
HOUSE BILL 2084

State of Washington

64th Legislature

2015 Regular Session

By Representative Hunter

Read first time 02/11/15. Referred to Committee on Local Government.

1 AN ACT Relating to imposing fines, withholding taxes, and other
2 measures to encourage local jurisdictions to timely file state-
3 required reports; amending RCW 36.96.010, 43.09.230, 57.90.010,
4 68.52.290, 27.12.050, 84.52.063, and 36.69.145; and adding a new
5 section to chapter 43.09 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.09
8 RCW to read as follows:

9 (1) By October 1, 2015, and by October 1st of every year
10 thereafter, the state auditor must notify the state and county
11 treasurers of any special purpose districts that have not timely
12 filed the annual financial report required under RCW 43.09.230 for
13 the current year. If a special purpose district submits the report
14 after the state auditor has notified the state and county treasurers,
15 the state auditor, within thirty days, must notify treasurers that
16 the district is compliant as long as the fee under RCW 43.09.230 has
17 also been paid.

18 (2) Beginning with distributions made in October, the state
19 treasurer may not distribute any local sales and use taxes imposed by
20 the special purpose district to the district until the state
21 treasurer is notified that the district is compliant as provided in

1 subsection (1) of this section. The state treasurer must remit all
2 withheld funds; however, the distribution may not include interest.

3 (3) Beginning with distributions made in October, county
4 treasurers may not distribute any regular property taxes imposed by
5 the special purpose district, or any other charges that the county
6 collects on behalf of the district, to the district until the county
7 treasurer is notified that the district is compliant as provided in
8 subsection (1) of this section. A county treasurer must remit all
9 withheld funds; however, the distribution may not include interest.

10 (4) For the purpose of this section, "special purpose district"
11 means cemetery districts, metropolitan park districts, water-sewer
12 districts, fire protection districts, port districts, public utility
13 districts, county park and recreation service areas, park and
14 recreation districts, flood control zone districts, diking districts,
15 drainage improvement districts, solid waste collection districts,
16 mosquito districts, and transportation benefit areas.

17 **Sec. 2.** RCW 36.96.010 and 1999 c 153 s 50 are each amended to
18 read as follows:

19 (~~As used in this chapter, unless the context requires~~
20 ~~otherwise~~)) The definitions in this section apply throughout this
21 chapter unless the context clearly requires otherwise.

22 (1) "Special purpose district" means every municipal and quasi-
23 municipal corporation other than counties, cities, and towns. Such
24 special purpose districts (~~shall~~) include, but are not limited to,
25 water-sewer districts, fire protection districts, port districts,
26 public utility districts, county park and recreation service areas,
27 flood control zone districts, diking districts, drainage improvement
28 districts, and solid waste collection districts, but (~~shall~~) does
29 not include industrial development districts created by port
30 districts, and (~~shall~~) do not include local improvement districts,
31 utility local improvement districts, and road improvement
32 districts(~~+~~).

33 (2) "Governing authority" means the commission, council, or other
34 body which directs the affairs of a special purpose district(~~+~~).

35 (3)(a) "Inactive" means that a special purpose district, other
36 than a public utility district, is characterized by either of the
37 following criteria:

1 ~~((a))~~ (i) Has not carried out any of the special purposes or
2 functions for which it was formed within the preceding consecutive
3 five-year period; ~~((or~~

4 ~~(b))~~ (ii) No election has been held for the purpose of electing
5 a member of the governing body within the preceding consecutive
6 seven-year period or, in those instances where members of the
7 governing body are appointed and not elected, where no member of the
8 governing body has been appointed within the preceding seven-year
9 period; or

10 (iii) The special purpose district has not timely filed with the
11 state auditor in two or more years, beginning with reports required
12 to be filed in 2015, the local government annual financial report
13 required under RCW 43.09.230.

14 (b) A public utility district is inactive when it is
15 characterized by both criteria (a) ~~((and (b))~~ (i) and (ii) of this
16 subsection.

17 **Sec. 3.** RCW 43.09.230 and 1995 c 301 s 12 are each amended to
18 read as follows:

19 (1) The state auditor ~~((shall))~~ must require from every local
20 government financial reports covering the full period of each fiscal
21 year, in accordance with the forms and methods prescribed by the
22 state auditor, which ~~((shall))~~ must be uniform for all accounts of
23 the same class.

24 ~~((Such))~~ (2) The reports ~~((shall))~~ must be prepared, certified,
25 and filed with the state auditor within one hundred fifty days after
26 the close of each fiscal year. A local government is subject to a
27 five hundred dollar fine if the report is filed after the one hundred
28 fifty day period.

29 (3) The reports ~~((shall))~~ must contain accurate statements, in
30 summarized form, of all collections made, or receipts received, by
31 the officers from all sources; all accounts due the public treasury,
32 but not collected; and all expenditures for every purpose, and by
33 what authority authorized; and also: ~~((1))~~ (a) A statement of all
34 costs of ownership and operation, and of all income, of each and
35 every public service industry owned and operated by a local
36 government; ~~((2))~~ (b) a statement of the entire public debt of
37 every local government, to which power has been delegated by the
38 state to create a public debt, showing the purpose for which each
39 item of the debt was created, and the provisions made for the payment

1 thereof; (~~(3)~~) (c) a classified statement of all receipts and
2 expenditures by any public institution; and (~~(4)~~) (d) a statement
3 of all expenditures for labor relations consultants, with the
4 identification of each consultant, compensation, and the terms and
5 conditions of each agreement or arrangement; together with such other
6 information as may be required by the state auditor.

7 (4) The reports (~~shall~~) must be certified as to their
8 correctness by the state auditor, the state auditor's deputies, or
9 other person legally authorized to make such certification.

10 (~~Their~~) (5) The reports' substance (~~shall~~) must be published
11 in an annual volume of comparative statistics at the expense of the
12 state as a public document.

13 **Sec. 4.** RCW 57.90.010 and 2004 c 129 s 13 are each amended to
14 read as follows:

15 (1) Water-sewer, park and recreation, metropolitan park, county
16 rural library, cemetery, flood control, mosquito control, diking and
17 drainage, irrigation or reclamation, weed, health, or fire protection
18 districts, and any air pollution control authority or regional fire
19 protection service authority, hereinafter referred to as "special
20 districts," which are located wholly or in part within a county with
21 a population of two hundred ten thousand or more may be
22 disincorporated when the district has not actively carried out any of
23 the special purposes or functions for which it was formed within the
24 preceding consecutive five-year period.

25 (2) In addition to the disincorporation provided in subsection
26 (1) of this section, special districts, as defined in subsection (1)
27 of this section, may be disincorporated when the district has not
28 timely filed with the state auditor in two or more years, beginning
29 with reports required to be filed in 2015, the local government
30 annual financial report required under RCW 43.09.230.

31 **Sec. 5.** RCW 68.52.290 and 1947 c 6 s 21 are each amended to read
32 as follows:

33 (1) Annually, after the county board of equalization has
34 equalized assessments for general tax purposes, the secretary of the
35 district (~~shall~~) must prepare a budget of the requirements of the
36 cemetery district fund, certify the same and deliver it to the board
37 of county commissioners in ample time for such board to levy district
38 taxes. At the time of making general tax levies in each year, the

1 board of county commissioners (~~shall~~) must levy taxes required for
2 cemetery district purposes against the real and personal property in
3 the district in accordance with the equalized valuation thereof for
4 general tax purposes, and as a part of said general taxes. Such
5 levies shall be part of the general tax roll and be collected as a
6 part of general taxes against the property in the district.

7 (2) If a cemetery district is dissolved as provided in this act,
8 the county may continue to levy the regular property tax authorized
9 in this section for the purpose of operating cemeteries and
10 conducting all other activities authorized for a cemetery district.

11 **Sec. 6.** RCW 27.12.050 and 2009 c 306 s 2 are each amended to
12 read as follows:

13 (1) After the board of county commissioners has declared a rural
14 county library district established, it (~~shall~~) must appoint a
15 board of library trustees and provide funds for the establishment and
16 maintenance of library service for the district by making a tax levy
17 on the property in the district of not more than fifty cents per
18 thousand dollars of assessed value per year sufficient for the
19 library service as shown to be required by the budget submitted to
20 the board of county commissioners by the board of library trustees,
21 and by making a tax levy in such further amount as (~~shall be~~)
22 authorized pursuant to RCW 27.12.222 or 84.52.052 or 84.52.056. Such
23 levies (~~shall be~~) are a part of the general tax roll and (~~shall~~)
24 must be collected as a part of the general taxes against the property
25 in the district.

26 (2) The initial levy rate may not exceed the rate limit in
27 subsection (1) of this section or, if applicable, the initial maximum
28 levy rate contained in the ballot proposition approved by the voters
29 to create the district. In subsequent years, the levy rate may be
30 increased as authorized under chapter 84.55 RCW.

31 (3) If a rural county library district is dissolved as provided
32 in this act, the county may continue to levy the regular property tax
33 authorized in this section for the purpose of providing library
34 service and conducting all other activities authorized for a rural
35 county library district.

36 **Sec. 7.** RCW 84.52.063 and 2001 c 187 s 25 are each amended to
37 read as follows:

1 (1) A rural library district may impose a regular property tax
2 levy in an amount equal to that which would be produced by a levy of
3 fifty cents per thousand dollars of assessed value multiplied by an
4 assessed valuation equal to one hundred percent of the true and fair
5 value of the taxable property in the rural library district, as
6 determined by the department of revenue's indicated county ratio(~~(+~~
7 ~~PROVIDED, That~~)). However, when any county assessor (~~shall~~) finds
8 that the aggregate rate of levy on any property will exceed the
9 limitation set forth in RCW 84.52.043 and 84.52.050, as now or
10 hereafter amended, before recomputing and establishing a consolidated
11 levy in the manner set forth in RCW 84.52.010, the assessor (~~shall~~)
12 must first reduce the levy of any rural library district, by such
13 amount as may be necessary, but the levy of any rural library
14 district (~~shall~~) may not be reduced to less than fifty cents per
15 thousand dollars against the value of the taxable property, as
16 determined by the county, prior to any further adjustments pursuant
17 to RCW 84.52.010. For purposes of this section "regular property tax
18 levy" (~~shall~~) means a levy subject to the limitations provided for
19 in Article VII, section 2 of the state Constitution and/or by
20 statute.

21 (2) If a rural library district is dissolved as provided in this
22 act, the county may continue to levy the regular property tax
23 authorized in this section for the purpose of providing library
24 service and conducting all other activities authorized for a rural
25 library district.

26 **Sec. 8.** RCW 36.69.145 and 2010 c 106 s 303 are each amended to
27 read as follows:

28 (1) A park and recreation district may impose regular property
29 tax levies in an amount equal to sixty cents or less per thousand
30 dollars of assessed value of property in the district in each year
31 for six consecutive years when specifically authorized so to do by a
32 majority of at least three-fifths of the voters thereof approving a
33 proposition authorizing the levies submitted at a special election or
34 at the regular election of the district, at which election the number
35 of voters voting "yes" on the proposition must constitute three-
36 fifths of a number equal to forty per centum of the number of voters
37 voting in such district at the last preceding general election when
38 the number of voters voting on the proposition does not exceed forty
39 per centum of the number of voters voting in such taxing district in

1 the last preceding general election; or by a majority of at least
2 three-fifths of the voters thereof voting on the proposition if the
3 number of voters voting on the proposition exceeds forty per centum
4 of the number of voters voting in such taxing district in the last
5 preceding general election. A proposition authorizing the tax levies
6 may not be submitted by a park and recreation district more than
7 twice in any twelve-month period. Ballot propositions must conform
8 with RCW 29A.36.210. In the event a park and recreation district is
9 levying property taxes, which in combination with property taxes
10 levied by other taxing districts subject to the one percent
11 limitation provided for in Article 7, section 2, of our state
12 Constitution result in taxes in excess of the limitation provided for
13 in RCW 84.52.043(2), the park and recreation district property tax
14 levy must be reduced or eliminated as provided in RCW 84.52.010.

15 (2) The limitation in RCW 84.55.010 does not apply to the first
16 levy imposed under this section following the approval of the levies
17 by the voters under subsection (1) of this section.

18 (3) If a park and recreation district is dissolved as provided in
19 this act, the county may continue to levy the regular property tax
20 authorized in this section for the purpose of providing activities
21 and recreational facilities as authorized under this chapter.

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