

# HOUSE BILL REPORT

## HB 1749

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**As Reported by House Committee On:**  
Community Development, Housing & Tribal Affairs

**Title:** An act relating to modifying metropolitan park district property tax levies to assist park districts with populations less than twenty thousand.

**Brief Description:** Modifying metropolitan park district property tax levies to assist park districts with populations less than twenty thousand.

**Sponsors:** Representative Angel.

**Brief History:**

**Committee Activity:**

Community Development, Housing & Tribal Affairs: 2/19/13, 2/20/13 [DPS].

**Brief Summary of Substitute Bill**

- Authorizes any metropolitan park district with a population under 20,000 people to move up to 25 cents of its tax levy rate outside the \$5.90 aggregate local tax limit if it otherwise would be subject to prorationing.

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**HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives McCoy, Chair; Appleton, Vice Chair; Angel, Ranking Minority Member; Johnson, Assistant Ranking Minority Member; Haler, Pike, Ryu, Santos and Sawyer.

**Staff:** Sean Flynn (786-7124).

**Background:**

Property taxes must be assessed upon the assessed value of the property. The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's assessed value, reflected as \$10 per \$1,000 of assessed value. This applies to the total taxes levied by the state, counties, and other districts.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

To keep the total tax rate within the 1 percent limit, the Legislature has established individual and aggregate limits for the various tax districts. The tax levy maximum for the state is set at \$3.60 per \$1,000 of assessed value. The state levy takes precedence over all other levies. Most of the remaining local tax districts must share an overall maximum rate of \$5.90 per \$1,000 of assessed value. These districts are further stratified into senior and junior tax districts, each with their own specific rate limits.

If the total tax levy exceeds the \$5.90 maximum rate, then senior districts take preference over junior districts in fulfilling their individual rates. The junior rates are prorated or eliminated in a preferential order set by statutory schedule.

#### Property Tax "Gap".

The total of the combined maximum state rate (\$3.60) and the maximum local rate (\$5.90) leaves a 50 cent tax levy "gap" under the overall 1 percent limit. Certain tax districts are authorized to issue specific tax levy amounts within this gap and outside the maximum local rate. These levies may be reduced according to a statutory schedule if the total taxes levied exceed the 1 percent limit.

#### Metropolitan Park Districts.

A metropolitan park district (MPD) is a special purpose district created for the management, control, improvement, maintenance, or acquisition of parks, parkways, boulevards, and recreational facilities. A MPD may levy up to 75 cents per \$1,000 of assessed property value, within the total aggregate local tax limit (\$5.90) and subject to senior tax districts.

A MPD in a county with a population of 150,000 people or more may move up to 25 cents of its levy rate out of the aggregate local tax limit if it otherwise would be subject to prorationing. This 25 cents may be levied within the tax levy gap. A MPD with a population under 150,000 in a county with a population over 1.5 million people also may move up to 25 cents of its levy rate out of the local tax limit structure in order to protect against prorationing. This particular provision is set to expire in 2018. Each qualifying MPD must seek voter approval in order to move its tax levy amount out of the aggregate local tax limit.

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#### **Summary of Substitute Bill:**

Subject to voter approval, any MPD with a population under 20,000 people is authorized to move up to 25 cents of its tax levy rate outside the \$5.90 aggregate local tax limit if it otherwise would be prorated. The 2018 expiration of the tax levy authority for a MPD in a county over 1.5 million people is repealed.

#### **Substitute Bill Compared to Original Bill:**

The repeal of the 2018 expiration date does not apply to the tax levy authority of flood districts, correcting a technical error.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill includes small park districts within the category of park districts that maintain certain levy authority. Of the 12 park districts created over the last decade, only approximately half have the right to submit this ballot proposition to their voters. This bill would grant the same authority to small rural parks districts, including a district with no incorporated area within its district, and gives a baseline for future planning and operation. Key Peninsula has a population of 18,000 and is in a remote location. Park development is a part of economic development. Without minimal state funding, park districts will have difficulty obtaining grants and have to close parks. Multi-use parks offer a range of recreational activities for rural and high-needs communities, including sports and arts programming and family friendly events. Parks districts are dependent on tax levies, especially in light of declining home value assessments.

(Opposed) None.

**Persons Testifying:** Representative Angel, prime sponsor; Brent Wiley, Bill Trandum, and Mark Michelle, Key Peninsula Metropolitan Parks; Carolyn Wiley, Longbranch Improvement Club; Victoria Shauer; and Caron Williams, Key Peninsula Business Association.

**Persons Signed In To Testify But Not Testifying:** None.