Hunt, Mastin, Morris, Santos, Delvin, Kessler, Armstrong, Lantz, Kenney, Chase and Kagi.

Brief History:

Committee Activity:

Local Government: 2/5/04 [DP];

Finance: 2/9/04, 2/10/04 [DP].

Brief Summary of Bill

- Creates a ballot initiative for consideration at the next general election. The initiative proposes amending the state constitution to allow propositions to levy support of metropolitan park districts or library districts for up to four years.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 9 members: Representatives Romero, Chair; D. Simpson, Vice Chair; Schindler, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Clibborn, Edwards, Mielke, Moeller and Upthegrove.

Minority Report: Do not pass. Signed by 2 members: Representatives Ahern and Ericksen.

Staff: Kiki Keizer (786-7109).

Background:

With some exceptions, Article VII, Section 2 of the State Constitution limits the aggregate of all tax levies on real and personal property by the state and all taxing districts to no more than 1 percent of the true and fair value of the property annually. Exceptions to the general 1 percent limit include ports and public utility districts.

Taxing districts may exceed the 1 percent limit when specifically authorized to do so by a majority of at least three-fifths of the voters of the taxing district on the proposition (if voter turnout equals at least 40 percent of the previous general election turnout). The constitution permits levies for periods of support of more than one year for schools and fire protection

districts (four years) and for construction, modernization, or remodeling school or fire facilities (six years).

Summary of Bill:

A ballot initiative is created for consideration at the next general election. The initiative proposes amending the state constitution to allow propositions to levy support of metropolitan park districts or library districts for up to four years.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: Parks have been negatively affected by voter initiatives that have cut funding.

Levies via bond issues are not a cost-effective way of funding capital improvements because the very high interest rates on bonds benefit bond-holders rather than taxpayers. A four-year property tax levy would allow voters to pay for capital improvements as they go rather than incurring the interest on bonds.

Voters should have the opportunity to approve levies to fund parks and recreation districts and library districts.

Testimony Against: None.

Persons Testifying: Ross Hjelseth and Byron Olson, Metropolitan Park District; John Shellor, Washington Library Association; and Neel Parikh, Pierce County Library System.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 7 members: Representatives McIntire, Chair; Hunter, Vice Chair; Cairnes, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Conway, Morris and Santos.

Minority Report: Do not pass. Signed by 2 members: Representatives Ahern and Roach.

Staff: Rick Peterson (786-7150).

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Local Government:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: The bill creates options for park and library districts to finance projects on a pay as you go basis rather than using debt financing. This is another tool in the tool box. It will make a difference for park and library districts. The libraries are entirely supported by property taxes. This will allow districts to approach the voters. Recent tax initiatives have had an impact on library districts. The libraries are in a similar situation as the parks.

Testimony Against: None.

Persons Testifying: (In support) Representative Jarrett, prime sponsor; Byron Olson, Metro Parks Tacoma; and Neel Parikh, Pierce County Library System.

Persons Signed In To Testify But Not Testifying: None.