SENATE BILL REPORT
SB 5573

As Reported By Senate Committee On:
Government Operations & Elections, February 24, 2005

Title: An act relating to authorizing local governments to seek voter approval for a fixed multi year regular property tax dollar rate.

Brief Description: Authorizing local governments to seek voter approval for a fixed multiyear regular property tax dollar rate.

Sponsors: Senators Fairley, Swecker, Eide, Regala, Fraser, Hewitt, Kline and Kohl-Welles.

Brief History:
> **Committee Activity:** Government Operations & Elections: 2/7/05, 2/24/05 [DP-WM, DNP, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.
> Signed by Senators Kastama, Chair; Berkey, Vice Chair; Fairley, Haugen, Kline, Mulliken and Pridemore.

Minority Report: Do not pass.
> Signed by Senator Benton.

Minority Report: That it be referred without recommendation.
> Signed by Senator Roach, Ranking Minority Member.

Staff: Cindy Fazio (786-7405)

Background: Upon a finding of substantial need, the legislative authority of a taxing district, other than the state, may provide for the use of a limit factor of one hundred one percent or less, unless an increase greater than this limit is approved by the voters at an election. A proposition for such increase must be submitted to the voters at a special election within the taxing district, and must be approved by a majority of the voters. If the levy is authorized by voters and implemented, the dollar amount of the levy may be used to calculate the limitations for subsequent levies.

The ballot for the election must state the maximum dollar rate proposed and any other conditions applicable to the increase, such as: limiting the period for which the increased levy is to be made; an annual increase in levies for multiple consecutive years, up to six consecutive years; limiting the purpose for which the increased levy is sought; setting the levy rate less than the maximum rate allowed for the district; or providing that the dollar amount of the final annual levy for the period specified in the measure must be used to compute the limitations on subsequent levy increases.

If a limited time period or purpose is set by the proposition, after that time period has expired, or purpose exhausted, subsequent levies must be computed as if the proposition had not been approved and the levies during the time period were at the maximum allowable rate.

Summary of Bill: The ballot title for the proposition, in addition to stating the dollar rate proposed, must state the conditions, if any, for which the proposal is made. Additionally, the ballot title must state the maximum regular levy dollar rate that will be used, and the final year property taxes will be collected at that rate. Finally, in addition to the other conditions allowed, the levy may be for the purpose of maintaining an approximate level of municipal services, and may be levied for up to six consecutive years, subject to statutory dollar limitations.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill makes it easier for local governments to collect their revenues; and easier for the taxpayers, too, because of fewer election cycles. The junior taxing districts could put the money saved from all the elections back into their service to the communities. Every time the Federal Way or Des Moines Fire Depts. have asked the taxpayers for money, they have given it to us; we can use the money more wisely with this bill. The bill may also help cities stabilize their property tax rate. The bill gives clear information to the taxpayers. The bill also provides a clear purpose - the continued level of municipal services.

Testimony Against: None.

Who Testified: PRO: Al Church, Fire Chief, Federal Way Fire Dept., Des Moines Fire Dept.; David Moseley, City of Federal Way; Jim Justin, Assoc. of Washington Cities.