
Finance Committee

HB 1042

Brief Description: Concerning metropolitan park district property tax levies.

Sponsors: Representative Seaquist.

Brief Summary of Bill

Authorizes a metropolitan park district to move a portion of its property tax levy outside the \$5.90 aggregate limit if it would otherwise have been subject to prorationing.

Hearing Date: 1/28/13

Staff: Jeff Olsen (786-7175)

Background:

Property Tax Levy.

The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value). The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. For example, the state levy rate is limited to \$3.60 per \$1,000 of assessed value, county general levies are limited to \$1.80 per \$1,000 of assessed value, county road levies are limited to \$2.25 per \$1,000 of assessed value, and city levies are limited to \$3.375 per \$1,000 of assessed value. These districts are known as "senior" districts. Junior districts such as fire, library, hospital, and metropolitan park districts each have specific rate limits as well. The tax rates for most of these senior and junior districts must fit within an overall rate limit of \$5.90 per \$1,000 of assessed value. State statutes contain schedules specifying the preferential order in which the various junior taxing district levies will be prorated in the event that the \$5.90 limit is exceeded. Under this prorating system, senior districts are given preference over junior districts.

Property Tax "Gap".

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A few regular property tax levies are not placed into the \$5.90 aggregate rate limit: emergency medical services, conservation futures, affordable housing, certain metropolitan park districts, county ferry districts, criminal justice, fire districts, and county transit. However, these districts are subject to reduction if the rates for these districts, the state property tax, and the districts subject to the \$5.90 limit together exceed the constitutional limit of \$10 per \$1,000 of assessed value. These districts are in what has been called the "gap," the 50 cents remaining after subtracting the \$3.60 state levy and the \$5.90 in local regular levies from the statutory \$10 limit.

Metropolitan Park District.

A metropolitan park district (MPD) is a type of special purpose district that may be created for the management, control, improvement, maintenance, and/or acquisition of parks, parkways, boulevards, and recreational facilities. An MPD may levy up to 75 cents per thousand dollars of assessed value of property for park purposes. Subject to voter approval, an MPD with a population of 150,000 or more, or an MPD located in a county with a population of more than 1.5 million, may move a portion of its levy outside the \$5.90 aggregate limit if it would otherwise have been subject to prorationing.

Summary of Bill:

Subject to voter approval, any metropolitan park district is authorized to move a portion of its levy outside the \$5.90 aggregate limit if it would otherwise have been subject to prorationing.

Appropriation: None.

Fiscal Note: Requested on Jan. 22, 2013.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.