

# FINAL BILL REPORT

## HB 1154

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Synopsis as Enacted

**Brief Description:** Eliminating the time limit on regular tax levies for medical care and services.

**Sponsors:** Representatives Cooper, Delvin, Edmonds, Conway, Wood, Dunshee, Gombosky, Doumit, Hatfield, Kenney and Cody.

**House Committee on Finance**  
**Senate Committee on Ways & Means**

### **Background:**

All real and personal property in Washington is subject to the property tax each year based on its value unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

The sum of property tax rates is limited by the state constitution to a maximum of 1 percent of true and fair value, or \$10 per \$1,000 of value. The constitution provides a procedure for voter approval for tax rates that exceed the 1 percent limit. These taxes are called "excess" levies. The most common excess levies are maintenance and operation levies for school districts and bond retirement levies. Excess levies must obtain a 60 percent majority vote plus meet a minimum voter turnout requirement.

Taxes imposed under the 1 percent limit are called "regular" taxes. The constitution does not require voter approval of regular taxes. However, some regular taxes are limited in time duration and require voter approval. For example, emergency medical service taxes, park and recreation district taxes, and taxes for affordable housing are regular taxes but must have voter approval.

The time limits and voting requirements for these taxes are:

#### Emergency Medical Taxes:

Time limit: six years.

Voting requirement: When the voter turnout exceeds 40 percent of voter turnout at last general election - 60 percent "yes" vote; when the voter turnout is less than 40 percent - the "yes" votes must exceed 24 percent of the votes in the last general election.

**Park and Recreation District Taxes:**

Time limit: six years.

Voting requirement: When the voter turnout exceeds 40 percent of voter turnout at last general election - 60 percent "yes" vote; when the voter turnout is less than 40 percent - the "yes" votes must exceed 24 percent of the votes in the last general election.

**Affordable Housing Taxes:**

Time limit: 10 years.

Voting requirement: Simple majority.

**Summary:**

Voters may approve emergency medical service property taxes for a period of six years, ten years, or permanently. Voters must approve any rate increase above the original rate authorized. Separate accounting is required for expenditures of revenue raised from a permanent tax.

The ordinance or resolution imposing a permanent tax is subject to a referendum process. Referendum petitioners have 30 days to gather signatures from 15 percent of registered voters.

These provisions apply to taxes approved after the effective date of the act.

**Votes on Final Passage:**

House 79 17

Senate 45 0 (Senate amended)

House 97 0 (House concurred)

**Effective:** July 25, 1999