

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1940**

64th Legislature  
2015 Regular Session

Passed by the House April 20, 2015  
Yeas 82 Nays 13

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**Speaker of the House of Representatives**

Passed by the Senate April 14, 2015  
Yeas 43 Nays 4

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1940** as passed by House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1940

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AS AMENDED BY THE SENATE

Passed Legislature - 2015 Regular Session

**State of Washington**                      **64th Legislature**                      **2015 Regular Session**

**By** Representatives Stokesbary, Fitzgibbon, Ryu, Magendanz, Kochmar, Hargrove, Rodne, Bergquist, Hurst, Gregerson, Orwall, and Jinkins

Read first time 02/03/15. Referred to Committee on Finance.

1            AN ACT Relating to exempting levies imposed by qualifying flood  
2 control zone districts from certain limitations upon regular property  
3 tax levies; amending RCW 84.52.010 and 84.52.043; adding a new  
4 section to chapter 84.52 RCW; creating new sections; providing an  
5 effective date; and providing an expiration date.

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

7            NEW SECTION.    **Sec. 1.** The legislature finds that flooding is a  
8 critical problem in Washington. The legislature further finds that  
9 flooding can result in loss of human life, damage to property,  
10 destruction of infrastructure, and bring economic activity to a  
11 standstill. The legislature further finds that flood control zone  
12 districts offer critical services that protect our state by  
13 mitigating the devastating impacts of flooding. It is the  
14 legislature's public policy objective to maximize available financing  
15 tools to flood control zone districts to continue their important  
16 work. Therefore, it is the legislature's intent to exempt levies  
17 imposed by a qualifying flood control zone district from certain  
18 limitations upon regular property tax levies.

19            **Sec. 2.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to  
20 read as follows:

1       (1) Except as is permitted under RCW 84.55.050, all taxes  
2       (~~shall~~) must be levied or voted in specific amounts.

3       (2) The rate percent of all taxes for state and county purposes,  
4       and purposes of taxing districts coextensive with the county,  
5       (~~shall~~) must be determined, calculated and fixed by the county  
6       assessors of the respective counties, within the limitations provided  
7       by law, upon the assessed valuation of the property of the county, as  
8       shown by the completed tax rolls of the county, and the rate percent  
9       of all taxes levied for purposes of taxing districts within any  
10      county (~~shall~~) must be determined, calculated and fixed by the  
11      county assessors of the respective counties, within the limitations  
12      provided by law, upon the assessed valuation of the property of the  
13      taxing districts respectively.

14      (3) When a county assessor finds that the aggregate rate of tax  
15      levy on any property, that is subject to the limitations set forth in  
16      RCW 84.52.043 or 84.52.050, exceeds the limitations provided in  
17      either of these sections, the assessor (~~shall~~) must recompute and  
18      establish a consolidated levy in the following manner:

19      (~~(1)~~) (a) The full certified rates of tax levy for state,  
20      county, county road district, and city or town purposes (~~shall~~)  
21      must be extended on the tax rolls in amounts not exceeding the  
22      limitations established by law; however any state levy (~~shall~~)  
23      takes precedence over all other levies and (~~shall~~) may not be  
24      reduced for any purpose other than that required by RCW 84.55.010.  
25      If, as a result of the levies imposed under RCW 36.54.130, 84.34.230,  
26      84.52.069, 84.52.105, the portion of the levy by a metropolitan park  
27      district that was protected under RCW 84.52.120, 84.52.125,  
28      84.52.135, and 84.52.140, and the portion of the levy by a flood  
29      control zone district that was protected under section 3 of this act,  
30      the combined rate of regular property tax levies that are subject to  
31      the one percent limitation exceeds one percent of the true and fair  
32      value of any property, then these levies (~~shall~~) must be reduced as  
33      follows:

34      (~~(a)~~) (i) The portion of the levy by a flood control zone  
35      district that was protected under section 3 of this act must be  
36      reduced until the combined rate no longer exceeds one percent of the  
37      true and fair value of any property or must be eliminated;

38      (ii) If the combined rate of regular property tax levies that are  
39      subject to the one percent limitation still exceeds one percent of  
40      the true and fair value of any property, the levy imposed by a county

1 under RCW 84.52.140 (~~shall~~) must be reduced until the combined rate  
2 no longer exceeds one percent of the true and fair value of any  
3 property or (~~shall~~) must be eliminated;

4 (~~(b)~~) (iii) If the combined rate of regular property tax levies  
5 that are subject to the one percent limitation still exceeds one  
6 percent of the true and fair value of any property, the portion of  
7 the levy by a fire protection district that is protected under RCW  
8 84.52.125 (~~shall~~) must be reduced until the combined rate no longer  
9 exceeds one percent of the true and fair value of any property or  
10 (~~shall~~) must be eliminated;

11 (~~(c)~~) (iv) If the combined rate of regular property tax levies  
12 that are subject to the one percent limitation still exceeds one  
13 percent of the true and fair value of any property, the levy imposed  
14 by a county under RCW 84.52.135 must be reduced until the combined  
15 rate no longer exceeds one percent of the true and fair value of any  
16 property or must be eliminated;

17 (~~(d)~~) (v) If the combined rate of regular property tax levies  
18 that are subject to the one percent limitation still exceeds one  
19 percent of the true and fair value of any property, the levy imposed  
20 by a ferry district under RCW 36.54.130 must be reduced until the  
21 combined rate no longer exceeds one percent of the true and fair  
22 value of any property or must be eliminated;

23 (~~(e)~~) (vi) If the combined rate of regular property tax levies  
24 that are subject to the one percent limitation still exceeds one  
25 percent of the true and fair value of any property, the portion of  
26 the levy by a metropolitan park district that is protected under RCW  
27 84.52.120 (~~shall~~) must be reduced until the combined rate no longer  
28 exceeds one percent of the true and fair value of any property or  
29 (~~shall~~) must be eliminated;

30 (~~(f)~~) (vii) If the combined rate of regular property tax levies  
31 that are subject to the one percent limitation still exceeds one  
32 percent of the true and fair value of any property, then the levies  
33 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy  
34 imposed under RCW 84.52.069 that is in excess of thirty cents per  
35 thousand dollars of assessed value, (~~shall~~) must be reduced on a  
36 pro rata basis until the combined rate no longer exceeds one percent  
37 of the true and fair value of any property or (~~shall~~) must be  
38 eliminated; and

39 (~~(g)~~) (viii) If the combined rate of regular property tax  
40 levies that are subject to the one percent limitation still exceeds

1 one percent of the true and fair value of any property, then the  
2 thirty cents per thousand dollars of assessed value of tax levy  
3 imposed under RCW 84.52.069 (~~shall~~) must be reduced until the  
4 combined rate no longer exceeds one percent of the true and fair  
5 value of any property or eliminated.

6 (~~(2)~~) (b) The certified rates of tax levy subject to these  
7 limitations by all junior taxing districts imposing taxes on such  
8 property (~~shall~~) must be reduced or eliminated as follows to bring  
9 the consolidated levy of taxes on such property within the provisions  
10 of these limitations:

11 (~~(a)~~) (i) First, the certified property tax levy rates of those  
12 junior taxing districts authorized under RCW 36.68.525, 36.69.145,  
13 35.95A.100, and 67.38.130 (~~shall~~) must be reduced on a pro rata  
14 basis or eliminated;

15 (~~(b)~~) (ii) Second, if the consolidated tax levy rate still  
16 exceeds these limitations, the certified property tax levy rates of  
17 flood control zone districts (~~shall~~) other than the portion of a  
18 levy protected under section 3 of this act must be reduced on a pro  
19 rata basis or eliminated;

20 (~~(c)~~) (iii) Third, if the consolidated tax levy rate still  
21 exceeds these limitations, the certified property tax levy rates of  
22 all other junior taxing districts, other than fire protection  
23 districts, regional fire protection service authorities, library  
24 districts, the first fifty cent per thousand dollars of assessed  
25 valuation levies for metropolitan park districts, and the first fifty  
26 cent per thousand dollars of assessed valuation levies for public  
27 hospital districts, (~~shall~~) must be reduced on a pro rata basis or  
28 eliminated;

29 (~~(d)~~) (iv) Fourth, if the consolidated tax levy rate still  
30 exceeds these limitations, the first fifty cent per thousand dollars  
31 of assessed valuation levies for metropolitan park districts created  
32 on or after January 1, 2002, (~~shall~~) must be reduced on a pro rata  
33 basis or eliminated;

34 (~~(e)~~) (v) Fifth, if the consolidated tax levy rate still  
35 exceeds these limitations, the certified property tax levy rates  
36 authorized to fire protection districts under RCW 52.16.140 and  
37 52.16.160 and regional fire protection service authorities under RCW  
38 52.26.140(1) (b) and (c) (~~shall~~) must be reduced on a pro rata  
39 basis or eliminated; and

1       (~~(f)~~) (vi) Sixth, if the consolidated tax levy rate still  
2 exceeds these limitations, the certified property tax levy rates  
3 authorized for fire protection districts under RCW 52.16.130,  
4 regional fire protection service authorities under RCW  
5 52.26.140(1)(a), library districts, metropolitan park districts  
6 created before January 1, 2002, under their first fifty cent per  
7 thousand dollars of assessed valuation levy, and public hospital  
8 districts under their first fifty cent per thousand dollars of  
9 assessed valuation levy, (~~shall~~) must be reduced on a pro rata  
10 basis or eliminated.

11       NEW SECTION.   **Sec. 3.** A new section is added to chapter 84.52  
12 RCW to read as follows:

13       A flood control zone district in a county with a population of  
14 seven hundred seventy-five thousand or more, or a county within the  
15 Chehalis river basin, that is coextensive with a county may protect  
16 the levy under RCW 86.15.160 from prorationing under RCW  
17 84.52.010(3)(b)(ii) by imposing up to a total of twenty-five cents  
18 per thousand dollars of assessed value of the tax levy authorized  
19 under RCW 86.15.160 outside of the five dollars and ninety cents per  
20 thousand dollars of assessed value limitation under RCW 84.52.043(2),  
21 if those taxes otherwise would be prorated under RCW  
22 84.52.010(3)(b)(ii).

23       **Sec. 4.** RCW 84.52.043 and 2009 c 551 s 6 are each amended to  
24 read as follows:

25       Within and subject to the limitations imposed by RCW 84.52.050 as  
26 amended, the regular ad valorem tax levies upon real and personal  
27 property by the taxing districts hereafter named (~~shall-be~~) are as  
28 follows:

29       (1) Levies of the senior taxing districts (~~shall-be~~) are as  
30 follows: (a) The levy by the state (~~shall~~) may not exceed three  
31 dollars and sixty cents per thousand dollars of assessed value  
32 adjusted to the state equalized value in accordance with the  
33 indicated ratio fixed by the state department of revenue to be used  
34 exclusively for the support of the common schools; (b) the levy by  
35 any county (~~shall~~) may not exceed one dollar and eighty cents per  
36 thousand dollars of assessed value; (c) the levy by any road district  
37 (~~shall~~) may not exceed two dollars and twenty-five cents per  
38 thousand dollars of assessed value; and (d) the levy by any city or

1 town (~~shall~~) may not exceed three dollars and thirty-seven and one-  
2 half cents per thousand dollars of assessed value. However any county  
3 is hereby authorized to increase its levy from one dollar and eighty  
4 cents to a rate not to exceed two dollars and forty-seven and one-  
5 half cents per thousand dollars of assessed value for general county  
6 purposes if the total levies for both the county and any road  
7 district within the county do not exceed four dollars and five cents  
8 per thousand dollars of assessed value, and no other taxing district  
9 has its levy reduced as a result of the increased county levy.

10 (2) The aggregate levies of junior taxing districts and senior  
11 taxing districts, other than the state, (~~shall~~) may not exceed five  
12 dollars and ninety cents per thousand dollars of assessed valuation.  
13 The term "junior taxing districts" includes all taxing districts  
14 other than the state, counties, road districts, cities, towns, port  
15 districts, and public utility districts. The limitations provided in  
16 this subsection (~~shall~~) do not apply to: (a) Levies at the rates  
17 provided by existing law by or for any port or public utility  
18 district; (b) excess property tax levies authorized in Article VII,  
19 section 2 of the state Constitution; (c) levies for acquiring  
20 conservation futures as authorized under RCW 84.34.230; (d) levies  
21 for emergency medical care or emergency medical services imposed  
22 under RCW 84.52.069; (e) levies to finance affordable housing for  
23 very low-income housing imposed under RCW 84.52.105; (f) the portions  
24 of levies by metropolitan park districts that are protected under RCW  
25 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130;  
26 (h) levies for criminal justice purposes under RCW 84.52.135; (i) the  
27 portions of levies by fire protection districts that are protected  
28 under RCW 84.52.125; (~~and~~) (j) levies by counties for transit-  
29 related purposes under RCW 84.52.140; and (k) the portion of the levy  
30 by flood control zone districts that are protected under section 3 of  
31 this act.

32 NEW SECTION. **Sec. 5.** This act applies to taxes levied for  
33 collection in 2018 and thereafter.

34 NEW SECTION. **Sec. 6.** This act takes effect January 1, 2018.

35 NEW SECTION. **Sec. 7.** This act expires January 1, 2023.

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