
SUBSTITUTE HOUSE BILL 2348

State of Washington

68th Legislature

2024 Regular Session

By House Finance (originally sponsored by Representatives Street, Chopp, Taylor, Fitzgibbon, Berry, Orwall, Davis, Alvarado, Farivar, Macri, Ryu, Riccelli, and Ormsby)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to county hospital funding; amending RCW
2 36.62.010, 36.62.090, 84.52.043, 84.52.043, 84.52.010, and 84.52.010;
3 providing an effective date; and providing an expiration date.

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

5 **Sec. 1.** RCW 36.62.010 and 1984 c 26 s 1 are each amended to read
6 as follows:

7 The legislative authority of any county may establish, provide,
8 and maintain hospitals for the care and treatment of the indigent,
9 sick, injured, or infirm, and for this purpose the county legislative
10 authority may:

11 (1) Purchase or lease real property or use lands already owned by
12 the county;

13 (2) Erect all necessary buildings, make all necessary
14 improvements and repairs and alter any existing building for the use
15 of said hospitals;

16 (3) Use county moneys, levy taxes, and issue bonds as authorized
17 by law, to raise a sufficient amount of money to ~~((cover))~~ pay,
18 finance, or refinance the cost of procuring the site, constructing
19 and operating hospitals, and for the maintenance and capital expenses
20 thereof and all other necessary and proper expenses; and

1 (4) Accept and hold in trust for the county any grant of land,
2 gift or bequest of money, or any donation for the benefit of the
3 purposes of this chapter, and apply the same in accordance with the
4 terms of the gift.

5 **Sec. 2.** RCW 36.62.090 and 1984 c 26 s 6 are each amended to read
6 as follows:

7 If the hospital is established, the county legislative authority,
8 at the time of levying general taxes, may levy an additional regular
9 property tax, not to exceed fifty cents per thousand dollars of
10 assessed value in any one year, for the operation, maintenance, and
11 capital expenses of the hospital, and any outpatient clinics operated
12 by the hospital, and for the payment of principal and interest on
13 bonds issued for such purposes. The limitations in RCW 84.52.043 do
14 not apply to the tax levy authorized in this section and the
15 limitation in RCW 84.55.010 does not apply to the first year that the
16 tax levy is imposed under this section.

17 **Sec. 3.** RCW 84.52.043 and 2023 c 28 s 5 are each amended to read
18 as follows:

19 Within and subject to the limitations imposed by RCW 84.52.050 as
20 amended, the regular ad valorem tax levies upon real and personal
21 property by the taxing districts hereafter named are as follows:

22 (1) Levies of the senior taxing districts are as follows: (a) The
23 levies by the state may not exceed the applicable aggregate rate
24 limit specified in RCW 84.52.065 (2) or (4) adjusted to the state
25 equalized value in accordance with the indicated ratio fixed by the
26 state department of revenue to be used exclusively for the support of
27 the common schools; (b) the levy by any county may not exceed \$1.80
28 per \$1,000 of assessed value; (c) the levy by any road district may
29 not exceed \$2.25 per \$1,000 of assessed value; and (d) the levy by
30 any city or town may not exceed \$3.375 per \$1,000 of assessed value.
31 However, any county is hereby authorized to increase its levy from
32 \$1.80 to a rate not to exceed \$2.475 per \$1,000 of assessed value for
33 general county purposes if the total levies for both the county and
34 any road district within the county do not exceed \$4.05 per \$1,000 of
35 assessed value, and no other taxing district has its levy reduced as
36 a result of the increased county levy.

37 (2) The aggregate levies of junior taxing districts and senior
38 taxing districts, other than the state, may not exceed \$5.90 per

1 \$1,000 of assessed valuation. The term "junior taxing districts"
2 includes all taxing districts other than the state, counties, road
3 districts, cities, towns, port districts, and public utility
4 districts. The limitations provided in this subsection do not apply
5 to: (a) Levies at the rates provided by existing law by or for any
6 port or public utility district; (b) excess property tax levies
7 authorized in Article VII, section 2 of the state Constitution; (c)
8 levies for acquiring conservation futures as authorized under RCW
9 84.34.230; (d) levies for emergency medical care or emergency medical
10 services imposed under RCW 84.52.069; (e) levies to finance
11 affordable housing imposed under RCW 84.52.105; (f) the portions of
12 levies by metropolitan park districts that are protected under RCW
13 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130;
14 (h) levies for criminal justice purposes under RCW 84.52.135; (i) the
15 portions of levies by fire protection districts and regional fire
16 protection service authorities that are protected under RCW
17 84.52.125; (j) levies by counties for transit-related purposes under
18 RCW 84.52.140; (k) the portion of the levy by flood control zone
19 districts that are protected under RCW 84.52.816; (l) levies imposed
20 by a regional transit authority under RCW 81.104.175; (m) levies
21 imposed by any park and recreation district described under RCW
22 84.52.010(3)(a)(viii); ~~((and))~~ (n) the portion of any levy resulting
23 from the correction of a levy error under RCW 84.52.085(3); and (o)
24 levies for county hospital purposes under RCW 36.62.090.

25 **Sec. 4.** RCW 84.52.043 and 2023 c 28 s 6 are each amended to read
26 as follows:

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

30 (1) Levies of the senior taxing districts are as follows: (a) The
31 levies by the state may not exceed the applicable aggregate rate
32 limit specified in RCW 84.52.065 (2) or (4) adjusted to the state
33 equalized value in accordance with the indicated ratio fixed by the
34 state department of revenue to be used exclusively for the support of
35 the common schools; (b) the levy by any county may not exceed \$1.80
36 per \$1,000 of assessed value; (c) the levy by any road district may
37 not exceed \$2.25 per \$1,000 of assessed value; and (d) the levy by
38 any city or town may not exceed \$3.375 per \$1,000 of assessed value.
39 However any county is hereby authorized to increase its levy from

1 \$1.80 to a rate not to exceed \$2.475 per \$1,000 of assessed value for
2 general county purposes if the total levies for both the county and
3 any road district within the county do not exceed \$4.05 per \$1,000 of
4 assessed value, and no other taxing district has its levy reduced as
5 a result of the increased county levy.

6 (2) The aggregate levies of junior taxing districts and senior
7 taxing districts, other than the state, may not exceed \$5.90 per
8 \$1,000 of assessed valuation. The term "junior taxing districts"
9 includes all taxing districts other than the state, counties, road
10 districts, cities, towns, port districts, and public utility
11 districts. The limitations provided in this subsection do not apply
12 to: (a) Levies at the rates provided by existing law by or for any
13 port or public utility district; (b) excess property tax levies
14 authorized in Article VII, section 2 of the state Constitution; (c)
15 levies for acquiring conservation futures as authorized under RCW
16 84.34.230; (d) levies for emergency medical care or emergency medical
17 services imposed under RCW 84.52.069; (e) levies to finance
18 affordable housing imposed under RCW 84.52.105; (f) the portions of
19 levies by metropolitan park districts that are protected under RCW
20 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130;
21 (h) levies for criminal justice purposes under RCW 84.52.135; (i) the
22 portions of levies by fire protection districts and regional fire
23 protection service authorities that are protected under RCW
24 84.52.125; (j) levies by counties for transit-related purposes under
25 RCW 84.52.140; (k) the portion of the levy by flood control zone
26 districts that are protected under RCW 84.52.816; (l) levies imposed
27 by a regional transit authority under RCW 81.104.175; (~~and~~) (m) the
28 portion of any levy resulting from the correction of a levy error
29 under RCW 84.52.085(3); and (n) levies for county hospital purposes
30 under RCW 36.62.090.

31 **Sec. 5.** RCW 84.52.010 and 2023 c 28 s 3 are each amended to read
32 as follows:

33 (1) Except as is permitted under RCW 84.55.050, all taxes must be
34 levied or voted in specific amounts.

35 (2) The rate percent of all taxes for state and county purposes,
36 and purposes of taxing districts coextensive with the county, must be
37 determined, calculated and fixed by the county assessors of the
38 respective counties, within the limitations provided by law, upon the
39 assessed valuation of the property of the county, as shown by the

1 completed tax rolls of the county, and the rate percent of all taxes
2 levied for purposes of taxing districts within any county must be
3 determined, calculated, and fixed by the county assessors of the
4 respective counties, within the limitations provided by law, upon the
5 assessed valuation of the property of the taxing districts
6 respectively.

7 (3) When a county assessor finds that the aggregate rate of tax
8 levy on any property, that is subject to the limitations set forth in
9 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in
10 either of these sections, the assessor must recompute and establish a
11 consolidated levy in the following manner:

12 (a) The full certified rates of tax levy for state, county,
13 county road district, regional transit authority, and city or town
14 purposes must be extended on the tax rolls in amounts not exceeding
15 the limitations established by law; however, any state levy takes
16 precedence over all other levies and may not be reduced for any
17 purpose other than that required by RCW 84.55.010. If, as a result of
18 the levies imposed under RCW 36.54.130, 36.69.145 by a park and
19 recreation district described under (a)(viii) of this subsection (3),
20 84.34.230, 84.52.069, 84.52.105, 36.62.090, the portion of the levy
21 by a metropolitan park district that was protected under RCW
22 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the portion of the
23 levy by a flood control zone district that was protected under RCW
24 84.52.816, and any portion of a levy resulting from the correction of
25 a levy error under RCW 84.52.085(3), the combined rate of regular
26 property tax levies that are subject to the one percent limitation
27 exceeds one percent of the true and fair value of any property, then
28 these levies must be reduced as follows:

29 (i) The portion of any levy resulting from the correction of a
30 levy error under RCW 84.52.085(3) must be reduced until the combined
31 rate no longer exceeds one percent of the true and fair value of any
32 property or must be eliminated;

33 (ii) If the combined rate of regular property tax levies that are
34 subject to the one percent limitation still exceeds one percent of
35 the true and fair value of any property, the portion of the levy by a
36 flood control zone district that was protected under RCW 84.52.816
37 must be reduced until the combined rate no longer exceeds one percent
38 of the true and fair value of any property or must be eliminated;

39 (iii) If the combined rate of regular property tax levies that
40 are subject to the one percent limitation still exceeds one percent

1 of the true and fair value of any property, the levy imposed by a
2 county under RCW 84.52.140 must be reduced until the combined rate no
3 longer exceeds one percent of the true and fair value of any property
4 or must be eliminated;

5 (iv) If the combined rate of regular property tax levies that are
6 subject to the one percent limitation still exceeds one percent of
7 the true and fair value of any property, the portion of the levy by a
8 fire protection district or regional fire protection service
9 authority that is protected under RCW 84.52.125 must be reduced until
10 the combined rate no longer exceeds one percent of the true and fair
11 value of any property or must be eliminated;

12 (v) If the combined rate of regular property tax levies that are
13 subject to the one percent limitation still exceeds one percent of
14 the true and fair value of any property, the levy imposed by a county
15 under RCW 84.52.135 must be reduced until the combined rate no longer
16 exceeds one percent of the true and fair value of any property or
17 must be eliminated;

18 (vi) If the combined rate of regular property tax levies that are
19 subject to the one percent limitation still exceeds one percent of
20 the true and fair value of any property, the levy imposed by a ferry
21 district under RCW 36.54.130 must be reduced until the combined rate
22 no longer exceeds one percent of the true and fair value of any
23 property or must be eliminated;

24 (vii) If the combined rate of regular property tax levies that
25 are subject to the one percent limitation still exceeds one percent
26 of the true and fair value of any property, the portion of the levy
27 by a metropolitan park district that is protected under RCW 84.52.120
28 must be reduced until the combined rate no longer exceeds one percent
29 of the true and fair value of any property or must be eliminated;

30 (viii) If the combined rate of regular property tax levies that
31 are subject to the one percent limitation still exceeds one percent
32 of the true and fair value of any property, then the levies imposed
33 under RCW 36.69.145 must be reduced until the combined rate no longer
34 exceeds one percent of the true and fair value of any property or
35 must be eliminated. This subsection (3)(a)(viii) only applies to a
36 park and recreation district located on an island and within a county
37 with a population exceeding 2,000,000;

38 (ix) If the combined rate of regular property tax levies that are
39 subject to the one percent limitation still exceeds one percent of
40 the true and fair value of any property, then the levies imposed

1 under RCW 84.34.230, 84.52.105, 36.62.090, and any portion of the
2 levy imposed under RCW 84.52.069 that is in excess of 30 cents per
3 \$1,000 of assessed value, must be reduced on a pro rata basis until
4 the combined rate no longer exceeds one percent of the true and fair
5 value of any property or must be eliminated; and

6 (x) If the combined rate of regular property tax levies that are
7 subject to the one percent limitation still exceeds one percent of
8 the true and fair value of any property, then the 30 cents per \$1,000
9 of assessed value of tax levy imposed under RCW 84.52.069 must be
10 reduced until the combined rate no longer exceeds one percent of the
11 true and fair value of any property or eliminated.

12 (b) The certified rates of tax levy subject to these limitations
13 by all junior taxing districts imposing taxes on such property must
14 be reduced or eliminated as follows to bring the consolidated levy of
15 taxes on such property within the provisions of these limitations:

16 (i) First, the certified property tax levy authorized under RCW
17 84.52.821 must be reduced on a pro rata basis or eliminated;

18 (ii) Second, if the consolidated tax levy rate still exceeds
19 these limitations, the certified property tax levy rates of those
20 junior taxing districts authorized under RCW 36.68.525, 36.69.145
21 except a park and recreation district described under (a)(viii) of
22 this subsection, 35.95A.100, and 67.38.130 must be reduced on a pro
23 rata basis or eliminated;

24 (iii) Third, if the consolidated tax levy rate still exceeds
25 these limitations, the certified property tax levy rates of flood
26 control zone districts other than the portion of a levy protected
27 under RCW 84.52.816 must be reduced on a pro rata basis or
28 eliminated;

29 (iv) Fourth, if the consolidated tax levy rate still exceeds
30 these limitations, the certified property tax levy rates of all other
31 junior taxing districts, other than fire protection districts,
32 regional fire protection service authorities, library districts, the
33 first 50 cents per \$1,000 of assessed valuation levies for
34 metropolitan park districts, and the first 50 cents per \$1,000 of
35 assessed valuation levies for public hospital districts, must be
36 reduced on a pro rata basis or eliminated;

37 (v) Fifth, if the consolidated tax levy rate still exceeds these
38 limitations, the first 50 cents per \$1,000 of assessed valuation
39 levies for metropolitan park districts created on or after January 1,
40 2002, must be reduced on a pro rata basis or eliminated;

1 (vi) Sixth, if the consolidated tax levy rate still exceeds these
2 limitations, the certified property tax levy rates authorized to fire
3 protection districts under RCW 52.16.140 and 52.16.160 and regional
4 fire protection service authorities under RCW 52.26.140(1) (b) and
5 (c) must be reduced on a pro rata basis or eliminated; and

6 (vii) Seventh, if the consolidated tax levy rate still exceeds
7 these limitations, the certified property tax levy rates authorized
8 for fire protection districts under RCW 52.16.130, regional fire
9 protection service authorities under RCW 52.26.140(1)(a), library
10 districts, metropolitan park districts created before January 1,
11 2002, under their first 50 cents per \$1,000 of assessed valuation
12 levy, and public hospital districts under their first 50 cents per
13 \$1,000 of assessed valuation levy, must be reduced on a pro rata
14 basis or eliminated.

15 **Sec. 6.** RCW 84.52.010 and 2023 c 28 s 4 are each amended to read
16 as follows:

17 (1) Except as is permitted under RCW 84.55.050, all taxes must be
18 levied or voted in specific amounts.

19 (2) The rate percent of all taxes for state and county purposes,
20 and purposes of taxing districts coextensive with the county, must be
21 determined, calculated and fixed by the county assessors of the
22 respective counties, within the limitations provided by law, upon the
23 assessed valuation of the property of the county, as shown by the
24 completed tax rolls of the county, and the rate percent of all taxes
25 levied for purposes of taxing districts within any county must be
26 determined, calculated and fixed by the county assessors of the
27 respective counties, within the limitations provided by law, upon the
28 assessed valuation of the property of the taxing districts
29 respectively.

30 (3) When a county assessor finds that the aggregate rate of tax
31 levy on any property, that is subject to the limitations set forth in
32 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in
33 either of these sections, the assessor must recompute and establish a
34 consolidated levy in the following manner:

35 (a) The full certified rates of tax levy for state, county,
36 county road district, regional transit authority, and city or town
37 purposes must be extended on the tax rolls in amounts not exceeding
38 the limitations established by law; however any state levy takes
39 precedence over all other levies and may not be reduced for any

1 purpose other than that required by RCW 84.55.010. If, as a result of
2 the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069,
3 84.52.105, 36.62.090, the portion of the levy by a metropolitan park
4 district that was protected under RCW 84.52.120, 84.52.125,
5 84.52.135, and 84.52.140, the portion of the levy by a flood control
6 zone district that was protected under RCW 84.52.816, and the portion
7 of any levy resulting from the correction of a levy error under RCW
8 84.52.085(3), the combined rate of regular property tax levies that
9 are subject to the one percent limitation exceeds one percent of the
10 true and fair value of any property, then these levies must be
11 reduced as follows:

12 (i) The portion of any levy resulting from the correction of a
13 levy error under RCW 84.52.085(3) must be reduced until the combined
14 rate no longer exceeds one percent of the true and fair value of any
15 property or must be eliminated;

16 (ii) If the combined rate of regular property tax levies that are
17 subject to the one percent limitation still exceeds one percent of
18 the true and fair value of any property, the portion of the levy by a
19 flood control zone district that was protected under RCW 84.52.816
20 must be reduced until the combined rate no longer exceeds one percent
21 of the true and fair value of any property or must be eliminated;

22 (iii) If the combined rate of regular property tax levies that
23 are subject to the one percent limitation still exceeds one percent
24 of the true and fair value of any property, the levy imposed by a
25 county under RCW 84.52.140 must be reduced until the combined rate no
26 longer exceeds one percent of the true and fair value of any property
27 or must be eliminated;

28 (iv) If the combined rate of regular property tax levies that are
29 subject to the one percent limitation still exceeds one percent of
30 the true and fair value of any property, the portion of the levy by a
31 fire protection district or regional fire protection service
32 authority that is protected under RCW 84.52.125 must be reduced until
33 the combined rate no longer exceeds one percent of the true and fair
34 value of any property or must be eliminated;

35 (v) If the combined rate of regular property tax levies that are
36 subject to the one percent limitation still exceeds one percent of
37 the true and fair value of any property, the levy imposed by a county
38 under RCW 84.52.135 must be reduced until the combined rate no longer
39 exceeds one percent of the true and fair value of any property or
40 must be eliminated;

1 (vi) If the combined rate of regular property tax levies that are
2 subject to the one percent limitation still exceeds one percent of
3 the true and fair value of any property, the levy imposed by a ferry
4 district under RCW 36.54.130 must be reduced until the combined rate
5 no longer exceeds one percent of the true and fair value of any
6 property or must be eliminated;

7 (vii) If the combined rate of regular property tax levies that
8 are subject to the one percent limitation still exceeds one percent
9 of the true and fair value of any property, the portion of the levy
10 by a metropolitan park district that is protected under RCW 84.52.120
11 must be reduced until the combined rate no longer exceeds one percent
12 of the true and fair value of any property or must be eliminated;

13 (viii) If the combined rate of regular property tax levies that
14 are subject to the one percent limitation still exceeds one percent
15 of the true and fair value of any property, then the levies imposed
16 under RCW 84.34.230, 84.52.105, 36.62.090, and any portion of the
17 levy imposed under RCW 84.52.069 that is in excess of 30 cents per
18 \$1,000 of assessed value, must be reduced on a pro rata basis until
19 the combined rate no longer exceeds one percent of the true and fair
20 value of any property or must be eliminated; and

21 (ix) If the combined rate of regular property tax levies that are
22 subject to the one percent limitation still exceeds one percent of
23 the true and fair value of any property, then the 30 cents per \$1,000
24 of assessed value of tax levy imposed under RCW 84.52.069 must be
25 reduced until the combined rate no longer exceeds one percent of the
26 true and fair value of any property or eliminated.

27 (b) The certified rates of tax levy subject to these limitations
28 by all junior taxing districts imposing taxes on such property must
29 be reduced or eliminated as follows to bring the consolidated levy of
30 taxes on such property within the provisions of these limitations:

31 (i) First, the certified property tax levy authorized under RCW
32 84.52.821 must be reduced on a pro rata basis or eliminated;

33 (ii) Second, if the consolidated tax levy rate still exceeds
34 these limitations, the certified property tax levy rates of those
35 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
36 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or
37 eliminated;

38 (iii) Third, if the consolidated tax levy rate still exceeds
39 these limitations, the certified property tax levy rates of flood
40 control zone districts other than the portion of a levy protected

1 under RCW 84.52.816 must be reduced on a pro rata basis or
2 eliminated;

3 (iv) Fourth, if the consolidated tax levy rate still exceeds
4 these limitations, the certified property tax levy rates of all other
5 junior taxing districts, other than fire protection districts,
6 regional fire protection service authorities, library districts, the
7 first 50 cents per \$1,000 of assessed valuation levies for
8 metropolitan park districts, and the first 50 cents per \$1,000 of
9 assessed valuation levies for public hospital districts, must be
10 reduced on a pro rata basis or eliminated;

11 (v) Fifth, if the consolidated tax levy rate still exceeds these
12 limitations, the first 50 cents per \$1,000 of assessed valuation
13 levies for metropolitan park districts created on or after January 1,
14 2002, must be reduced on a pro rata basis or eliminated;

15 (vi) Sixth, if the consolidated tax levy rate still exceeds these
16 limitations, the certified property tax levy rates authorized to fire
17 protection districts under RCW 52.16.140 and 52.16.160 and regional
18 fire protection service authorities under RCW 52.26.140(1) (b) and
19 (c) must be reduced on a pro rata basis or eliminated; and

20 (vii) Seventh, if the consolidated tax levy rate still exceeds
21 these limitations, the certified property tax levy rates authorized
22 for fire protection districts under RCW 52.16.130, regional fire
23 protection service authorities under RCW 52.26.140(1)(a), library
24 districts, metropolitan park districts created before January 1,
25 2002, under their first 50 cents per \$1,000 of assessed valuation
26 levy, and public hospital districts under their first 50 cents per
27 \$1,000 of assessed valuation levy, must be reduced on a pro rata
28 basis or eliminated.

29 NEW SECTION. **Sec. 7.** Sections 3 and 5 of this act expire
30 January 1, 2027.

31 NEW SECTION. **Sec. 8.** Sections 4 and 6 of this act take effect
32 January 1, 2027.

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