
HOUSE BILL 1027

State of Washington

61st Legislature

2009 Regular Session

By Representatives Armstrong, Pearson, Campbell, Shea, Bailey, and McCune

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1 AN ACT Relating to eliminating the state property tax levy;
2 amending RCW 84.52.065, 84.52.043, 84.52.050, 36.58.150, 36.60.040,
3 36.69.145, 36.73.060, 36.83.030, 36.100.050, 67.38.130, 84.52.010, and
4 84.69.020; and crating a new section.

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

6 **Sec. 1.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to
7 read as follows:

8 (1) Subject to the limitations in RCW 84.55.010, in each year the
9 state shall levy for collection in the following year for the support
10 of common schools of the state a tax ((of three dollars and sixty cents
11 per thousand dollars of assessed value)) at the rate specified in
12 subsection (2) of this section upon the assessed valuation of all
13 taxable property within the state adjusted to the state equalized value
14 in accordance with the indicated ratio fixed by the state department of
15 revenue.

16 (2) The rate of state tax in subsection (1) of this section may not
17 exceed:

18 (a) Three dollars and sixty cents per thousand dollars of assessed
19 value for taxes levied for collection in 2009, and before;

1 (b) Three dollars per thousand dollars of assessed value for taxes
2 levied for collection in 2010;

3 (c) Two dollars and forty cents per thousand dollars of assessed
4 value for taxes levied for collection in 2011;

5 (d) One dollar and eighty cents per thousand dollars of assessed
6 value for taxes levied for collection in 2012;

7 (e) One dollar and twenty cents per thousand dollars of assessed
8 value for taxes levied for collection in 2013;

9 (f) Sixty cents per thousand dollars of assessed value for taxes
10 levied for collection in 2014;

11 (g) No tax may be levied under this section for taxes levied for
12 collection in 2015 and thereafter.

13 (3) As used in this section, "the support of common schools"
14 includes the payment of the principal and interest on bonds issued for
15 capital construction projects for the common schools.

16 **Sec. 2.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to read
17 as follows:

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

21 (1) Levies of the senior taxing districts shall be as follows: (a)
22 The levy by the state shall not exceed (~~three dollars and sixty~~
23 ~~cents~~) the dollar rate per thousand dollars of assessed value
24 specified in RCW 84.52.065 adjusted to the state equalized value in
25 accordance with the indicated ratio fixed by the state department of
26 revenue to be used exclusively for the support of the common schools;
27 (b) the levy by any county shall not exceed one dollar and eighty cents
28 per thousand dollars of assessed value; (c) the levy by any road
29 district shall not exceed two dollars and twenty-five cents per
30 thousand dollars of assessed value; and (d) the levy by any city or
31 town shall not exceed three dollars and thirty-seven and one-half cents
32 per thousand dollars of assessed value. However any county is hereby
33 authorized to increase its levy from one dollar and eighty cents to a
34 rate not to exceed two dollars and forty-seven and one-half cents per
35 thousand dollars of assessed value for general county purposes if the
36 total levies for both the county and any road district within the

1 county do not exceed four dollars and five cents per thousand dollars
2 of assessed value, and no other taxing district has its levy reduced as
3 a result of the increased county levy.

4 (2) The aggregate levies of junior taxing districts and senior
5 taxing districts, other than the state, shall not exceed five dollars
6 and ninety cents per thousand dollars of assessed valuation. The term
7 "junior taxing districts" includes all taxing districts other than the
8 state, counties, road districts, cities, towns, port districts, and
9 public utility districts. The limitations provided in this subsection
10 shall not apply to: (a) Levies at the rates provided by existing law
11 by or for any port or public utility district; (b) excess property tax
12 levies authorized in Article VII, section 2 of the state Constitution;
13 (c) levies for acquiring conservation futures as authorized under RCW
14 84.34.230; (d) levies for emergency medical care or emergency medical
15 services imposed under RCW 84.52.069; (e) levies to finance affordable
16 housing for very low-income housing imposed under RCW 84.52.105; (f)
17 the portions of levies by metropolitan park districts that are
18 protected under RCW 84.52.120; (g) levies imposed by ferry districts
19 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW
20 84.52.135; and (i) the portions of levies by fire protection districts
21 that are protected under RCW 84.52.125.

22 **Sec. 3.** RCW 84.52.050 and 1973 1st ex.s. c 194 s 1 are each
23 amended to read as follows:

24 (1) Except as hereinafter provided, the aggregate of all tax levies
25 upon real and personal property by the state and all taxing districts,
26 now existing or hereafter created, shall not in any year exceed ((one
27 percentum)) the following percentage of the true and fair value of such
28 property in money: ((PROVIDED, HOWEVER, That))

29 (a) For taxes levied for collection in 2009, and before, 1.0
30 percent;

31 (b) For taxes levied for collection in 2010, 0.94 percent;

32 (c) For taxes levied for collection in 2011, 0.88 percent;

33 (d) For taxes levied for collection in 2012, 0.82 percent;

34 (e) For taxes levied for collection in 2013, 0.76 percent;

35 (f) For taxes levied for collection in 2014, 0.70 percent;

36 (g) For taxes levied for collection in 2015 and thereafter, 0.64
37 percent.

1 (2) Nothing herein shall prevent levies at the rates now provided
2 by law by or for any port or public utility district. The term "taxing
3 district" for the purposes of this section shall mean any political
4 subdivision, municipal corporation, district, or other governmental
5 agency authorized by law to levy, or have levied for it, ad valorem
6 taxes on property, other than a port or public utility district. Such
7 aggregate limitation or any specific limitation imposed by law in
8 conformity therewith may be exceeded only as authorized by law and in
9 conformity with the provisions of Article VII, section 2(a), (b), or
10 (c) of the Constitution of the state of Washington.

11 (3) Nothing herein contained shall prohibit the legislature from
12 allocating or reallocating the authority to levy taxes between the
13 taxing districts of the state and its political subdivisions in a
14 manner which complies with the aggregate tax limitation set forth in
15 this section.

16 **Sec. 4.** RCW 36.58.150 and 1984 c 186 s 25 are each amended to read
17 as follows:

18 (1) A solid waste disposal district shall not have the power to
19 levy an annual levy without voter approval, but it shall have the power
20 to levy a tax, in excess of the (~~one percent~~) limitation in RCW
21 84.52.050, upon the property within the district for a one year period
22 to be used for operating or capital purposes whenever authorized by the
23 electors of the district pursuant to RCW 84.52.052 and Article VII,
24 section 2(a) of the state Constitution.

25 A solid waste disposal district may issue general obligation bonds
26 for capital purposes only, subject to the limitations prescribed in RCW
27 39.36.020(1), and may provide for the retirement of the bonds by voter-
28 approved bond retirement tax levies pursuant to Article VII, section
29 2(b) of the state Constitution and RCW 84.52.056. Such general
30 obligation bonds shall be issued and sold in accordance with chapter
31 39.46 RCW.

32 A solid waste disposal district may issue revenue bonds to fund its
33 activities. Such revenue bonds may be in any form, including bearer
34 bonds or registered bonds as provided in RCW 39.46.030.

35 (2) Notwithstanding subsection (1) of this section, such revenue
36 bonds may be issued and sold in accordance with chapter 39.46 RCW.

1 levied by other taxing districts subject to the (~~one percent~~)
2 limitation provided for in (~~Article 7, section 2, of our state~~
3 ~~Constitution~~) RCW 84.52.050 result in taxes in excess of the
4 limitation provided for in RCW 84.52.043, the park and recreation
5 district property tax levy shall be reduced or eliminated before the
6 property tax levies of other taxing districts are reduced.

7 (2) The limitation in RCW 84.55.010 shall not apply to the first
8 levy imposed under this section following the approval of the levies by
9 the voters under subsection (1) of this section.

10 **Sec. 7.** RCW 36.73.060 and 2005 c 336 s 6 are each amended to read
11 as follows:

12 (1) A district may levy an ad valorem property tax in excess of the
13 (~~one percent~~) limitation in RCW 84.52.050 upon the property within
14 the district for a one-year period whenever authorized by the voters of
15 the district pursuant to RCW 84.52.052 and Article VII, section 2(a) of
16 the state Constitution.

17 (2) A district may provide for the retirement of voter-approved
18 general obligation bonds, issued for capital purposes only, by levying
19 bond retirement ad valorem property tax levies in excess of the one
20 percent limitation whenever authorized by the voters of the district
21 pursuant to Article VII, section 2(b) of the state Constitution and RCW
22 84.52.056.

23 **Sec. 8.** RCW 36.83.030 and 1983 c 130 s 3 are each amended to read
24 as follows:

25 (1) A service district may levy an ad valorem property tax, in
26 excess of the (~~one percent~~) limitation in RCW 84.52.050, upon the
27 property within the district for a one-year period whenever authorized
28 by the voters of the district pursuant to RCW 84.52.052 and Article
29 VII, section 2(a) of the state Constitution.

30 (2) A service district may provide for the retirement of voter
31 approved general obligation bonds, issued for capital purposes only, by
32 levying bond retirement ad valorem property tax levies, in excess of
33 the one percent limitation, whenever authorized by the voters of the
34 district pursuant to Article VII, section 2(b) of the state
35 Constitution and RCW 84.52.056.

1 **Sec. 9.** RCW 36.100.050 and 1988 ex.s. c 1 s 15 are each amended to
2 read as follows:

3 (1) A public facilities district may levy an ad valorem property
4 tax, in excess of the (~~one percent~~) limitation in RCW 84.52.050, upon
5 the property within the district for a one-year period to be used for
6 operating or capital purposes whenever authorized by the voters of the
7 district pursuant to RCW 84.52.052 and Article VII, section 2(a) of the
8 state Constitution.

9 (2) A public facilities district may provide for the retirement of
10 voter-approved general obligation bonds, issued for capital purposes
11 only, by levying bond retirement ad valorem property tax levies, in
12 excess of the one percent limitation, whenever authorized by the voters
13 of the district pursuant to Article VII, section 2(b) of the state
14 Constitution and RCW 84.52.056.

15 **Sec. 10.** RCW 67.38.130 and 1984 c 131 s 4 are each amended to read
16 as follows:

17 The governing body of a cultural arts, stadium and convention
18 district may levy or cause to levy the following ad valorem taxes:

19 (1) Regular ad valorem property tax levies in an amount equal to
20 twenty-five cents or less per thousand dollars of the assessed value of
21 property in the district in each year for six consecutive years when
22 specifically authorized so to do by a majority of at least three-fifths
23 of the electors thereof approving a proposition authorizing the levies
24 submitted at a general or special election, at which election the
25 number of persons voting "yes" on the proposition shall constitute
26 three-fifths of a number equal to forty percentum of the total votes
27 cast in such taxing district at the last preceding general election; or
28 by a majority of at least three-fifths of the electors thereof voting
29 on the proposition when the number of electors voting yes on the
30 proposition exceeds forty percentum of the total votes cast in such
31 taxing district in the last preceding general election. Ballot
32 propositions shall conform with RCW (~~29.30.111~~) 29A.36.210.

33 In the event a cultural arts, stadium and convention district is
34 levying property taxes, which in combination with property taxes levied
35 by other taxing districts subject to the (~~one percent~~) limitation
36 provided for in (~~Article VII, section 2, of our state Constitution~~)
37 RCW 84.52.050 result in taxes in excess of the limitation provided for

1 in RCW 84.52.043, the cultural arts, stadium and convention district
2 property tax levy shall be reduced or eliminated before the property
3 tax levies of other taxing districts are reduced: PROVIDED, That no
4 cultural arts, stadium, and convention district may pledge anticipated
5 revenues derived from the property tax herein authorized as security
6 for payments of bonds issued pursuant to subsection (1) of this
7 section: PROVIDED, FURTHER, That such limitation shall not apply to
8 property taxes approved pursuant to subsections (2) and (3) of this
9 section.

10 The limitation in RCW 84.55.010 shall apply to levies after the
11 first levy authorized under this section following the approval of such
12 levy by voters pursuant to this section.

13 (2) An annual excess ad valorem property tax for general district
14 purposes when authorized by the district voters in the manner
15 prescribed by (~~section 27~~) Article VII, section 2 of the state
16 Constitution and by RCW 84.52.052.

17 (3) Multi-year excess ad valorem property tax levies used to retire
18 general obligation bond issues when authorized by the district voters
19 in the manner prescribed by (~~section 27~~) Article VII, section 2 of
20 the state Constitution and by RCW 84.52.056.

21 The district shall include in its regular property tax levy for
22 each year a sum sufficient to pay the interest and principal on all
23 outstanding general obligation bonds issued without voter approval
24 pursuant to RCW 67.38.110 and may include a sum sufficient to create a
25 sinking fund for the redemption of all outstanding bonds.

26 **Sec. 11.** RCW 84.52.010 and 2007 c 54 s 26 are each amended to read
27 as follows:

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

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

1 respective counties, within the limitations provided by law, upon the
2 assessed valuation of the property of the taxing districts
3 respectively.

4 When a county assessor finds that the aggregate rate of tax levy on
5 any property, that is subject to the limitations set forth in RCW
6 84.52.043 or 84.52.050, exceeds the limitations provided in either of
7 these sections, the assessor shall recompute and establish a
8 consolidated levy in the following manner:

9 (1) The full certified rates of tax levy for state, county, county
10 road district, and city or town purposes shall be extended on the tax
11 rolls in amounts not exceeding the limitations established by law;
12 however any state levy shall take precedence over all other levies and
13 shall not be reduced for any purpose other than that required by RCW
14 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
15 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
16 metropolitan park district that was protected under RCW 84.52.120,
17 84.52.125, and 84.52.135, the combined rate of regular property tax
18 levies that are subject to the ~~((one percent))~~ limitation under RCW
19 84.52.050 exceeds ~~((one percent of the true and fair value of any~~
20 ~~property))~~ the limitation under RCW 84.52.050, then these levies shall
21 be reduced as follows:

22 (a) The portion of the levy by a fire protection district that is
23 protected under RCW 84.52.125 shall be reduced until the combined rate
24 no longer exceeds ~~((one percent of the true and fair value of any~~
25 ~~property))~~ the limitation under RCW 84.52.050 or shall be eliminated;

26 (b) If the combined rate of regular property tax levies that are
27 subject to the ~~((one percent))~~ limitation under RCW 84.52.050 still
28 exceeds ~~((one percent of the true and fair value of any property))~~ the
29 limitation under RCW 84.52.050, the levy imposed by a county under RCW
30 84.52.135 must be reduced until the combined rate no longer exceeds
31 ~~((one percent of the true and fair value of any property))~~ the
32 limitation under RCW 84.52.050 or must be eliminated;

33 (c) If the combined rate of regular property tax levies that are
34 subject to the ~~((one percent))~~ limitation under RCW 84.52.050 still
35 exceeds ~~((one percent of the true and fair value of any property))~~ the
36 limitation under RCW 84.52.050, the levy imposed by a ferry district
37 under RCW 36.54.130 must be reduced until the combined rate no longer

1 exceeds (~~one percent of the true and fair value of any property~~) the
2 limitation under RCW 84.52.050 or must be eliminated;

3 (d) If the combined rate of regular property tax levies that are
4 subject to the (~~one percent~~) limitation under RCW 84.52.050 still
5 exceeds (~~one percent of the true and fair value of any property~~) the
6 limitation under RCW 84.52.050, the portion of the levy by a
7 metropolitan park district that is protected under RCW 84.52.120 shall
8 be reduced until the combined rate no longer exceeds (~~one percent of~~
9 ~~the true and fair value of any property~~) the limitation under RCW
10 84.52.050 or shall be eliminated;

11 (e) If the combined rate of regular property tax levies that are
12 subject to the (~~one percent~~) limitation under RCW 84.52.050 still
13 exceeds (~~one percent of the true and fair value of any property~~) the
14 limitation under RCW 84.52.050, then the levies imposed under RCW
15 84.34.230, 84.52.105, and any portion of the levy imposed under RCW
16 84.52.069 that is in excess of thirty cents per thousand dollars of
17 assessed value, shall be reduced on a pro rata basis until the combined
18 rate no longer exceeds (~~one percent of the true and fair value of any~~
19 ~~property~~) the limitation under RCW 84.52.050 or shall be eliminated;
20 and

21 (f) If the combined rate of regular property tax levies that are
22 subject to the (~~one percent~~) limitation under RCW 84.52.050 still
23 exceeds (~~one percent of the true and fair value of any property~~) the
24 limitation under RCW 84.52.050, then the thirty cents per thousand
25 dollars of assessed value of tax levy imposed under RCW 84.52.069 shall
26 be reduced until the combined rate no longer exceeds (~~one percent of~~
27 ~~the true and fair value of any property~~) the limitation under RCW
28 84.52.050 or eliminated.

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

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

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

1 (c) Third, if the consolidated tax levy rate still exceeds these
2 limitations, the certified property tax levy rates of all other junior
3 taxing districts, other than fire protection districts, regional fire
4 protection service authorities, library districts, the first fifty cent
5 per thousand dollars of assessed valuation levies for metropolitan park
6 districts, and the first fifty cent per thousand dollars of assessed
7 valuation levies for public hospital districts, shall be reduced on a
8 pro rata basis or eliminated;

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

13 (e) Fifth, if the consolidated tax levy rate still exceeds these
14 limitations, the certified property tax levy rates authorized to fire
15 protection districts under RCW 52.16.140 and 52.16.160 and regional
16 fire protection service authorities under RCW 52.26.140(1) (b) and (c)
17 shall be reduced on a pro rata basis or eliminated; and

18 (f) Sixth, if the consolidated tax levy rate still exceeds these
19 limitations, the certified property tax levy rates authorized for fire
20 protection districts under RCW 52.16.130, regional fire protection
21 service authorities under RCW 52.26.140(1)(a), library districts,
22 metropolitan park districts created before January 1, 2002, under their
23 first fifty cent per thousand dollars of assessed valuation levy, and
24 public hospital districts under their first fifty cent per thousand
25 dollars of assessed valuation levy, shall be reduced on a pro rata
26 basis or eliminated.

27 **Sec. 12.** RCW 84.69.020 and 2005 c 502 s 9 are each amended to read
28 as follows:

29 On the order of the county treasurer, ad valorem taxes paid before
30 or after delinquency shall be refunded if they were:

- 31 (1) Paid more than once;
- 32 (2) Paid as a result of manifest error in description;
- 33 (3) Paid as a result of a clerical error in extending the tax
34 rolls;
- 35 (4) Paid as a result of other clerical errors in listing property;
- 36 (5) Paid with respect to improvements which did not exist on
37 assessment date;

- 1 (6) Paid under levies or statutes adjudicated to be illegal or
2 unconstitutional;
- 3 (7) Paid as a result of mistake, inadvertence, or lack of knowledge
4 by any person exempted from paying real property taxes or a portion
5 thereof pursuant to RCW 84.36.381 through 84.36.389, as now or
6 hereafter amended;
- 7 (8) Paid as a result of mistake, inadvertence, or lack of knowledge
8 by either a public official or employee or by any person with respect
9 to real property in which the person paying the same has no legal
10 interest;
- 11 (9) Paid on the basis of an assessed valuation which was appealed
12 to the county board of equalization and ordered reduced by the board;
- 13 (10) Paid on the basis of an assessed valuation which was appealed
14 to the state board of tax appeals and ordered reduced by the board:
15 PROVIDED, That the amount refunded under subsections (9) and (10) of
16 this section shall only be for the difference between the tax paid on
17 the basis of the appealed valuation and the tax payable on the
18 valuation adjusted in accordance with the board's order;
- 19 (11) Paid as a state property tax levied upon property, the
20 assessed value of which has been established by the state board of tax
21 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
22 refunded shall only be for the difference between the state property
23 tax paid and the amount of state property tax which would, when added
24 to all other property taxes within the (~~one percent~~) limitation of
25 Article VII, section 2 of the state Constitution equal (~~one percent~~)
26 the percentage under RCW 84.52.050 of the assessed value established by
27 the board;
- 28 (12) Paid on the basis of an assessed valuation which was
29 adjudicated to be unlawful or excessive: PROVIDED, That the amount
30 refunded shall be for the difference between the amount of tax which
31 was paid on the basis of the valuation adjudged unlawful or excessive
32 and the amount of tax payable on the basis of the assessed valuation
33 determined as a result of the proceeding;
- 34 (13) Paid on property acquired under RCW 84.60.050, and canceled
35 under RCW 84.60.050(2);
- 36 (14) Paid on the basis of an assessed valuation that was reduced
37 under RCW 84.48.065;

1 (15) Paid on the basis of an assessed valuation that was reduced
2 under RCW 84.40.039; or

3 (16) Abated under RCW 84.70.010.

4 No refunds under the provisions of this section shall be made
5 because of any error in determining the valuation of property, except
6 as authorized in subsections (9), (10), (11), and (12) of this section
7 nor may any refunds be made if a bona fide purchaser has acquired
8 rights that would preclude the assessment and collection of the
9 refunded tax from the property that should properly have been charged
10 with the tax. Any refunds made on delinquent taxes shall include the
11 proportionate amount of interest and penalties paid. However, no
12 refunds as a result of an incorrect payment authorized under subsection
13 (8) of this section made by a third party payee shall be granted. The
14 county treasurer may deduct from moneys collected for the benefit of
15 the state's levy, refunds of the state levy including interest on the
16 levy as provided by this section and chapter 84.68 RCW.

17 The county treasurer of each county shall make all refunds
18 determined to be authorized by this section, and by the first Monday in
19 February of each year, report to the county legislative authority a
20 list of all refunds made under this section during the previous year.
21 The list is to include the name of the person receiving the refund, the
22 amount of the refund, and the reason for the refund.

23 NEW SECTION. **Sec. 13.** This act applies to taxes levied for
24 collection in 2010 and thereafter.

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