
SUBSTITUTE HOUSE BILL 1756

State of Washington

58th Legislature

2003 Regular Session

By House Committee on Finance (originally sponsored by Representatives Conway, Kirby, Talcott, Flannigan, Darneille, Shabro, Edwards and Morrell)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to authorizing additional funding for local
2 governments; amending RCW 84.52.043; reenacting and amending RCW
3 84.52.010; adding a new section to chapter 82.14 RCW; adding new
4 sections to chapter 84.52 RCW; adding a new chapter to Title 36 RCW;
5 and creating a new section.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that local governments
8 in the state of Washington face enormous challenges in the areas of
9 criminal justice and public health. It is the legislature's intent to
10 allow local governments to raise revenues in order to better protect
11 the health and safety of Washington state and its residents.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW
13 to read as follows:

14 (1) A county legislative authority in a county with a population of
15 less than one million may submit an authorizing proposition to the
16 county voters and, if the proposition is approved by a majority of
17 persons voting, impose a sales and use tax in accordance with the terms

1 of this chapter. The rate of tax under this subsection shall not
2 exceed three-tenths of one percent of the selling price in the case of
3 a sales tax, or value of the article used, in the case of a use tax.

4 (2) The tax authorized in this section shall be in addition to any
5 other taxes authorized by law and shall be collected from those persons
6 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
7 the occurrence of any taxable event within the county.

8 (3) Money received under this section shall be shared between the
9 county and the cities as follows: Sixty percent shall be retained by
10 the county, and forty percent shall be distributed on a per capita
11 basis to cities in the county.

12 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.52 RCW
13 to read as follows:

14 (1) A county unincorporated service area may impose a permanent
15 regular property tax levy in an amount not to exceed thirty cents per
16 thousand dollars of assessed value of property in the county
17 unincorporated service area when specifically authorized to do so by a
18 majority of the voters of the service area voting on a ballot
19 proposition authorizing the levy. A proposition authorizing the tax
20 levy under this section shall not be submitted by a county
21 unincorporated service area more than twice in any twelve-month period.

22 (2) If a ballot proposition approved under subsection (1) of this
23 section did not impose the maximum allowable levy amount authorized for
24 the taxing district under this section, any future increase up to the
25 maximum allowable levy amount must be specifically authorized by the
26 voters in accordance with subsection (1) of this section at a general
27 or special election.

28 (3) The limitation in RCW 84.55.010 does not apply to the first
29 levy imposed under this section following the approval of the levy by
30 the voters under subsection (1) of this section.

31 NEW SECTION. **Sec. 4.** (1) Any county shall have the power to
32 create a county unincorporated service area for any purpose specified
33 in the county ordinance or resolution. The county legislative
34 authority shall, by resolution, order an election of the voters of the
35 proposed county unincorporated service area to determine if the service
36 area shall be formed. The county legislative authority shall in their

1 resolution direct the county auditor to set the election to be held at
2 the next general election or at a special election held for such
3 purpose; describe the purposes of the proposed service area; and order
4 that notice of the election be published in a newspaper of general
5 circulation in the county at least twice prior to the election date.

6 (2) A county unincorporated service area shall be a quasi-municipal
7 corporation, an independent taxing "authority" within the meaning of
8 Article VII, section 1 of the state Constitution, and a "taxing
9 district" within the meaning of Article VII, section 2 of the state
10 Constitution.

11 (3) A county unincorporated service area shall constitute a body
12 corporate and shall possess all the usual powers of a corporation for
13 public purposes including, but not limited to, the authority to hire
14 employees, staff, and services, to enter into contracts, to accept and
15 expend or use gifts, grants, and donations, and to sue and be sued as
16 well as all other powers that may now or hereafter be specifically
17 conferred by statute.

18 (4) The county legislative authority shall be the governing body of
19 a county unincorporated service area. The county treasurer shall act
20 as the ex officio treasurer of the county unincorporated service area.
21 The electors of a county unincorporated service area are all registered
22 voters residing within the service area.

23 (5) A county unincorporated service area shall consist solely of
24 all the unincorporated areas of the county.

25 NEW SECTION. **Sec. 5.** A proposition to form a county
26 unincorporated service area shall be submitted to the voters of the
27 proposed service area. Upon approval by a majority of the voters
28 voting on the proposition, a county unincorporated service area shall
29 be established. The proposition submitted to the voters by the county
30 auditor on the ballot shall be in substantially the following form:

31 **FORMATION OF COUNTY UNINCORPORATED**
32 **SERVICE AREA**

33 Shall a county unincorporated service area be established
34 in the unincorporated area of the county for the purpose
35 of ?

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Yes..... No.....

NEW SECTION. **Sec. 6.** A new section is added to chapter 84.52 RCW to read as follows:

(1) The legislative authority of any city or town may submit an authorizing proposition to the voters at a general or special election and, if the proposition is approved by the majority of qualified voters voting on the proposition, impose an additional permanent regular property tax levy in an amount not to exceed thirty cents per thousand dollars of assessed valuation.

(2) If a proposition approved under subsection (1) of this section did not impose the maximum levy amount authorized in this section, any future increase up to the maximum allowable levy amount must be specifically authorized by the voters in accordance with subsection (1) of this section.

(3) The additional regular property tax levy authorized in this section is in addition to the levy authorized in RCW 84.52.043(1).

Sec. 7. RCW 84.52.010 and 2002 c 248 s 15 and 2002 c 88 s 7 are each reenacted and amended to read as follows:

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

The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

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

1 (1) The full certified rates of tax levy for state, county, county
2 road district, and city or town purposes, other than the rate of tax
3 levy provided in section 6 of this act, shall be extended on the tax
4 rolls in amounts not exceeding the limitations established by law;
5 however any state levy shall take precedence over all other levies and
6 shall not be reduced for any purpose other than that required by RCW
7 84.55.010. If, as a result of the levies imposed under section 3 of
8 this act, section 6 of this act, RCW 84.52.069, 84.34.230, the portion
9 of the levy by a metropolitan park district that was protected under
10 RCW 84.52.120, and 84.52.105, the combined rate of regular property tax
11 levies that are subject to the one percent limitation exceeds one
12 percent of the true and fair value of any property, then these levies
13 shall be reduced as follows: (a) The levies imposed under sections 3
14 and 6 of this act shall be reduced on a pro rata basis until the
15 combined rate no longer exceeds one percent of the true and fair value
16 of any property or shall be eliminated; (b) if the combined rate of
17 regular property tax levies that are subject to the one percent
18 limitation still exceeds one percent of the true and fair value of any
19 property, the portion of the levy by a metropolitan park district that
20 is protected under RCW 84.52.120 shall be reduced until the combined
21 rate no longer exceeds one percent of the true and fair value of any
22 property or shall be eliminated; ((+b)) (c) if the combined rate of
23 regular property tax levies that are subject to the one percent
24 limitation still exceeds one percent of the true and fair value of any
25 property, then the levies imposed under RCW 84.34.230, 84.52.105, and
26 any portion of the levy imposed under RCW 84.52.069 that is in excess
27 of thirty cents per thousand dollars of assessed value, shall be
28 reduced on a pro rata basis until the combined rate no longer exceeds
29 one percent of the true and fair value of any property or shall be
30 eliminated; and ((+e)) (d) if the combined rate of regular property
31 tax levies that are subject to the one percent limitation still exceeds
32 one percent of the true and fair value of any property, then the thirty
33 cents per thousand dollars of assessed value of tax levy imposed under
34 RCW 84.52.069 shall be reduced until the combined rate no longer
35 exceeds one percent of the true and fair value of any property or
36 eliminated.

37 (2) The certified rates of tax levy subject to these limitations by

1 all junior taxing districts imposing taxes on such property shall be
2 reduced or eliminated as follows to bring the consolidated levy of
3 taxes on such property within the provisions of these limitations:

4 (a) First, the certified property tax levy rates of those junior
5 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,
6 and 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

10 (c) Third, if the consolidated tax levy rate still exceeds these
11 limitations, the certified property tax levy rates of all other junior
12 taxing districts, other than fire protection districts, library
13 districts, the first fifty cent per thousand dollars of assessed
14 valuation levies for metropolitan park districts, and the first fifty
15 cent per thousand dollars of assessed valuation levies for public
16 hospital districts, shall be reduced on a pro rata basis or eliminated;

17 (d) Fourth, if the consolidated tax levy rate still exceeds these
18 limitations, the first fifty cent per thousand dollars of assessed
19 valuation levies for metropolitan park districts created on or after
20 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

21 (e) Fifth, if the consolidated tax levy rate still exceeds these
22 limitations, the certified property tax levy rates authorized to fire
23 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced
24 on a pro rata basis or eliminated; and

25 (f) Sixth, if the consolidated tax levy rate still exceeds these
26 limitations, the certified property tax levy rates authorized for fire
27 protection districts under RCW 52.16.130, library districts,
28 metropolitan park districts created before January 1, 2002, under their
29 first fifty cent per thousand dollars of assessed valuation levy, and
30 public hospital districts under their first fifty cent per thousand
31 dollars of assessed valuation levy, shall be reduced on a pro rata
32 basis or eliminated.

33 In determining whether the aggregate rate of tax levy on any
34 property, that is subject to the limitations set forth in RCW
35 84.52.050, exceeds the limitations provided in that section, the
36 assessor shall use the hypothetical state levy, as apportioned to the
37 county under RCW 84.48.080, that was computed under RCW 84.48.080
38 without regard to the reduction under RCW 84.55.012.

1 **Sec. 8.** RCW 84.52.043 and 1995 c 99 s 3 are each amended to read
2 as follows:

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

6 (1) Levies of the senior taxing districts shall be as follows: (a)
7 The levy by the state shall not exceed three dollars and sixty cents
8 per thousand dollars of assessed value adjusted to the state equalized
9 value in accordance with the indicated ratio fixed by the state
10 department of revenue to be used exclusively for the support of the
11 common schools; (b) the levy by any county shall not exceed one dollar
12 and eighty cents per thousand dollars of assessed value; (c) the levy
13 by any road district shall not exceed two dollars and twenty-five cents
14 per thousand dollars of assessed value; and (d) the levy by any city or
15 town shall not exceed three dollars and thirty-seven and one-half cents
16 per thousand dollars of assessed value. However any county is hereby
17 authorized to increase its levy from one dollar and eighty cents to a
18 rate not to exceed two dollars and forty-seven and one-half cents per
19 thousand dollars of assessed value for general county purposes if the
20 total levies for both the county and any road district within the
21 county do not exceed four dollars and five cents per thousand dollars
22 of assessed value, and no other taxing district has its levy reduced as
23 a result of the increased county levy.

24 (2) The aggregate levies of junior taxing districts and senior
25 taxing districts, other than the state, shall not exceed five dollars
26 and ninety cents per thousand dollars of assessed valuation. The term
27 "junior taxing districts" includes all taxing districts other than the
28 state, counties, road districts, cities, towns, port districts, and
29 public utility districts. The limitations provided in this subsection
30 shall not apply to: (a) Levies at the rates provided by existing law
31 by or for any port or public utility district; (b) excess property tax
32 levies authorized in Article VII, section 2 of the state Constitution;
33 (c) levies for acquiring conservation futures as authorized under RCW
34 84.34.230; (d) levies for emergency medical care or emergency medical
35 services imposed under RCW 84.52.069; (e) levies to finance affordable
36 housing for very low-income housing imposed under RCW 84.52.105;
37 (~~and~~) (f) the portions of levies by metropolitan park districts that

1 are protected under RCW 84.52.120; and (g) levies under sections 3 and
2 6 of this act.

3 NEW SECTION. **Sec. 9.** Sections 4 and 5 of this act constitute a
4 new chapter in Title 36 RCW.

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