

HB 1154

Bill Analysis

February 2, 1999

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

Bill Sponsors: Representatives Cooper, Delvin, Edmonds, Conway, Wood, Dunshee, Gombosky, Doumit and Hatfield.

Brief Summary of Bill

- Eliminates the six year time limit on emergency medical service property taxes.

Staff: Rick Peterson, 786-7150.

Background:

All real and personal property in this state 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 approved. 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 of Bill:

The six year time limit on property taxes for emergency medical purposes is eliminated. This change is effective for taxes approved by voters in the future.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which the bill is passed.