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**Community Development, Housing &  
Tribal Affairs Committee**

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**HB 1749**

**Brief Description:** Modifying metropolitan park district property tax levies to assist park districts with populations less than twenty thousand.

**Sponsors:** Representative Angel.

**Brief Summary of Bill**

- Authorizes any metropolitan park district with a population under 20,000 people to move up to \$0.25 of its tax levy rate outside the \$5.90 aggregate local tax limit if it otherwise would be subject to prorationing.

**Hearing Date:** 2/19/13

**Staff:** Sean Flynn (786-7124).

**Background:**

Property taxes must be assessed upon the assessed value of the property. The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's assessed value (reflected as \$10 per \$1,000 of assessed value). This applies to the total taxes levied by the state, counties and other districts.

To keep the total tax rate within the 1 percent limit, the Legislature has established individual and aggregate limits for the various tax districts. The tax levy maximum for the state is set at \$3.60 per \$1,000 of assessed value. The state levy takes precedence over all other levies. Most of the remaining local tax districts must share an overall maximum rate of \$5.90 per \$1,000 of assessed value. These districts are further stratified into senior and junior tax districts, each with their own specific rate limits.

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If the total tax levy exceeds the \$5.90 maximum rate, then senior districts take preference over junior districts in fulfilling their individual rates. The junior rates are prorated or eliminated in a preferential order set by statutory schedule.

### Property Tax "Gap"

The total of the combined maximum state rate (\$3.60) and the maximum local rate (\$5.90) leaves a \$0.50 tax levy "gap" under the overall one percent limit. Certain tax districts are authorized to issue specific tax levy amounts within this gap and outside the maximum local rate. These levies may be reduced according to a statutory schedule if the total taxes levied exceed the one percent limit.

### Metropolitan Park Districts

A metropolitan park district (MPD) is a special purpose district created for the management, control, improvement, maintenance, or acquisition of parks, parkways, boulevards, and recreational facilities. An MPD may levy up to \$0.75 per \$1,000 of assessed property value, within the total aggregate local tax limit (\$5.90) and subject to senior tax districts.

An MPD in a county with a population of 150,000 people or more may move up to \$0.25 of its levy rate out of the aggregate local tax limit if it otherwise would be subject to prorationing. This \$0.25 may be levied within the tax levy gap. An MPD with a population under 150,000 in a county with a population over 1.5 million people also may move up to \$0.25 of its levy rate out of the local tax limit structure in order to protect against prorationing. Each qualifying MPD must seek voter approval in order to move its tax levy amount out of the aggregate local tax limit.

### **Summary of Bill:**

Subject to voter approval, any MPD with a population under 20,000 people is authorized to move up to \$0.25 of its tax levy rate outside the \$5.90 aggregate local tax limit if it otherwise would be prorated.

**Appropriation:** None.

**Fiscal Note:** Requested on February 15, 2013.

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