
SUBSTITUTE HOUSE BILL 2739

State of Washington

65th Legislature

2018 Regular Session

By House Community Development, Housing & Tribal Affairs (originally sponsored by Representatives Chapman, Reeves, and Tharinger)

READ FIRST TIME 02/01/18.

1 AN ACT Relating to veterans' assistance levies; amending RCW
2 73.08.080, 84.52.043, 84.52.010, and 84.55.005; adding a new section
3 to chapter 73.08 RCW; adding a new section to chapter 43.60A RCW; and
4 creating a new section.

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

6 **Sec. 1.** RCW 73.08.080 and 2013 c 123 s 2 are each amended to
7 read as follows:

8 (1)(a) The legislative authority in each county must levy(~~(, in~~
9 ~~addition to the taxes now levied by law,)~~) a tax in a sum equal to
10 the amount which would be raised by not less than one and one-eighth
11 cents per thousand dollars of assessed value, and not greater than
12 twenty-seven cents per thousand dollars of assessed value against the
13 taxable property of their respective counties, to be levied and
14 collected as now prescribed by law for the assessment and collection
15 of taxes, for the purpose of creating a veterans' assistance fund.

16 (b) The levy required under (a) of this subsection must be:

17 (i) Imposed by the legislative authority of the county as a
18 separate levy, independent of the regular property tax levy
19 authorized in RCW 84.52.043(1)(b); or

20 (ii) Imposed by the legislative authority of the county as part
21 of its levy authorized in RCW 84.52.043(1)(b).

1 (c) Expenditures from the veterans' assistance fund, and interest
2 earned on balances from the fund, may be used only for:

3 (~~(a)~~) (i) The veterans' assistance programs authorized by RCW
4 73.08.010;

5 (~~(b)~~) (ii) The burial or cremation of a deceased indigent
6 veteran or deceased family member of an indigent veteran as
7 authorized by RCW 73.08.070; and

8 (~~(c)~~) (iii) The direct and indirect costs incurred in the
9 administration of the fund as authorized by subsection (2) of this
10 section.

11 (2) If the funds on deposit in the veterans' assistance fund,
12 less outstanding warrants, on the first Tuesday in September exceed
13 the lesser of the expected yield of one and one-eighth cents per
14 thousand dollars of assessed value against the taxable property of
15 the county or the expected yield of a levy determined as set forth in
16 subsection (5) of this section, the county legislative authority may
17 levy a lesser amount than would otherwise be required under
18 subsection (1) or (5) of this section.

19 (3) The direct and indirect costs incurred in the administration
20 of the veterans' assistance fund must be computed by the county
21 auditor, or the chief financial officer in a county operating under a
22 charter, not less than annually. Following the computation of these
23 direct and indirect costs, an amount equal to these costs may then be
24 transferred from the veterans' assistance fund to the county current
25 expense fund.

26 (4) The amount of a levy allocated to the purposes specified in
27 this section may be reduced in the same proportion as the regular
28 property tax levy of the county is reduced by chapter 84.55 RCW.

29 (5)(a) If the levy is administered with the method provided in
30 subsection (1)(b)(ii) of this section, the amount of a levy allocated
31 to the purposes specified in this section may be modified from the
32 amount required by subsection (1) of this section as follows:

33 (i) If the certified levy is reduced from the preceding year's
34 certified levy, the amount of the levy allocated to the purposes
35 specified in this section may be reduced by no more than the same
36 percentage as the certified levy is reduced from the preceding year's
37 certified levy;

38 (ii) If the certified levy is increased from the preceding year's
39 certified levy, the amount of the levy allocated to the purposes
40 specified in this section may not be less than the base allocation

1 increased by the same percentage as the certified levy is increased
2 from the preceding year's certified levy. However, the amount of the
3 levy allocated to the purposes specified in this section does not
4 have to be increased under this subsection (5)(a)(ii) for the portion
5 of a certified levy increase resulting from a voter-approved increase
6 under RCW 84.55.050 that is dedicated to a specific purpose; or

7 (iii) If the certified levy is unchanged from the preceding
8 year's certified levy, the amount of the levy allocated to the
9 purposes specified in this section must be equal to or greater than
10 the base allocation.

11 (b) For purposes of this subsection, the following definitions
12 apply:

13 (i) "Base allocation" means the most recent allocation that was
14 not reduced under subsection (2) of this section.

15 (ii) "Certified levy" means the property tax levy for general
16 county purposes certified to the county assessor as required by RCW
17 84.52.070, excluding any amounts certified under chapters 84.69 and
18 84.68 RCW.

19 (6) Subsections (2), (4), and (5) of this section do not preclude
20 a county from increasing the levy amount in subsection (1) of this
21 section to an amount that is greater than the change in the regular
22 county levy.

23 **Sec. 2.** RCW 84.52.043 and 2017 3rd sp.s. c 13 s 304 are each
24 amended to read as follows:

25 CONFORMING AMENDMENT. Within and subject to the limitations
26 imposed by RCW 84.52.050 as amended, the regular ad valorem tax
27 levies upon real and personal property by the taxing districts
28 hereafter named are as follows:

29 (1) Levies of the senior taxing districts are as follows: (a) The
30 levies by the state may not exceed the applicable aggregate rate
31 limit specified in RCW 84.52.065 (2) or (4) adjusted to the state
32 equalized value in accordance with the indicated ratio fixed by the
33 state department of revenue to be used exclusively for the support of
34 the common schools; (b) the levy by any county may not exceed one
35 dollar and eighty cents per thousand dollars of assessed value; (c)
36 the levy by any county pursuant to RCW 73.08.080(1)(b)(i) may not
37 exceed twenty-seven cents per thousand dollars of assessed value or
38 be less than one and one-eighth cents per thousand dollars of
39 assessed value; (d) the levy by any road district may not exceed two

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

12 (2) The aggregate levies of junior taxing districts and senior
13 taxing districts, other than the state, may not exceed five dollars
14 and ninety cents per thousand dollars of assessed valuation. The term
15 "junior taxing districts" includes all taxing districts other than
16 the state, counties, road districts, cities, towns, port districts,
17 and public utility districts. The limitations provided in this
18 subsection do not apply to: (a) Levies at the rates provided by
19 existing law by or for any port or public utility district; (b)
20 excess property tax levies authorized in Article VII, section 2 of
21 the state Constitution; (c) levies for acquiring conservation futures
22 as authorized under RCW 84.34.230; (d) levies for emergency medical
23 care or emergency medical services imposed under RCW 84.52.069; (e)
24 levies to finance affordable housing for very low-income housing
25 imposed under RCW 84.52.105; (f) the portions of levies by
26 metropolitan park districts that are protected under RCW 84.52.120;
27 (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies
28 for criminal justice purposes under RCW 84.52.135; (i) the portions
29 of levies by fire protection districts and regional fire protection
30 service authorities that are protected under RCW 84.52.125; (j)
31 levies by counties for transit-related purposes under RCW 84.52.140;
32 (k) the portion of the levy by flood control zone districts that are
33 protected under RCW 84.52.816; (~~and~~) (l) levies imposed by a
34 regional transit authority under RCW 81.104.175; and (m) levies for
35 veterans' assistance under RCW 73.08.080(1)(b)(i).

36 **Sec. 3.** RCW 84.52.010 and 2017 c 196 s 10 are each amended to
37 read as follows:

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

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

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

17 (a) The full certified rates of tax levy for state, county,
18 county road district, regional transit authority, and city or town
19 purposes must be extended on the tax rolls in amounts not exceeding
20 the limitations established by law; however any state levy takes
21 precedence over all other levies and may not be reduced for any
22 purpose other than that required by RCW 84.55.010. If, as a result of
23 the levies imposed under RCW 36.54.130, 73.08.080(1)(b)(i),
24 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
25 metropolitan park district that was protected under RCW 84.52.120,
26 84.52.125, 84.52.135, and 84.52.140, and the portion of the levy by a
27 flood control zone district that was protected under RCW 84.52.816,
28 the combined rate of regular property tax levies that are subject to
29 the one percent limitation exceeds one percent of the true and fair
30 value of any property, then these levies must be reduced as follows:

31 (i) The portion of the levy by a flood control zone district that
32 was protected under RCW 84.52.816 must be reduced until the combined
33 rate no longer exceeds one percent of the true and fair value of any
34 property or must be eliminated;

35 (ii) If the combined rate of regular property tax levies that are
36 subject to the one percent limitation still exceeds one percent of
37 the true and fair value of any property, the levy imposed by a county
38 under RCW 84.52.140 must be reduced until the combined rate no longer
39 exceeds one percent of the true and fair value of any property or
40 must be eliminated;

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

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

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

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

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

34 (viii) If the combined rate of regular property tax levies that
35 are subject to the one percent limitation still exceeds one percent
36 of the true and fair value of any property, then the thirty cents per
37 thousand dollars of assessed value of tax levy imposed under RCW
38 84.52.069 must be reduced until the combined rate no longer exceeds
39 one percent of the true and fair value of any property or eliminated.

1 (b) The certified rates of tax levy subject to these limitations
2 by all junior taxing districts imposing taxes on such property must
3 be reduced or eliminated as follows to bring the consolidated levy of
4 taxes on such property within the provisions of these limitations:

5 (i) First, the certified property tax levy authorized under RCW
6 84.52.821 must be reduced on a pro rata basis or eliminated;

7 (ii) Second, if the consolidated tax levy rate still exceeds
8 these limitations, the certified property tax levy rates of those
9 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
10 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or
11 eliminated;

12 (iii) Third, if the consolidated tax levy rate still exceeds
13 these limitations, the certified property tax levy rates of flood
14 control zone districts other than the portion of a levy protected
15 under RCW 84.52.816 must be reduced on a pro rata basis or
16 eliminated;

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

25 (v) Fifth, if the consolidated tax levy rate still exceeds these
26 limitations, the first fifty cent per thousand dollars of assessed
27 valuation levies for metropolitan park districts created on or after
28 January 1, 2002, must be reduced on a pro rata basis or eliminated;

29 (vi) Sixth, if the consolidated tax levy rate still exceeds these
30 limitations, the certified property tax levy rates authorized to fire
31 protection districts under RCW 52.16.140 and 52.16.160 and regional
32 fire protection service authorities under RCW 52.26.140(1) (b) and
33 (c) must be reduced on a pro rata basis or eliminated; (~~and~~)

34 (vii) Seventh, if the consolidated tax levy rate still exceeds
35 these limitations, the certified property tax levy rates authorized
36 for fire protection districts under RCW 52.16.130, regional fire
37 protection service authorities under RCW 52.26.140(1)(a), library
38 districts, metropolitan park districts created before January 1,
39 2002, under their first fifty cent per thousand dollars of assessed
40 valuation levy, and public hospital districts under their first fifty

1 cent per thousand dollars of assessed valuation levy, must be reduced
2 on a pro rata basis or eliminated; and
3 (viii) Eighth, if the consolidated tax levy rate still exceeds
4 these limitations, the certified property tax levy rates authorized
5 for veterans' assistance under RCW 73.08.080(1)(b)(i) must be reduced
6 on a pro rata basis or eliminated.

7 **Sec. 4.** RCW 84.55.005 and 2014 c 97 s 316 are each amended to
8 read as follows:

9 The definitions in this section apply throughout this chapter
10 unless the context clearly requires otherwise.

11 (1) "Inflation" means the percentage change in the implicit price
12 deflator for personal consumption expenditures for the United States
13 as published for the most recent twelve-month period by the bureau of
14 economic analysis of the federal department of commerce by September
15 25th of the year before the taxes are payable(~~(+)~~)..

16 (2) "Limit factor" means:

17 (a) For taxing districts with a population of less than ten
18 thousand in the calendar year prior to the assessment year, one
19 hundred one percent;

20 (b) For taxing districts for which a limit factor is authorized
21 under RCW 84.55.0101, the lesser of the limit factor authorized under
22 that section or one hundred one percent;

23 (c) For the veterans' assistance levy under RCW
24 73.08.080(1)(b)(i), the greater of one hundred one percent or one
25 hundred percent plus inflation; and

26 (d) For all other districts, the lesser of one hundred one
27 percent or one hundred percent plus inflation(~~(+and)~~)..

28 (3) "Regular property taxes" has the meaning given it in RCW
29 84.04.140.

30 NEW SECTION. **Sec. 5.** This act applies to taxes levied for
31 collection in 2019 and thereafter.

32 NEW SECTION. **Sec. 6.** A new section is added to chapter 73.08
33 RCW to read as follows:

34 By December 1, 2020, the department of veterans affairs shall
35 collect certain data from each county and submit an accountability
36 report to the legislature that provides the following information
37 from each county:

1 (1) The method, either under RCW 73.08.080(1)(b) (i) or (ii),
2 through which each county's levy is imposed, as required under RCW
3 73.08.080(1);

4 (2) The total amount raised through each county's levy, as
5 required under RCW 73.08.080(1), beginning on January 1, 2019;

6 (3) The amount of expenditures paid out from each county's
7 veterans' assistance fund beginning on January 1, 2019, that are
8 attributable to direct costs, as defined by RCW 73.08.005, and
9 specifically identifying the amount of direct costs that represents
10 assistance given directly to veterans and/or their families;

11 (4) The amount of expenditures paid out from each county's
12 veterans' assistance fund beginning on January 1, 2019, that are
13 attributable to indirect costs, as defined by RCW 73.08.005, and
14 specifically identifying the amount of indirect costs that represents
15 administrative costs to maintain the veterans' assistance fund or the
16 county's veterans' assistance program; and

17 (5) Any additional findings or recommendations for improvement to
18 the levy process required under RCW 73.08.080.

19 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.60A
20 RCW to read as follows:

21 By December 1, 2020, the department shall submit an
22 accountability report to the legislature on each county's levy
23 imposed under RCW 73.08.080. The report will contain the information
24 described in section 6 of this act.

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