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HOUSE BILL 2545

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State of Washington

60th Legislature

2008 Regular Session

By Representatives Hunter, Ericks, Linville, Moeller, VanDeWege, and Rolfes; by request of Department of Revenue

Prefiled 01/08/08. Read first time 01/14/08. Referred to Committee on Finance.

1 AN ACT Relating to providing that voter-approved increases in  
2 property tax levy limitations for a multiyear period of up to six years  
3 do not permanently increase a taxing district's levy base, unless  
4 otherwise provided in the ballot proposition; amending RCW 84.55.050;  
5 creating a new section; and declaring an emergency.

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

7 **Sec. 1.** RCW 84.55.050 and 2007 c 380 s 2 are each amended to read  
8 as follows:

9 (1) Subject to any otherwise applicable statutory dollar rate  
10 limitations, regular property taxes may be levied by or for a taxing  
11 district in an amount exceeding the limitations provided for in this  
12 chapter if such levy is authorized by a proposition approved by a  
13 majority of the voters of the taxing district voting on the proposition  
14 at a general election held within the district or at a special election  
15 within the taxing district called by the district for the purpose of  
16 submitting such proposition to the voters. Any election held pursuant  
17 to this section shall be held not more than twelve months prior to the  
18 date on which the proposed levy is to be made, except as provided in

1 subsection (2) of this section. The ballot of the proposition shall  
2 state the dollar rate proposed and shall clearly state the conditions,  
3 if any, which are applicable under subsection (4) of this section.

4 (2) Subject to statutory dollar limitations, a proposition placed  
5 before the voters under this section may authorize annual increases in  
6 levies for multiple consecutive years, up to six consecutive years,  
7 during which period each year's authorized maximum legal levy shall be  
8 used as the base upon which an increased levy limit for the succeeding  
9 year is computed, but the ballot proposition must state the dollar rate  
10 proposed only for the first year of the consecutive years and must  
11 state the limit factor, or a specified index to be used for determining  
12 a limit factor, such as the consumer price index, which need not be the  
13 same for all years, by which the regular tax levy for the district may  
14 be increased in each of the subsequent consecutive years. Elections  
15 for this purpose must be held at a primary or general election. The  
16 title of each ballot measure must state the specific purposes for which  
17 the proposed annual increases during the specified period of up to six  
18 consecutive years shall be used, and funds raised under the levy shall  
19 not supplant existing funds used for these purposes. For purposes of  
20 this subsection, existing funds means the actual operating expenditures  
21 for the calendar year in which the ballot measure is approved by  
22 voters. Actual operating expenditures excludes lost federal funds,  
23 lost or expired state grants or loans, extraordinary events not likely  
24 to reoccur, changes in contract provisions beyond the control of the  
25 taxing district receiving the services, and major nonrecurring capital  
26 expenditures.

27 (3)(a) After a levy authorized pursuant to subsection (1) of this  
28 section is made, the dollar amount of such levy shall be used for the  
29 purpose of computing the limitations for subsequent levies provided for  
30 in this chapter, except as provided in subsection (5) of this section.

31 (b) Except as provided in subsection (4)(d) of this section, after  
32 the final levy under subsection (2) of this section is made or after  
33 the expiration of a limited period or the satisfaction of a limited  
34 purpose, under subsection (4)(a) or (b) of this section, whichever is  
35 later, subsequent levies shall be computed in the manner provided in  
36 subsection (5) of this section.

37 (4) If expressly stated, a proposition placed before the voters  
38 under subsection (1) or (2) of this section may:

1 (a) Limit the period for which the increased levy is to be made;  
2 (b) Limit the purpose for which the increased levy is to be made,  
3 but if the limited purpose includes making redemption payments on  
4 bonds, the period for which the increased levies are made shall not  
5 exceed nine years;

6 (c) Set the levy at a rate less than the maximum rate allowed for  
7 the district; (~~or~~)

8 (d) Provide, in the case of a proposition placed before the voters  
9 under subsection (2) of this section, that the maximum allowable dollar  
10 amount of the final annual levy of the period specified in the measure  
11 shall be used to compute the limitations provided for in this chapter  
12 on levy increases occurring after the expiration of the period; or

13 (e) Include any combination of the conditions in this subsection.

14 (5) (~~Except as otherwise provided in an approved ballot measure~~  
15 ~~under this section,~~) After the expiration of a limited period under  
16 subsection (4)(a) of this section or the satisfaction of a limited  
17 purpose under subsection (4)(b) of this section, whichever comes first,  
18 subsequent levies shall be computed as if:

19 (a) The (~~limited~~) proposition under (~~subsection (4) of~~) this  
20 section had not been approved; and

21 (b) The taxing district had made levies at the maximum rates  
22 (~~which~~) that would otherwise have been allowed under this chapter  
23 during the years levies were made under the (~~limited~~) proposition.

24 NEW SECTION. Sec. 2. This act applies prospectively only to levy  
25 lid lift ballot propositions under RCW 84.55.050 that receive voter  
26 approval on or after the effective date of this act.

27 NEW SECTION. Sec. 3. This act is necessary for the immediate  
28 preservation of the public peace, health, or safety, or support of the  
29 state government and its existing public institutions, and takes effect  
30 immediately.

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