

# SENATE BILL REPORT

## ESB 5232

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As Passed Senate, February 3, 2004

**Title:** An act relating to authorizing multiyear excess property tax levies for cemetery districts.

**Brief Description:** Authorizing multiyear excess property tax levies for cemetery districts.

**Sponsors:** Senator Morton.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 1/28/03 [DP].

Passed Senate: 3/7/03, 49-0; 2/3/04, 47-0.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** Do pass.

Signed by Senators Roach, Chair; Stevens, Vice Chair; Horn, Kastama, McCaslin and Reardon.

**Staff:** Diane Smith (786-7410)

**Background:** Statutory law allows various ways of paying for and maintaining public cemeteries. For example, if a city owns a cemetery, it can invest the cemetery's profits and use income from the investment for a cemetery improvement fund. The law also allows registered voters to vote for the creation of a cemetery district whose elected board then operates a cemetery within the district where such voters live. To pay for cemetery costs, cemetery districts have the power to issue bonds and to levy taxes on property in the district.

A cemetery district, like other taxing districts (e.g., school districts, fire districts, water-sewer districts), levies a property tax in the amount needed to fund its budget for the following year. Article 7, section 2 of the state Constitution puts a cap of 1 percent (i.e., \$10 per \$1,000 of assessed value) on the aggregate property tax that taxing districts can levy without a vote of the people. Registered voters within a district can vote to tax themselves above this 1 percent. Levies under the 1 percent limit are termed "regular" levies. Levies above 1 percent are called "excess" or "special" levies. The cap applies to the total tax on any individual parcel of property.

Other than "bond retirement" levies, which can last as many as 30 years, almost all types of taxing districts can levy the excess taxes for only one year per voter-approved levy. School districts, however, are allowed six-year levies. Additionally, in November 2002, voters statewide extended this six-year levy power to fire protection districts. All other districts, including cemetery districts, can apply excess tax levies for only one year.

**Summary of Bill:** The power of a cemetery district to levy voter-approved real property taxes in excess of the constitutional 1 percent cap is extended from one year to six years.

For levies involving maintenance and operation support of a cemetery district, the one-year time limit is extended to four years. For levies involving construction, modernization, or remodeling, the one-year time limit is extended to six years. In either case, the first annual excess levy must be made in the year when elections are held. During the period in which a maintenance and operation excess levy is in effect in a district, no further excess levies for maintenance and operation support may be authorized in that district for the same period.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect on January 1, 2005, if a proposed amendment to Article VII, section 2 is approved by the voters.

**Testimony For:** Small towns in rural areas with few resources are experiencing large numbers of deaths. The bill will improve rural towns' ability to plan for the future by building new cemeteries based on population numbers.

**Testimony Against:** None.

**Testified:** Senator Morton, prime sponsor (pro).

**House Amendment(s):** The amendment clarifies that the dollar amount of the multi-year levy will be stated on the ballot measure. The estimated levy rates used for the ballot measure will be finalized at the time the tax is imposed.