

---

**SUBSTITUTE SENATE BILL 5705**

---

**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer, Delvin, Kastama, Litzow, and Shin)

READ FIRST TIME 02/18/11.

1 AN ACT Relating to community redevelopment financing in  
2 apportionment districts; amending RCW 39.88.020, 39.88.030, 39.88.040,  
3 39.88.070, 39.88.080, 39.88.100, 84.52.043, and 84.52.050; and  
4 repealing RCW 39.88.060 and 39.88.090.

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

6 **Sec. 1.** RCW 39.88.020 and 1982 1st ex.s. c 42 s 3 are each amended  
7 to read as follows:

8 As used in this chapter the following terms have the following  
9 meanings unless a different meaning is clearly indicated by the  
10 context:

11 (1) "Apportionment district" means the geographic area, within an  
12 urban area or within an unincorporated area within the boundaries of a  
13 port district, from which (~~(regular)~~) special property taxes are to be  
14 (~~(apportioned)~~) levied and collected to finance a public improvement  
15 contained therein.

16 (2) (~~("Assessed value of real property" means the valuation of real~~  
17 ~~property as placed on the last completed assessment roll of the county.~~

18 ~~(3))~~ "City" means any city or town.

19 ~~((4))~~ (3) "County" means any county of the state of Washington.

1       (4) "Ordinance" means an ordinance, resolution, or any other  
2 appropriate method of taking a legislative action by the legislative  
3 authority of a county ((or)), port district, or city, whether known as  
4 a statute, resolution, ordinance, or otherwise.

5       (5) "Port district" means a port district established under chapter  
6 53.04 RCW.

7       (6) "Public improvements" means ~~((an undertaking to provide public~~  
8 ~~facilities in an urban area which the sponsor has authority to~~  
9 ~~provide))):~~

10       (a) Infrastructure improvements within the revitalization area that  
11 include:

12       (i) Street, road, bridge, and rail construction and maintenance;

13       (ii) Water and sewer system construction and improvements;

14       (iii) Sidewalks, streetlights, landscaping, and streetscaping;

15       (iv) Parking, terminal, and dock facilities;

16       (v) Park and ride facilities;

17       (vi) Park facilities, recreational areas, and environmental  
18 remediation;

19       (vii) Storm water and drainage management systems; and

20       (viii) Electric, gas, fiber, and other utility infrastructures; and

21       (b) Expenditures for any of the following purposes:

22       (i) Providing maintenance and security for common or public areas  
23 or facilities in the revitalization area; or

24       (ii) Historic preservation assets and activities authorized under  
25 RCW 35.21.395.

26       ~~((+6))~~ (7) "Public improvement costs" means capital expenditures  
27 with respect to public improvements, including without limitation the  
28 costs of design, planning, acquisition, site preparation, construction,  
29 reconstruction, rehabilitation, improvement, and installation of the  
30 public improvement; costs of relocation, maintenance, and operation of  
31 property pending construction of the public improvement; costs of  
32 relocating utilities ~~((relocated as a result of))~~ in connection with  
33 undertaking the public improvement; costs of financing, including  
34 interest during construction, legal and other professional services,  
35 taxes, and insurance; ~~((costs incurred by the assessor to revalue real~~  
36 ~~property for the purpose of determining the tax allocation base value~~  
37 ~~that are in excess of costs incurred by the assessor in accordance with~~  
38 ~~his revaluation plan under chapter 84.41 RCW, and the)) costs of~~

1 (~~apportioning the~~) levying and collecting the special property taxes  
2 and complying with this chapter and other applicable law; and  
3 administrative costs reasonably necessary and related to these costs.  
4 These costs may include costs incurred prior to the adoption of the  
5 public improvement ordinance, but subsequent to July 10, 1982.

6 ~~((+7))~~ (8) "Public improvement ordinance" means the ordinance  
7 passed under RCW 39.88.040(4).

8 ~~((+8))~~ (9) "Regular property taxes" means regular property taxes  
9 as now or hereafter defined in RCW 84.04.140(~~, except regular property~~  
10 taxes levied by port districts or public utility districts specifically  
11 for the purpose of making required payments of principal and interest  
12 on general indebtedness)).

13 ~~((+9))~~ (10) "Special property taxes" means the special property  
14 taxes authorized to be levied and collected within an apportionment  
15 district under RCW 39.88.070. Special property taxes are not regular  
16 property taxes for any purpose under this chapter or under any other  
17 provision of law, but special property taxes are "excess real property  
18 taxes" for purposes of RCW 84.36.381 through 84.36.389, are "real  
19 property taxes" for purposes of chapters 84.37 and 84.38 RCW, are  
20 "property taxes" for purposes of chapter 84.39 RCW, and also constitute  
21 "ad valorem taxation" as that term is used in RCW 84.33.040.

22 (11) "Sponsor" means any county (~~or~~), city, or port district  
23 initiating and undertaking a public improvement under this chapter.

24 ~~((+10))~~ (12) "Tax allocation base value (~~of real property~~)"  
25 means the (~~true and fair~~) value of (~~real~~) taxable property within  
26 an apportionment district for the year in which the apportionment  
27 district was established.

28 ~~((+11))~~ (13) "Tax allocation bonds" means any bonds, notes, or  
29 other obligations issued or incurred by a sponsor pursuant to (~~section~~  
30 10 of this act) RCW 39.88.100.

31 ~~((+12))~~ (14) "Tax allocation increment value" means, as of any  
32 time of calculation, the value of taxable property in an apportionment  
33 district in excess of the tax allocation base value within that  
34 apportionment district.

35 (15) "Tax allocation revenues" means those special property tax  
36 revenues (~~allocated to~~) levied and collected by a sponsor under RCW  
37 39.88.070(1)(~~b~~)).

1        ~~((13))~~ (16) "Taxing districts" means any governmental entity  
2 which levies or has levied for it regular property taxes upon real  
3 property located within a proposed or approved apportionment district.

4        ~~((14))~~ (17) "Value of taxable property" means value of taxable  
5 property as defined in RCW 39.36.015.

6        ~~((15))~~ (18) "Urban area" means an area in a city or located  
7 ~~((outside of a city that is characterized by intensive use of the land  
8 for the location of structures and receiving such urban services as  
9 sewers, water, and other public utilities and services normally  
10 associated with urbanized areas. Not more than twenty five percent of  
11 the area within the urban area proposed apportionment district may be  
12 vacant land))~~ in an urban growth area as defined in RCW 36.70A.030.

13        **Sec. 2.** RCW 39.88.030 and 1982 1st ex.s. c 42 s 4 are each amended  
14 to read as follows:

15        (1) Only public improvements which are determined by the  
16 legislative authority of the sponsor to meet the following criteria are  
17 eligible to be financed under this chapter:

18        (a) The public improvement is located within an urban area or,  
19 where a port district is a sponsor, in an unincorporated area within  
20 the boundaries of that port district;

21        (b) The public improvement will encourage private development  
22 within the apportionment district;

23        (c) The public improvement will increase the ~~((fair market))~~  
24 assessed value of the real property located within the apportionment  
25 district;

26        (d) The private development which is anticipated to occur within  
27 the apportionment district as a result of the public improvement is  
28 consistent with an existing comprehensive land use plan and approved  
29 growth policies of the jurisdiction within which it is located;

30        (e) A public improvement located within a city has been approved by  
31 the legislative authority of such city; and

32        (f) A public improvement located ~~((within an urban area))~~ in an  
33 unincorporated area has been approved by the legislative authority of  
34 the county within whose boundaries the area lies, and a public  
35 improvement located within the urban growth area of a city, as defined  
36 in RCW 36.70A.030, has also been approved by the legislative authority  
37 of that city.

1           (2) (~~Apportionment of regular~~) The levying and collection of  
2 special property tax revenues to finance the public improvements (~~is~~  
3 ~~subject to the following limitations:~~

4           ~~(a) No apportionment of regular property tax revenues~~) may take  
5 place within a previously established apportionment district where  
6 (~~regular property taxes are still apportioned~~) special property taxes  
7 are still levied and collected to finance public improvements without  
8 the concurrence of the sponsor which established the previously  
9 established district(~~;~~

10           ~~(b) No apportionment district may be established which includes any~~  
11 ~~geographic area included within a previously established apportionment~~  
12 ~~district which has outstanding bonds payable in whole or in part from~~  
13 ~~tax allocation revenues;~~

14           ~~(c) The total amount of outstanding bonds payable in whole or in~~  
15 ~~part from tax allocation revenues arising from property located within~~  
16 ~~a city shall not exceed two percent of the value of taxable property~~  
17 ~~within the city, and the total amount of outstanding bonds payable in~~  
18 ~~whole or in part from tax allocation revenues arising from property~~  
19 ~~located within the unincorporated areas of a county shall not exceed~~  
20 ~~two percent of the value of taxable property within the entire~~  
21 ~~unincorporated area of the county; and~~

22           ~~(d) No taxes other than regular property taxes may be apportioned~~  
23 ~~under this chapter).~~

24           (3) Public improvements may be undertaken and coordinated with  
25 other programs or efforts undertaken by the sponsor or others and may  
26 be funded in whole or in part from sources other than those provided by  
27 this chapter.

28           **Sec. 3.** RCW 39.88.040 and 1982 1st ex.s. c 42 s 5 are each amended  
29 to read as follows:

30           Public improvements funded by tax allocation revenues may only be  
31 located within (~~an urban area. In order to secure an allocation of~~  
32 ~~regular~~) or serve an apportionment district. In order to levy and  
33 collect special property taxes to finance a public improvement, a  
34 sponsor (~~shall~~) must:

35           (1)(a) Propose by ordinance a plan for the public improvement which  
36 includes a description of the contemplated public improvement, the  
37 estimated cost thereof, the maximum total amount of the estimated cost

1 to be paid from special property taxes or from tax allocation bonds,  
2 the boundaries of the apportionment district, the (~~estimated period~~  
3 during which tax revenue apportionment is contemplated)) maximum period  
4 (not to exceed thirty years) during which the special property tax is  
5 to be levied and collected, and the ways in which the sponsor plans to  
6 use (~~tax allocation~~) special property tax revenues to finance the  
7 public improvement(~~, and which sets at least three~~).

8 (b) The ordinance must include the following findings:

9 (i) The public improvements proposed to be financed in whole or in  
10 part using apportionment district financing are expected to encourage  
11 private development within the apportionment district and to increase  
12 the fair market value of real property within the apportionment  
13 district, including improving the viability of existing business  
14 entities and increasing employment within the apportionment district;

15 (ii) Private development that is anticipated to occur within the  
16 apportionment area as a result of the public improvements is consistent  
17 with: (A) The countywide planning policy adopted by the county under  
18 RCW 36.70A.210; (B) the local government's comprehensive plan; and (C)  
19 development regulations adopted under chapter 36.70A RCW;

20 (iii) The apportionment district is not being used to finance the  
21 costs associated with the financing, design, acquisition, construction,  
22 equipping, operating, maintaining, remodeling, repairing, and  
23 reequipping of public facilities funded with taxes collected under RCW  
24 82.14.048 or 82.14.390;

25 (iv) The use of apportionment financing will promote economic  
26 development or redevelopment within the apportionment district; and

27 (v) The proposed apportionment district will not be used for the  
28 purpose of encouraging the relocation of a business from outside the  
29 apportionment district, but within the state, into the apportionment  
30 district, unless the governing body of the sponsor finds, based on  
31 evidence provided to the apportionment district, that the firm being  
32 relocated would otherwise be likely to leave the state.

33 (c) The ordinance must provide for at least one public hearing(~~s~~)  
34 thereon before the legislative authority of the sponsor or a committee  
35 thereof(~~:- PROVIDED, That~~)). However, public hearings for the public  
36 improvement that is undertaken in combination or coordination by two or  
37 more sponsors may be held jointly; and public hearings, held before the

1 legislative authority or a committee of a majority thereof may be  
2 combined with public hearings held for other purposes;

3 (2) At least fifteen days in advance of the hearing:

4 (a) Deliver notice of the hearing to all taxing districts, the  
5 county treasurer, (~~and~~) the county assessor, (~~which~~) and the owners  
6 or reputed owners of all lots, tracts, and parcels of land within the  
7 proposed apportionment district, as shown on the rolls of the county  
8 assessor and directed to the address shown thereon. The notice must  
9 include(~~s~~) a map or drawing showing the location of the contemplated  
10 public improvement and the boundaries of the proposed apportionment  
11 district, a brief description of the public improvement, the estimated  
12 cost thereof, the maximum total amount of the estimated cost to be paid  
13 from special property taxes or from tax allocation bonds, the maximum  
14 period during which the special property tax is to be levied and  
15 collected, the anticipated increase in (~~property~~) assessed values  
16 within the apportionment district, the location of the sponsor's  
17 principal business office where it will maintain information concerning  
18 the public improvement for public inspection, and the date and place of  
19 hearing; and

20 (b) Post notice in at least (~~six~~) three public places located in  
21 the proposed apportionment district and publish notice in a legal  
22 newspaper of general circulation within the sponsor's jurisdiction  
23 briefly describing the public improvement, the proposed  
24 (~~apportionment~~) special property taxes, the boundaries of the  
25 proposed apportionment district, the location where additional  
26 information concerning the public improvement may be inspected, and the  
27 date and place of hearing;

28 (3) At the time and place fixed for the hearing under subsection  
29 (1) of this section, and at such times to which the hearing may be  
30 adjourned, receive and consider all statements and materials as may be  
31 submitted, and objections and letters filed before or within ten days  
32 thereafter;

33 (4) (~~Within~~) Not earlier than ten days and not more than one  
34 hundred twenty days after completion of the public hearing or hearings,  
35 pass an ordinance establishing the apportionment district and  
36 authorizing the proposed public improvement, including any  
37 modifications which (~~in the sponsor's opinion the hearings indicated~~  
38 should be made)) the legislative authority of the sponsor deems

1 appropriate as a result of public comments received, which includes the  
2 boundaries of the apportionment district, a description of the public  
3 improvement, the estimated cost thereof, ~~((the portion))~~ the maximum  
4 total amount of the estimated cost thereof to be ~~((reimbursed from tax~~  
5 ~~allocation revenues, the estimated time during which regular property~~  
6 ~~taxes are to be apportioned, the date upon which apportionment of the~~  
7 ~~regular))~~ paid from special property taxes or from tax allocation  
8 bonds, the date upon which the levying and collection of the special  
9 property taxes will commence, the maximum period during which the  
10 special property tax is to be levied and collected, and a finding that  
11 the public improvement meets the conditions of RCW 39.88.030.

12 (5) The jurisdiction of the sponsor to proceed with the levying and  
13 collection of special property taxes within an apportionment district  
14 will be divested by a protest, filed with the legislative authority of  
15 the sponsor within thirty days after the date of passage of the  
16 ordinance, signed by the owners of the property within the  
17 apportionment district representing more than fifty percent of the  
18 value of taxable property within that apportionment district as  
19 reflected on rolls of the county assessor for the year in which the  
20 ordinance is passed.

21 **Sec. 4.** RCW 39.88.070 and 1982 1st ex.s. c 42 s 8 are each amended  
22 to read as follows:

23 (1) Upon the date established in the public improvement ordinance,  
24 but not ~~((sooner))~~ earlier than the first day of the calendar year  
25 following the passage of the ordinance~~((, the))~~ and no earlier than  
26 would be permitted under RCW 84.09.030;

27 (a) Regular property taxes levied upon the ~~((assessed value of~~  
28 ~~real))~~ property within the apportionment district ~~((shall be divided as~~  
29 ~~follows:~~

30 ~~(a) That portion of the regular property taxes produced by the rate~~  
31 ~~of tax levied each year by or for each of the taxing districts upon the~~  
32 ~~tax allocation base value of real property, or upon the assessed value~~  
33 ~~of real property in each year, whichever is smaller, shall be allocated~~  
34 ~~to and paid to the respective taxing districts; and~~

35 ~~(b) That portion of the regular property taxes levied each year by~~  
36 ~~or for each of the taxing districts upon the assessed value of real~~  
37 ~~property within an apportionment district which is in excess of the tax~~



1 allocation base value of real property shall be allocated and paid to  
2 the sponsor, or the sponsor's designated agent, until all public  
3 improvement costs to be paid from the tax allocation revenues have been  
4 paid, except that the sponsor may agree to receive less than the full  
5 amount of such portion as long as bond debt service, reserve, and other  
6 bond covenant requirements are satisfied, in which case the balance of  
7 the taxes shall be allocated to the respective taxing districts as the  
8 sponsor and the taxing districts may agree.

9 ~~(2) The county assessor shall revalue the real~~) by taxing  
10 districts must continue to be collected in accordance with applicable  
11 law, without regard to the existence of the apportionment district or  
12 the special property taxes levied or collected therein; and

13 (b) The sponsor may levy upon the value of taxable property within  
14 the apportionment district, and collect special property taxes in  
15 amounts not in excess of the amounts the legislative authority of the  
16 sponsor deems necessary to provide for the purposes set forth in RCW  
17 39.88.080, but in annual amounts not in excess of one percent of the  
18 tax allocation increment value within the apportionment district.  
19 Special property taxes collected within an apportionment district must  
20 be paid to the sponsor, or the sponsor's designated agent, until all  
21 public improvement costs and tax allocation bonds issued or incurred to  
22 be paid from the tax allocation revenues have been paid, but in no  
23 event may special property taxes be collected longer than the maximum  
24 period set forth in the ordinance establishing the apportionment  
25 district.

26 (2) Special property taxes are not subject to the limitations  
27 imposed by Article VII, section 2 of the Washington state Constitution  
28 and are in excess of all statutory and charter limitations otherwise  
29 applicable to property taxes levied and collected by any county, city,  
30 or port district.

31 (3) The county assessor must determine the value of the taxable  
32 property within the apportionment district as of January 1st of the  
33 year in which the ordinance establishing the district is enacted for  
34 the purpose of determining the tax allocation base value for the  
35 apportionment district and (~~shall~~) must certify to the sponsor the  
36 tax allocation base value as soon as practicable after the assessor  
37 receives notice of the public improvement ordinance and (~~shall~~) must  
38 certify to the sponsor the total (~~assessed~~) value of (~~real~~) taxable

1 property within thirty days after the property values for each  
2 succeeding year have been established, except that the assessed value  
3 of state-assessed real property within the apportionment district  
4 (~~shall~~) must be certified as soon as the values are provided to the  
5 assessor by the department of revenue. Nothing in this section  
6 authorizes revaluations of real property by the assessor for property  
7 taxation that are not made in accordance with the assessor's  
8 revaluation plan under chapter 84.41 RCW.

9 ~~((3))~~ (4) The date upon which the apportionment district was  
10 established (~~shall be~~) is considered the date upon which the public  
11 improvement ordinance was enacted by the sponsor.

12 ~~((4) The apportionment of regular property taxes)~~ (5) The  
13 collection of special property taxes within an apportionment district  
14 under this section (~~shall~~) must cease when tax allocation revenues  
15 are no longer necessary or obligated to pay public improvement costs or  
16 to pay (~~principal of and interest on bonds issued~~) tax allocation  
17 bonds issued or incurred to finance public improvement costs and  
18 payable in whole or in part from tax allocation revenues, but in no  
19 event may special property taxes be collected longer than the maximum  
20 period set forth in the ordinance establishing the apportionment  
21 district. At the time of termination of the (~~apportionment~~)  
22 collection of those special property taxes, any excess money and any  
23 earnings thereon held by the sponsor (~~shall be returned to the county~~  
24 treasurer and distributed to the taxing districts which were subject to  
25 the allocation in proportion to their regular property tax levies due  
26 for the year in which the funds are returned)) must be spent on costs  
27 of public improvements.

28 (6) For purposes of Title 84 RCW, an apportionment district is  
29 deemed a "taxing district" and any special property tax levy is deemed  
30 a levy of the apportionment district, separate from any other tax levy  
31 of the sponsor.

32 **Sec. 5.** RCW 39.88.080 and 1982 1st ex.s. c 42 s 9 are each amended  
33 to read as follows:

34 (1) Tax allocation revenues may be applied, in no particular order,  
35 as follows:

36 ~~((1))~~ (a) To pay for public improvements including public  
37 improvement costs;

1       ~~((2))~~ (b) To ~~((pay))~~ provide for payments with respect to  
2 principal of and interest on, and to fund any necessary reserves for,  
3 tax allocation bonds; or

4       ~~((3) To pay into bond funds established to pay the principal of~~  
5 ~~and interest on general obligation bonds issued pursuant to law to~~  
6 ~~finance public facilities that are specified in the public improvement~~  
7 ~~ordinance and constructed following the establishment of and within the~~  
8 ~~apportionment district; or~~

9       ~~(4))~~ (c) To pay any combination of the foregoing.

10       (2) In the event that the legislative authority of a sponsor  
11 determines that public improvements specified in the ordinance  
12 establishing an apportionment district are impracticable to carry out,  
13 or if unspent tax allocation bond proceeds or tax allocation revenues  
14 remain after the completion of the public improvements specified in the  
15 ordinance, the legislative authority may by ordinance spend the  
16 remaining bond proceeds and tax allocation revenues to retire or  
17 defease those bonds or on the costs of other public improvements, after  
18 holding a hearing with public notice given substantially in accordance  
19 with the procedure described in RCW 39.88.040(2). No such change of  
20 use of tax allocation revenues or the proceeds of tax allocation bonds  
21 may permit an increase in the maximum period of time during which the  
22 special property tax is to be levied and collected, or permit an  
23 increase in the total amount of the estimated cost to be paid from  
24 special property taxes or from tax allocation bonds as set forth in the  
25 ordinance establishing the apportionment district. Upon the retirement  
26 or defeasance of all tax allocation bonds secured by special property  
27 taxes levied and collected within an apportionment district, any  
28 remaining tax allocation revenues must be spent on costs of public  
29 improvements.

30       **Sec. 6.** RCW 39.88.100 and 1982 1st ex.s. c 42 s 11 are each  
31 amended to read as follows:

32       (1) A sponsor may issue such tax allocation bonds as it may deem  
33 appropriate for the financing of public improvement costs and a  
34 reasonable bond reserve and for the refunding of any outstanding tax  
35 allocation bonds.

36       (2) The principal and interest of tax allocation bonds may be made  
37 payable from:

1 (a) Tax allocation revenues;

2 (b) Project revenues which may include (i) nontax income, revenues,  
3 fees, and rents from the public improvement financed with the proceeds  
4 of the bonds, or portions thereof, and (ii) contributions, grants, and  
5 nontax money available to the sponsor for payment of costs of the  
6 public improvement or the debt service of the bonds issued therefor;

7 (c) The full faith and credit of the sponsor or of any other taxing  
8 district (provision of which is declared to be a proper purpose for any  
9 such taxing district) payable from annual ad valorem taxes to be levied  
10 within the constitutional and statutory tax limitations provided by law  
11 without a vote of the electors of the sponsor or other taxing district  
12 on all of the taxable property within the boundaries of that sponsor or  
13 other taxing district;

14 (d) Any combination of the foregoing.

15 (3) Except and to the extent that a sponsor or other taxing  
16 district has expressly pledged its full faith and credit to the payment  
17 of tax allocation bonds, tax allocation bonds (~~shall~~) may not be the  
18 general obligation of or guaranteed by all or any part of the full  
19 faith and credit of the sponsor or any other state or local government,  
20 or any tax revenues other than tax allocation revenues, and shall not  
21 be considered a debt of the sponsor or other state or local government  
22 for general indebtedness limitation purposes.

23 (4) The terms and conditions of tax allocation bonds may include  
24 provisions for the following matters, among others:

25 (a) The date of issuance, maturity date or dates, denominations,  
26 form, series, negotiability, registration, rank or priority, place of  
27 payment, interest rate or rates which may be fixed or may vary over the  
28 life of the tax allocation bonds, bond reserve, coverage, and such  
29 other terms related to repayment of the tax allocation bonds;

30 (b) The application of tax allocation bond proceeds; the use, sale,  
31 or disposition of property acquired; consideration or rents and fees to  
32 be charged in the sale or lease of property acquired; consideration or  
33 rents and fees to be charged in the sale or lease of property within a  
34 public improvement; the application of rents, fees, and revenues within  
35 a public improvement; the maintenance, insurance, and replacement of  
36 property within a public improvement; other encumbrances, if any, upon  
37 all or part of property within a public improvement, then existing or  
38 thereafter acquired; and the type of debts that may be incurred;

1 (c) The creation of special funds; the money to be so applied; and  
2 the use and disposition of the money;

3 (d) The securing of the tax allocation bonds by a pledge of  
4 property and property rights, by assignment of income generated by the  
5 public improvement, or by pledging such additional specifically  
6 described resources other than tax revenues as are available to the  
7 sponsor;

8 (e) The terms and conditions for redemption;

9 (f) The replacement of lost and destroyed bond instruments;

10 (g) Procedures for amendment of the terms and conditions of the tax  
11 allocation bonds;

12 (h) The powers of a trustee to enforce covenants and take other  
13 actions in event of default; the rights, liabilities, powers, and  
14 duties arising upon the breach of any covenant, condition, or  
15 obligation; and

16 (i) When consistent with the terms of this chapter, such other  
17 terms, conditions, and provisions which may make the tax allocation  
18 bonds more marketable and further the purposes of this chapter.

19 (5) Tax allocation bonds may be issued and sold in such manner as  
20 the legislative authority of the sponsor (~~shall~~) determines. Tax  
21 allocation bonds may also be issued and sold in accordance with chapter  
22 39.46 RCW.

23 (6) The sponsor may also issue or incur obligations in anticipation  
24 of the receipt of tax allocation bond proceeds or other money available  
25 to pay public improvement costs.

26 **Sec. 7.** RCW 84.52.043 and 2009 c 551 s 6 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~~) are as  
31 follows:

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

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

14 (2) The aggregate levies of junior taxing districts and senior  
15 taxing districts, other than the state, (~~shall~~) may not exceed five  
16 dollars and ninety cents per thousand dollars of assessed valuation.  
17 The term "junior taxing districts" includes all taxing districts other  
18 than the state, counties, road districts, cities, towns, apportionment  
19 districts established under chapter 39.88 RCW, port districts, and  
20 public utility districts. The limitations provided in this subsection  
21 shall not apply to: (a) Levies at the rates provided by existing law  
22 by or for any port or public utility district; (b) excess property tax  
23 levies authorized in Article VII, section 2 of the state Constitution;  
24 (c) levies for acquiring conservation futures as authorized under RCW  
25 84.34.230; (d) levies for emergency medical care or emergency medical  
26 services imposed under RCW 84.52.069; (e) levies to finance affordable  
27 housing for very low-income housing imposed under RCW 84.52.105; (f)  
28 the portions of levies by metropolitan park districts that are  
29 protected under RCW 84.52.120; (g) levies imposed by ferry districts  
30 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW  
31 84.52.135; (i) the portions of levies by fire protection districts that  
32 are protected under RCW 84.52.125; (~~and~~) (j) levies by counties for  
33 transit-related purposes under RCW 84.52.140; and (k) levies by or for  
34 apportionment districts established under chapter 39.88 RCW.

35 **Sec. 8.** RCW 84.52.050 and 1973 1st ex.s. c 194 s 1 are each  
36 amended to read as follows:

37 (1) Except as (~~hereinafter~~) provided otherwise in this section,

1 the aggregate of all tax levies upon real and personal property by the  
2 state and all taxing districts, now existing or hereafter created,  
3 (~~shall~~) may not in any year exceed one percentum of the true and fair  
4 value of such property in money(~~(: PROVIDED, HOWEVER, That)~~). Nothing  
5 (~~herein shall~~) in this section prevents levies at the rates now  
6 provided by law by or for any port or public utility district or any  
7 apportionment district established under chapter 39.88 RCW. The term  
8 "taxing district" for the purposes of this section (~~shall~~) means any  
9 political subdivision, municipal corporation, district, or other  
10 governmental agency authorized by law to levy, or have levied for it,  
11 ad valorem taxes on property, other than a port or public utility  
12 district or any apportionment district established under chapter 39.88  
13 RCW. Such aggregate limitation or any specific limitation imposed by  
14 law in conformity therewith may be exceeded only as authorized by law  
15 and in conformity with the provisions of Article VII, section 2(a),  
16 (b), or (c) of the Constitution of the state of Washington, or in  
17 conformity with any other provision of Article VII of the Constitution  
18 of the state of Washington.

19 (2) Nothing (~~herein contained shall~~) in this section prohibits  
20 the legislature from allocating or reallocating the authority to levy  
21 taxes between the taxing districts of the state and its political  
22 subdivisions in a manner which complies with the aggregate tax  
23 limitation set forth in this section.

24 NEW SECTION. Sec. 9. The following acts or parts of acts are each  
25 repealed:

26 (1) RCW 39.88.060 (Disagreements between taxing districts) and 1989  
27 c 378 s 1 & 1982 1st ex.s. c 42 s 7; and

28 (2) RCW 39.88.090 (General obligation bonds) and 1982 1st ex.s. c  
29 42 s 10.

30 NEW SECTION. Sec. 10. If any provision of this act or its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

--- END ---