
SECOND SUBSTITUTE SENATE BILL 5433

State of Washington 61st Legislature 2009 Regular Session

By Senate Ways & Means (originally sponsored by Senators Regala, Swecker, Rockefeller, Morton, Fraser, Ranker, Fairley, and Shin)

READ FIRST TIME 03/02/09.

1 AN ACT Relating to modifying provisions of local option taxes; and
2 amending RCW 82.14.450 and 84.55.050.

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

4 **Sec. 1.** RCW 82.14.450 and 2007 c 380 s 1 are each amended to read
5 as follows:

6 (1) A county legislative authority may submit an authorizing
7 proposition to the county voters at a primary or general election and,
8 if the proposition is approved by a majority of persons voting, impose
9 a sales and use tax in accordance with the terms of this chapter. The
10 title of each ballot measure must clearly state the purposes for which
11 the proposed sales and use tax will be used. (~~Funds raised under this
12 tax shall not supplant existing funds used for these purposes. For
13 purposes of this subsection, existing funds means the actual operating
14 expenditures for the calendar year in which the ballot measure is
15 approved by voters. Actual operating expenditures excludes lost
16 federal funds, lost or expired state grants or loans, extraordinary
17 events not likely to reoccur, changes in contract provisions beyond the
18 control of the county or city receiving the services, and major
19 nonrecurring capital expenditures.~~) The rate of tax under this

1 section (~~shall~~) may not exceed three-tenths of one percent of the
2 selling price in the case of a sales tax, or value of the article used,
3 in the case of a use tax.

4 (2) The tax authorized in this section is in addition to any other
5 taxes authorized by law and (~~shall~~) must be collected from those
6 persons who are taxable by the state under chapters 82.08 and 82.12 RCW
7 upon the occurrence of any taxable event within the county.

8 (3) The retail sale or use of motor vehicles, and the lease of
9 motor vehicles for up to the first thirty-six months of the lease, are
10 exempt from tax imposed under this section.

11 (4) One-third of all money received under this section (~~shall~~)
12 must be used solely for criminal justice purposes and/or fire
13 protection purposes. For the purposes of this subsection, "criminal
14 justice purposes" (~~means additional police protection, mitigation of~~
15 ~~congested court systems, or relief of overcrowded jails or other local~~
16 ~~correctional facilities~~) has the same meaning as provided in RCW
17 82.14.340.

18 (5) Money received under this section (~~shall~~) must be shared
19 between the county and the cities as follows: Sixty percent (~~shall~~)
20 must be retained by the county and forty percent (~~shall~~) must be
21 distributed on a per capita basis to cities in the county.

22 **Sec. 2.** RCW 84.55.050 and 2008 c 319 s 1 are each amended to read
23 as follows:

24 (1) Subject to any otherwise applicable statutory dollar rate
25 limitations, regular property taxes may be levied by or for a taxing
26 district in an amount exceeding the limitations provided for in this
27 chapter if such levy is authorized by a proposition approved by a
28 majority of the voters of the taxing district voting on the proposition
29 at a general election held within the district or at a special election
30 within the taxing district called by the district for the purpose of
31 submitting such proposition to the voters. Any election held pursuant
32 to this section (~~shall~~) must be held not more than twelve months
33 prior to the date on which the proposed levy is to be made, except as
34 provided in subsection (2) of this section. The ballot of the
35 proposition (~~shall~~) must state the dollar rate proposed and (~~shall~~)
36 must clearly state the conditions, if any, which are applicable under
37 subsection (4) of this section.

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

24 (3) After a levy authorized pursuant to this section is made, the
25 dollar amount of such levy may not be used for the purpose of computing
26 the limitations for subsequent levies provided for in this chapter,
27 unless the ballot proposition expressly states that the levy made under
28 this section will be used for this purpose.

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

31 (a) Use the dollar amount of a levy under subsection (1) of this
32 section, or the dollar amount of the final levy under subsection (2) of
33 this section, for the purpose of computing the limitations for
34 subsequent levies provided for in this chapter;

35 (b) Limit the period for which the increased levy is to be made
36 under (a) of this subsection;

37 (c) Limit the purpose for which the increased levy is to be made

1 under (a) of this subsection, but if the limited purpose includes
2 making redemption payments on bonds, the period for which the increased
3 levies are made shall not exceed nine years;

4 (d) Set the levy or levies at a rate less than the maximum rate
5 allowed for the district; or

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

7 (5) Except as otherwise expressly stated in an approved ballot
8 measure under this section, subsequent levies shall be computed as if:

9 (a) The proposition under this section had not been approved; and

10 (b) The taxing district had made levies at the maximum rates which
11 would otherwise have been allowed under this chapter during the years
12 levies were made under the proposition.

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