

FINAL BILL REPORT

SB 5136

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Synopsis as Enacted

Brief Description: Modifying fire protection district property tax levies.

Sponsors: Senators Doumit, Mulliken, Zarelli and Rasmussen.

Senate Committee on Government Operations & Elections

Senate Committee on Ways & Means

House Committee on Local Government

House Committee on Finance

Background: The state Constitution limits regular property tax levies to a maximum of one percent of the property's value (\$10 per \$1,000 of assessed value). Voters within a taxing district can vote to tax themselves higher than this one percent limit with an excess levy.

In order to keep the total tax rate for regular property taxes within this constitutional limit, the Legislature has established rate maximums and aggregate rate maximums for the individual taxing districts that derive their funding from the regular property tax. The state property tax levy is limited to \$3.60 per \$1,000 of assessed value. The levies of the remaining taxing districts are generally divided into two types; senior taxing districts and junior taxing districts. Senior taxing districts are cities and counties. Junior taxing districts include library districts, fire protection districts, park districts, etc.

If the combined rates of the senior and junior taxing districts exceed \$5.90, the rates of the junior districts are reduced first and then the rates of the senior districts are reduced, according to statutorily set priorities, until the combined rate fits within the \$5.90 limit. This process is referred to as pro-rationing.

The following taxes are reduced first in the pro-rationing process. They are outside of the \$5.90 limit, but still subject to the one percent constitutional limit:

- voter-approved emergency medical services (EMS) taxes;
- taxes to acquire conservation futures;
- voter-approved taxes for affordable housing;
- voter-approved metropolitan park district taxes;
- King County ferry district taxes for passenger-only ferries; and
- voter-approved county criminal justice taxes.

Fire protection districts are authorized to impose three different levies of taxes of 50 cents per \$1,000 of assessed value, for a total of \$1.50 per \$1,000.

Summary: Effective with taxes levied for collection in 2006, a fire protection district is authorized to impose up to a total of 25 cents of its property tax levy outside the \$5.90 aggregate property tax limit, if those taxes otherwise would be subject to pro-rationing. If the combined rates exceed \$10 per \$1,000 of assessed value, this levy is reduced first.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: July 24, 2005