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HOUSE BILL 2898

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State of Washington

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By Representatives Carrell, B. Thomas, Hymes, Boldt, Chandler, Schoesler, Koster, Sherstad, Johnson, Mitchell, McMorris, Blanton, Mulliken, McMahan, Silver, Cooke, Huff, Hickel, D. Sommers, Campbell and Smith

Read first time 01/24/96. Referred to Committee on Finance.

1 AN ACT Relating to limiting property taxes; amending RCW 84.55.005,  
2 84.55.010, 84.55.020, 35.61.210, 70.44.060, and 84.08.115; creating a  
3 new section; and providing for submission of this act to a vote of the  
4 people.

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

6 **Sec. 1.** RCW 84.55.005 and 1994 c 301 s 49 are each amended to read  
7 as follows:

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

9 (1) "Regular property taxes" has the meaning given it in RCW  
10 84.04.140, and also includes amounts received in lieu of regular  
11 property taxes.

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

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

1        Except as provided in this chapter, the levy for a taxing district  
2 in any year shall be set so that the regular property taxes payable in  
3 the following year shall not exceed one hundred six percent or one  
4 hundred percent plus inflation, whichever is lower, of the amount of  
5 regular property taxes lawfully levied for such district in the highest  
6 of the three most recent years in which such taxes were levied for such  
7 district plus an additional dollar amount calculated by multiplying the  
8 increase in assessed value in that district resulting from new  
9 construction, improvements to property, and any increase in the  
10 assessed value of state-assessed property by the regular property tax  
11 levy rate of that district for the preceding year.

12        **Sec. 3.** RCW 84.55.020 and 1971 ex.s. c 288 s 21 are each amended  
13 to read as follows:

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

26        **Sec. 4.** RCW 35.61.210 and 1990 c 234 s 3 are each amended to read  
27 as follows:

28        The board of park commissioners may levy or cause to be levied a  
29 general tax on all the property located in said park district each year  
30 not to exceed fifty cents per thousand dollars of assessed value of the  
31 property in such park district. In addition, the board of park  
32 commissioners may levy or cause to be levied a general tax on all  
33 property located in said park district each year not to exceed twenty-  
34 five cents per thousand dollars of assessed valuation. Although park  
35 districts are authorized to impose two separate regular property tax  
36 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. 5.** 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. 6.** 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. 7.** Sections 2 and 3 of this act are effective  
27 for taxes levied for collection in 1997 and thereafter.

28 NEW SECTION. **Sec. 8.** This act shall be submitted to the people  
29 for their adoption and ratification, or rejection, at the next  
30 succeeding general election to be held in this state, in accordance  
31 with Article II, section 1 of the state Constitution, as amended, and  
32 the laws adopted to facilitate the operation thereof.

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