
HOUSE BILL 2197

State of Washington

54th Legislature

1996 Regular Session

By Representatives Carrell, Hymes, Johnson, Thompson, Boldt, Hargrove and McMahan

Read first time 01/08/96. Referred to Committee on Finance.

1 AN ACT Relating to limiting taxing district levies; amending RCW
2 84.55.005, 84.55.010, 84.55.012, 84.55.020, 35.61.210, 70.44.060, and
3 84.08.115; adding a new section to chapter 84.55 RCW; and creating new
4 sections.

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

6 NEW SECTION. **Sec. 1.** This act may be known and cited as the
7 property tax stabilization act of 1996.

8 NEW SECTION. **Sec. 2.** The legislature finds that rising property
9 tax burdens place a substantial burden on Washington families,
10 especially those in the middle income category. During the last
11 decade, property taxes as a share of personal income have increased at
12 a rate well in excess of the national average. Growing dissatisfaction
13 with property taxes may result in the loss of public support for
14 essential state and local services. The legislature finds that the
15 current statutory limitation on property tax levies is not sufficiently
16 related to the cost of current government services, and that this
17 limitation fails to provide effective tax relief to property owners.
18 The legislature intends to reduce the burden of property taxes for all

1 taxpayers, to diminish the role of the property tax in the state tax
2 structure, and to create a new, more effective limitation on annual
3 growth in local tax levies.

4 **Sec. 3.** RCW 84.55.005 and 1994 c 301 s 49 are each amended to read
5 as follows:

6 As used in this chapter(~~(, the term)~~):

7 (1) "Regular property taxes" has the meaning given it in RCW
8 84.04.140, and also includes amounts received in lieu of regular
9 property taxes.

10 (2) "Inflation" means the percentage change in the United States
11 consumer price index for the calendar year during which the taxes are
12 payable, as forecast by the economic and revenue forecast council in
13 the official forecast adopted in September of the year before the taxes
14 are payable.

15 **Sec. 4.** RCW 84.55.010 and 1979 ex.s. c 218 s 2 are each amended to
16 read as follows:

17 Except as provided in this chapter, the levy for a taxing district,
18 other than the state, in any year shall be set so that the regular
19 property taxes payable in the following year shall not exceed one
20 hundred six percent or one hundred percent plus inflation, whichever is
21 lower, of the amount of regular property taxes lawfully levied for such
22 district in the highest of the three most recent years in which such
23 taxes were levied for such district plus an additional dollar amount
24 calculated by multiplying the increase in assessed value in that
25 district resulting from new construction, improvements to property, and
26 any increase in the assessed value of state-assessed property by the
27 regular property tax levy rate of that district for the preceding year.

28 **Sec. 5.** RCW 84.55.012 and 1995 2nd sp.s. c 13 s 2 are each amended
29 to read as follows:

30 (1) The state property tax levy for collection in 1996 shall be
31 reduced by 4.7187 percent of the levy amount that would otherwise be
32 allowed under this chapter without regard to this section or any other
33 tax reduction legislation enacted in 1995.

34 (2) The tax reduction provided in this section is in addition to
35 any other tax reduction legislation that may be enacted by the
36 legislature.

1 (~~(3) State levies for collection after 1996 shall be set at the~~
2 ~~amount that would be allowed otherwise under this chapter if the state~~
3 ~~levy for collection in 1996 had been set without the reduction under~~
4 ~~subsection (1) of this section.~~)

5 **Sec. 6.** RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended
6 to read as follows:

7 Notwithstanding the limitation set forth in RCW 84.55.010, the
8 first levy for a taxing district created from consolidation of similar
9 taxing districts shall be set so that the regular property taxes
10 payable in the following year shall not exceed either one hundred six
11 percent or one hundred percent plus inflation, whichever is lower, of
12 the sum of the amount of regular property taxes lawfully levied for
13 each component taxing district in the highest of the three most recent
14 years in which such taxes were levied for such district plus the
15 additional dollar amount calculated by multiplying the increase in
16 assessed value in each component district resulting from new
17 construction and improvements to property by the regular property tax
18 rate of each component district for the preceding year.

19 NEW SECTION. **Sec. 7.** A new section is added to chapter 84.55 RCW
20 to read as follows:

21 Except as provided in this chapter, the levy for the state in any
22 year shall be set so that the regular property taxes payable in the
23 following year shall not exceed the amount of regular property taxes
24 lawfully levied for the state in the most recent year.

25 **Sec. 8.** RCW 35.61.210 and 1990 c 234 s 3 are each amended to read
26 as follows:

27 The board of park commissioners may levy or cause to be levied a
28 general tax on all the property located in said park district each year
29 not to exceed fifty cents per thousand dollars of assessed value of the
30 property in such park district. In addition, the board of park
31 commissioners may levy or cause to be levied a general tax on all
32 property located in said park district each year not to exceed twenty-
33 five cents per thousand dollars of assessed valuation. Although park
34 districts are authorized to impose two separate regular property tax
35 levies, the levies shall be considered to be a single levy for purposes

1 of the ((~~one hundred six percent~~)) limitation provided for in chapter
2 84.55 RCW.

3 The board is hereby authorized to levy a general tax in excess of
4 its regular property tax levy or levies when authorized so to do at a
5 special election conducted in accordance with and subject to all the
6 requirements of the Constitution and laws of the state now in force or
7 hereafter enacted governing the limitation of tax levies. The board is
8 hereby authorized to call a special election for the purpose of
9 submitting to the qualified voters of the park district a proposition
10 to levy a tax in excess of the seventy-five cents per thousand dollars
11 of assessed value herein specifically authorized. The manner of
12 submitting any such proposition, of certifying the same, and of giving
13 or publishing notice thereof, shall be as provided by law for the
14 submission of propositions by cities or towns.

15 The board shall include in its general tax levy for each year a
16 sufficient sum to pay the interest on all outstanding bonds and may
17 include a sufficient amount to create a sinking fund for the redemption
18 of all outstanding bonds. The levy shall be certified to the proper
19 county officials for collection the same as other general taxes and
20 when collected, the general tax shall be placed in a separate fund in
21 the office of the county treasurer to be known as the "metropolitan
22 park district fund" and paid out on warrants.

23 **Sec. 9.** RCW 70.44.060 and 1990 c 234 s 2 are each amended to read
24 as follows:

25 All public hospital districts organized under the provisions of
26 this chapter shall have power:

27 (1) To make a survey of existing hospital and other health care
28 facilities within and without such district.

29 (2) To construct, condemn and purchase, purchase, acquire, lease,
30 add to, maintain, operate, develop and regulate, sell and convey all
31 lands, property, property rights, equipment, hospital and other health
32 care facilities and systems for the maintenance of hospitals,
33 buildings, structures, and any and all other facilities, and to
34 exercise the right of eminent domain to effectuate the foregoing
35 purposes or for the acquisition and damaging of the same or property of
36 any kind appurtenant thereto, and such right of eminent domain shall be
37 exercised and instituted pursuant to a resolution of the commission and
38 conducted in the same manner and by the same procedure as in or may be

1 provided by law for the exercise of the power of eminent domain by
2 incorporated cities and towns of the state of Washington in the
3 acquisition of property rights: PROVIDED, That no public hospital
4 district shall have the right of eminent domain and the power of
5 condemnation against any health care facility.

6 (3) To lease existing hospital and other health care facilities and
7 equipment and/or other property used in connection therewith, including
8 ambulances, and to pay such rental therefor as the commissioners shall
9 deem proper; to provide hospital and other health care services for
10 residents of said district by facilities located outside the boundaries
11 of said district, by contract or in any other manner said commissioners
12 may deem expedient or necessary under the existing conditions; and said
13 hospital district shall have the power to contract with other
14 communities, corporations, or individuals for the services provided by
15 said hospital district; and they may further receive in said hospitals
16 and other health care facilities and furnish proper and adequate
17 services to all persons not residents of said district at such
18 reasonable and fair compensation as may be considered proper:
19 PROVIDED, That it must at all times make adequate provision for the
20 needs of the district and residents of said district shall have prior
21 rights to the available hospital and other health care facilities of
22 said district, at rates set by the district commissioners.

23 (4) For the purpose aforesaid, it shall be lawful for any district
24 so organized to take, condemn and purchase, lease, or acquire, any and
25 all property, and property rights, including state and county lands,
26 for any of the purposes aforesaid, and any and all other facilities
27 necessary or convenient, and in connection with the construction,
28 maintenance, and operation of any such hospitals and other health care
29 facilities, subject, however, to the applicable limitations provided in
30 subsection (2) of this section.

31 (5) To contract indebtedness or borrow money for corporate purposes
32 on the credit of the corporation or the revenues of the hospitals
33 thereof, and the revenues of any other facilities or services that the
34 district is or hereafter may be authorized by law to provide, and to
35 issue and sell: (a) Revenue bonds, revenue warrants, or other revenue
36 obligations therefor payable solely out of a special fund or funds into
37 which the district may pledge such amount of the revenues of the
38 hospitals thereof, and the revenues of any other facilities or services
39 that the district is or hereafter may be authorized by law to provide,

1 to pay the same as the commissioners of the district may determine,
2 such revenue bonds, warrants, or other obligations to be issued and
3 sold in the same manner and subject to the same provisions as provided
4 for the issuance of revenue bonds, warrants, or other obligations by
5 cities or towns under the Municipal Revenue Bond Act, chapter 35.41
6 RCW, as may hereafter be amended; (b) general obligation bonds therefor
7 in the manner and form as provided in RCW 70.44.110 and 70.44.130, as
8 may hereafter be amended; or (c) interest-bearing warrants to be drawn
9 on a fund pending deposit in such fund of money sufficient to redeem
10 such warrants and to be issued and paid in such manner and upon such
11 terms and conditions as the board of commissioners may deem to be in
12 the best interest of the district; and to assign or sell hospital
13 accounts receivable, and accounts receivable for the use of other
14 facilities or services that the district is or hereafter may be
15 authorized by law to provide, for collection with or without recourse.
16 General obligation bonds shall be issued and sold in accordance with
17 chapter 39.46 RCW. Revenue bonds, revenue warrants, or other revenue
18 obligations may be issued and sold in accordance with chapter 39.46
19 RCW.

20 (6) To raise revenue by the levy of an annual tax on all taxable
21 property within such public hospital district not to exceed fifty cents
22 per thousand dollars of assessed value, and an additional annual tax on
23 all taxable property within such public hospital district not to exceed
24 twenty-five cents per thousand dollars of assessed value, or such
25 further amount as has been or shall be authorized by a vote of the
26 people. Although public hospital districts are authorized to impose
27 two separate regular property tax levies, the levies shall be
28 considered to be a single levy for purposes of the (~~one hundred six~~
29 ~~percent~~) limitation provided for in chapter 84.55 RCW. Public
30 hospital districts are authorized to levy such a general tax in excess
31 of their regular property taxes when authorized so to do at a special
32 election conducted in accordance with and subject to all of the
33 requirements of the Constitution and the laws of the state of
34 Washington now in force or hereafter enacted governing the limitation
35 of tax levies. The said board of district commissioners is authorized
36 and empowered to call a special election for the purpose of submitting
37 to the qualified voters of the hospital district a proposition or
38 propositions to levy taxes in excess of its regular property taxes.
39 The superintendent shall prepare a proposed budget of the contemplated

1 financial transactions for the ensuing year and file the same in the
2 records of the commission on or before the first Monday in September.
3 Notice of the filing of said proposed budget and the date and place of
4 hearing on the same shall be published for at least two consecutive
5 weeks in a newspaper printed and of general circulation in said county.
6 On the first Monday in October the commission shall hold a public
7 hearing on said proposed budget at which any taxpayer may appear and be
8 heard against the whole or any part of the proposed budget. Upon the
9 conclusion of said hearing, the commission shall, by resolution, adopt
10 the budget as finally determined and fix the final amount of
11 expenditures for the ensuing year. Taxes levied by the commission
12 shall be certified to and collected by the proper county officer of the
13 county in which such public hospital district is located in the same
14 manner as is or may be provided by law for the certification and
15 collection of port district taxes. The commission is authorized, prior
16 to the receipt of taxes raised by levy, to borrow money or issue
17 warrants of the district in anticipation of the revenue to be derived
18 by such district from the levy of taxes for the purpose of such
19 district, and such warrants shall be redeemed from the first money
20 available from such taxes when collected, and such warrants shall not
21 exceed the anticipated revenues of one year, and shall bear interest at
22 a rate or rates as authorized by the commission.

23 (7) To enter into any contract with the United States government or
24 any state, municipality, or other hospital district, or any department
25 of those governing bodies, for carrying out any of the powers
26 authorized by this chapter.

27 (8) To sue and be sued in any court of competent jurisdiction:
28 PROVIDED, That all suits against the public hospital district shall be
29 brought in the county in which the public hospital district is located.

30 (9) To pay actual necessary travel expenses and living expenses
31 incurred while in travel status for (a) qualified physicians who are
32 candidates for medical staff positions, and (b) other qualified persons
33 who are candidates for superintendent or other managerial and technical
34 positions, when the district finds that hospitals or other health care
35 facilities owned and operated by it are not adequately staffed and
36 determines that personal interviews with said candidates to be held in
37 the district are necessary or desirable for the adequate staffing of
38 said facilities.

1 (10) To make contracts, employ superintendents, attorneys, and
2 other technical or professional assistants and all other employees; to
3 make contracts with private or public institutions for employee
4 retirement programs; to print and publish information or literature;
5 and to do all other things necessary to carry out the provisions of
6 this chapter.

7 **Sec. 10.** RCW 84.08.115 and 1991 c 218 s 2 are each amended to read
8 as follows:

9 (1) The department shall prepare a clear and succinct explanation
10 of the property tax system, including but not limited to:

11 (a) The standard of true and fair value as the basis of the
12 property tax.

13 (b) How the assessed value for particular parcels is determined.

14 (c) The procedures and timing of the assessment process.

15 (d) How district levy rates are determined, including the ((~~one~~
16 ~~hundred six percent~~)) limit under chapter 84.55 RCW.

17 (e) How the composite tax rate is determined.

18 (f) How the amount of tax is calculated.

19 (g) How a taxpayer may appeal an assessment, and what issues are
20 appropriate as a basis of appeal.

21 (h) A summary of tax exemption and relief programs, along with the
22 eligibility standards and application processes.

23 (2) Each county assessor shall provide copies of the explanation to
24 taxpayers on request, free of charge. Each revaluation notice shall
25 include information regarding the availability of the explanation.

26 NEW SECTION. **Sec. 11.** Sections 4, 6, and 7 of this act are
27 effective for taxes levied for collection in 1997 and thereafter.

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