

1 **SHB 1553 - H AMDS 1170 ADOPTED 3-12-98**

2 By Representative Murray

3 On page 1, line 5 after the enacting clause, strike all material
4 through page 10, line 12 and insert the following:

5 "NEW SECTION. **Sec. 1.** The legislature recognizes that cities and
6 towns throughout the state face a crisis in their ability to meet
7 growing local transportation needs, due in part to a 1995 decision of
8 the state supreme court that invalidated residential street utility
9 charges imposed under the authority of section 2, chapter 141, Laws of
10 1991. The legislature recognizes the need to assist cities and towns
11 to replace the local funding that would have been available to them had
12 RCW 82.80.050 been upheld. The legislature hereby intends to provide
13 cities and towns the local option, with voter approval, to: Authorize
14 a city street district levy, similar to the existing county road
15 district levy in RCW 36.82.040, to be levied for cities with a
16 population greater than 400,000 or with a population of over 100,000
17 and located in a county bordering another county with a population of
18 75,000 in which is located all or part of a national monument; and
19 increase the local sales and use tax. Additionally, cities and towns
20 are provided the local option, subject to voter referendum, to impose
21 a vehicle license fee if that fee has not been imposed by the county in
22 which the city or town is located. A city or town may use any
23 combination of these options.

24 NEW SECTION. **Sec. 2.** For cities with a population greater than
25 400,000 and for cities with a population greater than 100,000 located
26 in a county sharing a common border with another county having a
27 population greater than 75,000 in which is located all or part of a
28 national monument, the legislative authority may establish in its
29 respective city or town a city street district, if authorized to do so
30 by a majority of its voters voting at a general or special election on
31 a proposition for that purpose, and shall cause its action in so doing
32 to be entered upon its records.

33 The city street district must be coterminous with the city or
34 town. Territory later annexed into the city or town automatically
35 becomes part of the city street district, and territory ceasing to be

1 part of the city or town automatically ceases to be part of the city
2 street district.

3 A city street district may be disestablished, effective at the
4 start of a new calendar year, by action of the city or town legislative
5 authority.

6 NEW SECTION. **Sec. 3.** There is created in each city or town that
7 has established a city street district an account to be known as the
8 city street district account. Any funds accruing to and to be
9 deposited in the city street district account arising from a levy in a
10 city street district must be expended for proper city street and other
11 transportation purposes, in accordance with RCW 82.80.070.

12 NEW SECTION. **Sec. 4.** For the purpose of raising revenue for
13 establishing, laying out, constructing, altering, repairing, improving,
14 and maintaining city streets and bridges, and for other proper city
15 transportation purposes in accordance with RCW 82.80.070, the county
16 legislative authority, or the city legislative authority in those
17 cities authorized to impose the levy by section 2 of this act, shall
18 annually at the time of making the property tax levy for general
19 purposes make a uniform tax levy throughout each city street district
20 of an amount not to exceed fifty cents per thousand dollars of assessed
21 value of the last assessed valuation of the taxable property in the
22 city street district, unless other laws of the state require a lower
23 maximum levy, in which event the lower maximum levy controls. All
24 funds accruing from the levy must be credited to and deposited in the
25 city street district account. Revenues derived from the levy shall not
26 supplant any existing transportation funding.

27 NEW SECTION. **Sec. 5.** Sections 2 through 4 of this act constitute
28 a new chapter in Title 35 RCW.

29 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.14 RCW
30 to read as follows:

31 The legislative authority of any city or town may, if authorized
32 to do so by a majority of its voters voting at a general or special
33 election on a proposition for that purpose, fix and impose a sales and
34 use tax in accordance with the terms of this chapter. The referendum

1 procedure provided in RCW 82.14.036 shall not apply to any city or town
2 sales and use tax ordinance or resolution approved by the voters as
3 provided in this section.

4 The tax authorized in this section shall be in addition to any
5 other taxes authorized by law and shall be collected from those persons
6 who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW
7 upon the occurrence of any taxable event within such city or town. The
8 rate of tax shall equal one-tenth of one percent of the selling price,
9 in the case of a sales tax, or value of the article used, in the case
10 of a use tax.

11 The state treasurer shall distribute the moneys collected under
12 this section monthly to the city or town levying the tax, after making
13 the deductions authorized in RCW 82.14.050.

14 Moneys received from any tax imposed under this section shall be
15 expended exclusively for transportation purposes in accordance with RCW
16 82.80.070. Moneys received from any tax imposed under this section
17 shall not supplant any existing transportation funding.

18 **Sec. 7.** RCW 82.80.020 and 1996 c 139 s 4 are each amended to read
19 as follows:

20 (1) Subject to section 9 of this act, the legislative authority of
21 a county or a transportation benefit district may fix and impose an
22 additional fee, not to exceed fifteen dollars per vehicle, for each
23 vehicle that is subject to license fees under RCW 46.16.060 and for
24 each vehicle that is subject to RCW 46.16.070 with an unladen weight of
25 six thousand pounds or less and is determined by the department of
26 licensing to be registered within the boundaries of the county.

27 (2) The department of licensing shall administer and collect
28 ~~((the))~~ fees adopted under this section. The department shall deduct
29 a percentage amount, as provided by contract, not to exceed two percent
30 of the taxes collected, for administration and collection expenses
31 incurred by it. The remaining proceeds shall be remitted to the
32 custody of the state treasurer for monthly distribution under RCW
33 82.80.080.

34 (3) The proceeds of ~~((this))~~ the fee imposed under subsection (1)
35 of this section shall be used strictly for transportation purposes in
36 accordance with RCW 82.80.070. The proceeds of the fee imposed under

1 section 9 of this act shall be used strictly for a transportation
 2 project, properly identified by mileposts or other designations that
 3 specify the exact project parameters, or for a number of years,
 4 specified by the transportation benefit district legislative authority
 5 when the that legislative authority authorizes the fee, that is for
 6 transportation purposes in accordance with RCW 82.80.070. Moneys
 7 received from any fee imposed under this section shall not supplant any
 8 existing transportation funding.

9 (4) A county imposing ~~((this))~~ fees under this section or
 10 initiating an exemption process shall delay the effective date at least
 11 six months from the date the ordinance is enacted to allow the
 12 department of licensing to implement administration and collection of
 13 or exemption from the fee.

14 (5) The legislative authority of a county may develop and initiate
 15 an exemption process of the ~~((fifteen-dollar))~~ fees adopted under this
 16 section for the registered owners of vehicles residing within the
 17 boundaries ~~((of the county))~~ in which the fees are imposed: (a) Who
 18 are sixty-one years old or older at the time payment of the fee is due
 19 and whose household income for the previous calendar year is less than
 20 an amount prescribed by the county or transportation benefit district
 21 legislative authority~~((r))~~ i or (b) who ~~((has))~~ have a physical
 22 disability.

23 (6) The legislative authority of a county shall develop and
 24 initiate an exemption process of the ~~((fifteen-dollar))~~ fees adopted
 25 under this section for vehicles registered within the boundaries ~~((of~~
 26 ~~the county))~~ in which the fees are imposed that are licensed under RCW
 27 46.16.374.

28 **Sec. 10.** A new section is added to chapter 36.73 RCW to read as
 29 follows:

30 (1) A transportation benefit district located within a county that has not imposed a fifteen dollar
 31 fee under RCW 82.80.020 may fix and impose an additional fee, not to exceed fifteen dollars per
 32 vehicle, for each vehicle that is subject to license fees under RCW 46.16.060 and for each vehicle that
 33 is subject to RCW 46.16.070 with an unladen weight of six thousand pounds or less, and that is
 34 determined by the department of licensing to be registered within the boundaries of the district.

35 (2) The department of licensing shall administer and collect the fees adopted under this section.
 36 The department shall deduct a percentage amount, as provided by contract, not to exceed two percent

1 of the taxes collected, for administration and collection expenses incurred by it. The remaining
2 proceeds shall be remitted to the custody of the state treasurer for monthly distribution. The state
3 treasurer shall distribute revenues, less authorized deductions, generated by the fees levied by districts
4 under this section to the levying district.

5 (3) A district imposing this fee or initiating an exemption process shall delay the effective date
6 at least six months from the date the ordinance is enacted to allow the department of licensing to
7 implement administration and collection of or exemption from the fee.

8 (4) The district may develop and initiate an exemption process of the fees adopted under this
9 section for the registered owners of vehicles residing within the boundaries of the district (a) who are
10 sixty-one years old or older at the time payment of the fee is due and whose household income for the
11 previous calendar year is less than an amount prescribed by district, or (b) who have a physical
12 disability.

13 (5) The district shall develop and initiate an exemption process of the fees adopted under this
14 section for vehicles registered within the boundaries of the district that are licensed under RCW
15 46.16.374.

16 (6) A district may not impose a fee that, if combined with the county fee imposed under RCW
17 82.80.020 in that county, exceeds fifteen dollars. If a county imposes or increases a fee under RCW
18 82.80.020 that, if combined with the fee imposed by a district within that county, exceeds fifteen
19 dollars, the district fee in that county shall be reduced or eliminated as needed so that in no district
20 does the combined fee exceed fifteen dollars. All revenues from county-imposed fees shall be
21 distributed as called for in RCW 82.80.080.

22 (7) The fee imposed under this section shall apply only to renewals and shall not apply to
23 ownership transfer transactions.

24 **Sec. 11.** RCW 82.80.080 and 1990 c 42 s 213 are each amended to
25 read as follows:

26 (1) The state treasurer shall distribute revenues, less authorized
27 deductions, generated by the local option taxes authorized in RCW
28 82.80.010 and 82.80.020, levied by counties to the levying counties,
29 and cities contained in those counties, based on the relative per
30 capita population. County population for purposes of this section is
31 equal to one and one-half of the unincorporated population of the

1 county. In calculating the distributions, the state treasurer shall
2 use the population estimates prepared by the state office of financial
3 management and shall further calculate the distribution based on
4 information supplied by the departments of licensing and revenue, as
5 appropriate.

6 (2) The state treasurer shall distribute revenues, less authorized
7 deductions, generated by the local option taxes authorized in RCW
8 82.80.010 and 82.80.020 transportation benefit district to the levying
9 district.

10 **Sec. 12.** RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each
11 amended to read as follows:

12 Except as is permitted under RCW 84.55.050, all taxes shall be
13 levied or voted in specific amounts.

14 The rate percent of all taxes for state and county purposes, and
15 purposes of taxing districts coextensive with the county, shall be
16 determined, calculated and fixed by the county assessors of the
17 respective counties, within the limitations provided by law, upon the
18 assessed valuation of the property of the county, as shown by the
19 completed tax rolls of the county, and the rate percent of all taxes
20 levied for purposes of taxing districts within any county shall 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 taxing districts
24 respectively.

25 When a county assessor finds that the aggregate rate of tax levy
26 on any property, that is subject to the limitations set forth in RCW
27 84.52.043 or 84.52.050, exceeds the limitations provided in either of
28 these sections, the assessor shall recompute and establish a
29 consolidated levy in the following manner:

30 (1) The full certified rates of tax levy for state, county, county
31 road district, and city or town purposes shall be extended on the tax
32 rolls in amounts not exceeding the limitations established by law;
33 however any state levy shall take precedence over all other levies and
34 shall not be reduced for any purpose other than that required by RCW
35 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
36 84.34.230, the portion of the levy by a metropolitan park district that
37 was protected under RCW 84.52.120, and 84.52.105, the combined rate of

1 regular property tax levies that are subject to the one percent
 2 limitation exceeds one percent of the true and fair value of any
 3 property, then these levies shall be reduced as follows: (a) The
 4 certified levy of a city street district shall be reduced until the
 5 combined rate no longer exceeds one percent of the true and fair value
 6 of any property or shall be eliminated; (b) if the combined rate of
 7 regular property tax levies that are subject to the one percent
 8 limitation still exceeds one percent of the true and fair value of any
 9 property, then the portion of the levy by a metropolitan park district
 10 that is protected under RCW 84.52.120 shall be reduced until the
 11 combined rate no longer exceeds one percent of the true and fair value
 12 of any property or shall be eliminated; ~~((b))~~ (c) if the combined
 13 rate of regular property tax levies that are subject to the one percent
 14 limitation still exceeds one percent of the true and fair value of any
 15 property, then the levies imposed under RCW 84.34.230, 84.52.105, and
 16 any portion of the levy imposed under RCW 84.52.069 that is in excess
 17 of thirty cents per thousand dollars of assessed value, shall be
 18 reduced on a pro rata basis until the combined rate no longer exceeds
 19 one percent of the true and fair value of any property or shall be
 20 eliminated; and ~~((e))~~ (d) if the combined rate of regular property
 21 tax levies that are subject to the one percent limitation still exceeds
 22 one percent of the true and fair value of any property, then the thirty
 23 cents per thousand dollars of assessed value of tax levy imposed under
 24 RCW 84.52.069 shall be reduced until the combined rate no longer
 25 exceeds one percent of the true and fair value of any property or
 26 eliminated.

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

31 (a) First, the certified levy of a city street district shall be
 32 reduced or eliminated;

33 (b) Second, the certified property tax levy rates of those junior
 34 taxing districts authorized under RCW 36.68.525, 36.69.145, and
 35 67.38.130 shall be reduced on a pro rata basis or eliminated;

36 ~~((b) Second))~~ (c) Third, if the consolidated tax levy rate still
 37 exceeds these limitations, the certified property tax levy rates of

1 flood control zone districts shall be reduced on a pro rata basis or
2 eliminated;

3 ~~((e) Third))~~ (d) Fourth, if the consolidated tax levy rate still
4 exceeds these limitations, the certified property tax levy rates of all
5 other junior taxing districts, other than fire protection districts,
6 library districts, the first fifty cent per thousand dollars of
7 assessed valuation levies for metropolitan park districts, and the
8 first fifty cent per thousand dollars of assessed valuation levies for
9 public hospital districts, shall be reduced on a pro rata basis or
10 eliminated;

11 ~~((d) Fourth))~~ (e) Fifth, if the consolidated tax levy rate still
12 exceeds these limitations, the certified property tax levy rates
13 authorized to fire protection districts under RCW 52.16.140 and
14 52.16.160 shall be reduced on a pro rata basis or eliminated; and

15 ~~((e) Fifth))~~ (f) Sixth, if the consolidated tax levy rate still
16 exceeds these limitations, the certified property tax levy rates
17 authorized for fire protection districts under RCW 52.16.130, library
18 districts, metropolitan park districts under their first fifty cent per
19 thousand dollars of assessed valuation levy, and public hospital
20 districts under their first fifty cent per thousand dollars of assessed
21 valuation levy, shall be reduced on a pro rata basis or eliminated.

22 In determining whether the aggregate rate of tax levy on any
23 property, that is subject to the limitations set forth in RCW
24 84.52.050, exceeds the limitations provided in that section, the
25 assessor shall use the hypothetical state levy, as apportioned to the
26 county under RCW 84.48.080, that was computed under RCW 84.48.080
27 without regard to the reduction under RCW 84.55.012.

28 **Sec. 13.** RCW 84.52.120 and 1995 c 99 s 1 are each amended to read
29 as follows:

30 A metropolitan park district with a population of one hundred
31 fifty thousand or more may submit a ballot proposition to voters of the
32 district authorizing the protection of the district's tax levy from
33 prorationing under RCW 84.52.010(2) by imposing all or any portion of
34 the district's twenty-five cent per thousand dollars of assessed
35 valuation tax levy outside of the five dollar and ninety cent per
36 thousand dollar of assessed valuation limitation established under RCW
37 84.52.043(2), if those taxes otherwise would be prorated under RCW

1 84.52.010(2)((+e+)) (d), for taxes imposed in any year on or before the
2 first day of January six years after the ballot proposition is
3 approved. A simple majority vote of voters voting on the proposition
4 is required for approval.

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