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HOUSE BILL 2821

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State of Washington                      56th Legislature                      2000 Regular Session

By Representatives Clements, Skinner, Boldt, Dunn and Fortunato

Read first time 01/28/2000. Referred to Committee on Appropriations.

1            AN ACT Relating to reducing the state property tax; amending RCW  
2 43.135.045, 84.52.043, and 84.52.065; adding a new section to chapter  
3 84.55 RCW; and providing an expiration date.

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

5            **Sec. 1.** RCW 43.135.045 and 1994 c 2 s 3 are each amended to read  
6 as follows:

7            (1) The emergency reserve fund is established in the state  
8 treasury. During each fiscal year, the state treasurer shall deposit  
9 in the emergency reserve fund all general fund--state revenues in  
10 excess of the state expenditure limit for that fiscal year. Deposits  
11 shall be made at the end of each fiscal quarter based on projections of  
12 state revenues and the state expenditure limit.

13            (2) The legislature may appropriate moneys from the emergency  
14 reserve fund only with approval of at least two-thirds of the members  
15 of each house of the legislature, and then only if the appropriation  
16 does not cause total expenditures to exceed the state expenditure limit  
17 under this chapter.

18            (3) The emergency reserve fund balance shall not exceed five  
19 percent of ((~~biennial~~)) annual general fund--state revenues as

1 projected by the official state revenue forecast. Amounts in excess of  
2 five percent shall be transferred as follows:

3 (a) One-half of any balance in excess of five percent shall be  
4 transferred on a quarterly basis by the state treasurer to the  
5 education construction fund hereby created in the treasury. ((4)(a))  
6 Funds may be appropriated from the education construction fund  
7 exclusively for common school construction or higher education  
8 construction. ((b)) Funds may be appropriated for any other purpose  
9 only if approved by a two-thirds vote of each house of the legislature  
10 and if approved by a vote of the people at the next general election.

11 (b) One-half of any balance in excess of five percent shall be  
12 transferred on a quarterly basis by the state treasurer to the property  
13 tax reduction fund created in the treasury. The amount transferred  
14 into the property tax reduction fund must be used to reduce the state's  
15 portion of the property tax levy for the following year. The amount  
16 transferred into the property tax reduction fund for any four-quarter  
17 period ending September 30th may not exceed the amount of tax that  
18 would otherwise be levied by the state for the support of the common  
19 schools for collection the following calendar year, as forecast by the  
20 economic and revenue forecast council. This unused taxing capacity may  
21 not be used to supplant the need to use other revenue sources.

22 (4) An appropriation approved by the people under this subsection  
23 shall result in an adjustment to the state expenditure limit only for  
24 the fiscal period for which the appropriation is made and shall not  
25 affect any subsequent fiscal period.

26 **Sec. 2.** RCW 84.52.043 and 1995 c 99 s 3 are each amended to read  
27 as follows:

28 Within and subject to the limitations imposed by RCW 84.52.050 as  
29 amended, the regular ad valorem tax levies upon real and personal  
30 property by the taxing districts hereafter named shall be as follows:

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

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

14 (2) The aggregate levies of junior taxing districts and senior  
15 taxing districts, other than the state, shall not exceed (~~five-dollars~~  
16 ~~and-ninety~~) seven dollars and ten cents per thousand dollars of  
17 assessed valuation. The term "junior taxing districts" includes all  
18 taxing districts other than the state, counties, road districts,  
19 cities, towns, port districts, and public utility districts. The  
20 limitations provided in this subsection shall not apply to: (a) Levies  
21 at the rates provided by existing law by or for any port or public  
22 utility district; (b) excess property tax levies authorized in Article  
23 VII, section 2 of the state Constitution; (c) levies for acquiring  
24 conservation futures as authorized under RCW 84.34.230; (d) levies for  
25 emergency medical care or emergency medical services imposed under RCW  
26 84.52.069; (e) levies to finance affordable housing for very low-income  
27 housing imposed under RCW 84.52.105; and (f) the portions of levies by  
28 metropolitan park districts that are protected under RCW 84.52.120.

29 **Sec. 3.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to  
30 read as follows:

31 Subject to the limitations in RCW 84.55.010, in each year the state  
32 shall levy for collection in the following year for the support of  
33 common schools of the state a tax of (~~three-dollars-and-sixty~~) two  
34 dollars and forty cents per thousand dollars of assessed value upon the  
35 assessed valuation of all taxable property within the state adjusted to  
36 the state equalized value in accordance with the indicated ratio fixed  
37 by the state department of revenue. An amount equal to an additional  
38 one dollar and twenty cents per thousand dollars of assessed value upon

1 the assessed valuation of all taxable property within the state  
2 adjusted to the state equalized value in accordance with the indicated  
3 ratio fixed by the state department of revenue, shall be dedicated from  
4 other revenue paid into the general fund of the state treasury for  
5 support of common schools of the state.

6 As used in this section, "the support of common schools" includes  
7 the payment of the principal and interest on bonds issued for capital  
8 construction projects for the common schools.

9 NEW SECTION. Sec. 4. A new section is added to chapter 84.55 RCW  
10 to read as follows:

11 (1) The limitation provided in RCW 84.55.010 does not apply to  
12 chapter . . . , Laws of 2000 (this act).

13 (2) In the first year following the effective date of this act, the  
14 county taxing district levy shall not be less than the prior year's  
15 levy plus ninety cents.

16 (3) This section expires December 31, 2001.

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