
SUBSTITUTE SENATE BILL 5659

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Winsley, Kastama, Oke, Franklin, Swecker, Rasmussen, Regala and Kohl-Welles)

READ FIRST TIME 03/05/03.

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 a new
4 section to chapter 84.52 RCW; and creating a new section.

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

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

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

13 (1) A county legislative authority in a county with a population of
14 less than one million may submit an authorizing proposition to the
15 county voters and, if the proposition is approved by a majority of
16 persons voting, impose a sales and use tax in accordance with the terms
17 of this chapter. The title of each ballot measure must include the
18 purposes for which the proposed sales and use tax will be used. The

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

4 (2) The tax authorized in this section is in addition to any other
5 taxes authorized by law and shall be collected from those persons who
6 are taxable by the state under chapters 82.08 and 82.12 RCW upon the
7 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 basis
11 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 A city, town, or county may impose additional permanent regular
15 property tax levies in an amount equal to thirty cents or less per
16 thousand dollars of assessed value of the property in the taxing
17 district. A tax levy under this section must be specifically proposed
18 by the legislative authority of the city, town, or county and
19 authorized by a majority of voters voting on the proposition at a
20 general or special election. If a proposition under this section did
21 not impose the maximum levy amount authorized in this section, any
22 future increase up to the maximum allowable levy amount must be
23 specifically authorized by the voters. The title of each ballot
24 measure must include the purposes for which the tax levy will be used.

25 (1) The permanent regular property tax levy authorized in this
26 section is in addition to any other property tax levy authority a city,
27 town, or county may have.

28 (2) A city or town may impose an additional permanent regular
29 property tax levy under this section only if the county does not impose
30 the maximum allowed under this section. A city or town cannot place a
31 ballot proposition before the voters that requests approval of a
32 combined levy rate that exceeds the limit provided in this section.

33 (3) If a county is levying under this section and the legislative
34 authority of a city or town subsequently adopts an ordinance to impose
35 a tax under this section and the combined rate would exceed thirty
36 cents, then the county shall distribute to the city or town an amount
37 equal to the difference between the rate specified in the ordinance of

1 the city or town and the rate approved by the voters of the city or
2 town multiplied by the assessed value of taxable property within the
3 city or town.

4 (4) The limitation in RCW 84.55.010 shall not apply to the first
5 levy imposed under this section following approval of the levy by the
6 voters.

7 **Sec. 4.** RCW 84.52.010 and 2002 c 248 s 15 and 2002 c 88 s 7 are
8 each reenacted and amended to read as follows:

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

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

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

27 (1) The full certified rates of tax levy for state, county, county
28 road district, and city or town purposes shall be extended on the tax
29 rolls in amounts not exceeding the limitations established by law;
30 however any state levy shall take precedence over all other levies and
31 shall not be reduced for any purpose other than that required by RCW
32 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
33 84.34.230, the portion of the levy by a metropolitan park district that
34 was protected under RCW 84.52.120, (~~and~~) 84.52.105, and the portion
35 of the levy by a county, city, or town imposed under section 3 of this
36 act, the combined rate of regular property tax levies that are subject
37 to the one percent limitation exceeds one percent of the true and fair

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

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

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

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

33 (c) Third, if the consolidated tax levy rate still exceeds these
34 limitations, the certified property tax levy rates of all other junior
35 taxing districts, other than fire protection districts, library
36 districts, the first fifty cent per thousand dollars of assessed
37 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 first fifty cent per thousand dollars of assessed
5 valuation levies for metropolitan park districts created on or after
6 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

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

11 (f) Sixth, if the consolidated tax levy rate still exceeds these
12 limitations, the certified property tax levy rates authorized for fire
13 protection districts under RCW 52.16.130, library districts,
14 metropolitan park districts created before January 1, 2002, under their
15 first fifty cent per thousand dollars of assessed valuation levy, and
16 public hospital districts under their first fifty cent per thousand
17 dollars of assessed valuation levy, shall be reduced on a pro rata
18 basis or eliminated.

19 In determining whether the aggregate rate of tax levy on any
20 property, that is subject to the limitations set forth in RCW
21 84.52.050, exceeds the limitations provided in that section, the
22 assessor shall use the hypothetical state levy, as apportioned to the
23 county under RCW 84.48.080, that was computed under RCW 84.48.080
24 without regard to the reduction under RCW 84.55.012.

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

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

30 (1) Levies of the senior taxing districts shall be as follows: (a)
31 The levy by the state shall not exceed three dollars and sixty cents
32 per thousand dollars of assessed value adjusted to the state equalized
33 value in accordance with the indicated ratio fixed by the state
34 department of revenue to be used exclusively for the support of the
35 common schools; (b) the levy by any county shall not exceed one dollar
36 and eighty cents per thousand dollars of assessed value; (c) the levy
37 by any road district shall not exceed two dollars and twenty-five cents

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

11 (2) The aggregate levies of junior taxing districts and senior
12 taxing districts, other than the state, shall not exceed five dollars
13 and ninety cents per thousand dollars of assessed valuation. The term
14 "junior taxing districts" includes all taxing districts other than the
15 state, counties, road districts, cities, towns, port districts, and
16 public utility districts. The limitations provided in this subsection
17 shall not apply to: (a) Levies at the rates provided by existing law
18 by or for any port or public utility district; (b) excess property tax
19 levies authorized in Article VII, section 2 of the state Constitution;
20 (c) levies for acquiring conservation futures as authorized under RCW
21 84.34.230; (d) levies for emergency medical care or emergency medical
22 services imposed under RCW 84.52.069; (e) levies to finance affordable
23 housing for very low-income housing imposed under RCW 84.52.105;
24 (~~and~~) (f) the portions of levies by metropolitan park districts that
25 are protected under RCW 84.52.120; and additional city, town, or county
26 levies under section 3 of this act.

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