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HOUSE BILL 1726

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State of Washington

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By Representatives Carrell, Cairnes, Schoesler, Pennington, Talcott, Pflug, Benson, Clements, Huff, Delvin, Schindler, Lambert, Ericksen, Esser, Mielke, K. Schmidt, Dunn, Koster and Wensman

Read first time 02/03/1999. Referred to Committee on Finance.

1 AN ACT Relating to preventing the use of state property tax levy  
2 capacity by other districts; and amending RCW 84.48.080 and 84.52.010.

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

4 **Sec. 1.** RCW 84.48.080 and 1997 c 3 s 112 (Referendum Bill No. 47)  
5 are each amended to read as follows:

6 (1) Annually during the months of September and October, the  
7 department of revenue shall examine and compare the returns of the  
8 assessment of the property in the several counties of the state, and  
9 the assessment of the property of railroad and other companies assessed  
10 by the department, and proceed to equalize the same, so that each  
11 county in the state shall pay its due and just proportion of the taxes  
12 for state purposes for such assessment year, according to the ratio the  
13 assessed valuation of the property in each county bears to the correct  
14 total assessed valuation of all property in the state.

15 First. The department shall classify all property, real and  
16 personal, and shall raise and lower the assessed valuation of any class  
17 of property in any county to a value that shall be equal, so far as  
18 possible, to the correct assessed value of such class as of January 1st  
19 of the current year, after determining the correct appraised value, and

1 any adjustment applicable under RCW 84.40.0305 for the property, for  
2 the purpose of ascertaining the just amount of tax due from each county  
3 for state purposes. In equalizing personal property as of January 1st  
4 of the current year, the department shall use the assessment level of  
5 the preceding year. Such classification may be on the basis of types  
6 of property, geographical areas, or both. For purposes of this  
7 section, for each county that has not provided the department with an  
8 assessment return by December 1st, the department shall proceed, using  
9 facts and information and in a manner it deems appropriate, to estimate  
10 the value of each class of property in the county.

11 Second. The department shall keep a full record of its proceedings  
12 and the same shall be published annually by the department.

13 (2) The department shall levy the state taxes authorized by law.  
14 The amount levied in any one year for general state purposes shall not  
15 exceed the lawful dollar rate on the dollar of the assessed value of  
16 the property of the entire state as equalized under this section. The  
17 department shall apportion the amount of tax for state purposes levied  
18 by the department, among the several counties, in proportion to the  
19 assessed valuation of the taxable property of the county for the year  
20 as equalized by the department: PROVIDED, That for purposes of this  
21 apportionment, the department shall recompute the previous year's levy  
22 and the apportionment thereof to correct for changes and errors in  
23 taxable values reported to the department after October 1 of the  
24 preceding year and shall adjust the apportioned amount of the current  
25 year's state levy for each county by the difference between the  
26 apportioned amounts established by the original and revised levy  
27 computations for the previous year. For purposes of this section,  
28 changes in taxable values mean a final adjustment made by a county  
29 board of equalization, the state board of tax appeals, or a court of  
30 competent jurisdiction and shall include additions of omitted property,  
31 other additions or deletions from the assessment or tax rolls, any  
32 assessment return provided by a county to the department subsequent to  
33 December 1st, or a change in the indicated ratio of a county. Errors  
34 in taxable values mean errors corrected by a final reviewing body.

35 In addition to computing a levy under this subsection (~~that is~~  
36 ~~reduced under RCW 84.55.012~~)), the department shall compute a  
37 hypothetical levy at the rate authorized in RCW 84.52.065 without  
38 regard to (~~the~~) any reduction under RCW ((84.55.012)) 84.55.010 and  
39 84.55.0121. This hypothetical levy shall also be apportioned among the

1 several counties in proportion to the valuation of the taxable property  
2 of the county for the year, as equalized by the department, in the same  
3 manner as the actual levy and shall be used by the county assessors for  
4 the purpose of recomputing and establishing a consolidated levy under  
5 RCW 84.52.010.

6 (3) The department shall have authority to adopt rules and  
7 regulations to enforce obedience to its orders in all matters in  
8 relation to the returns of county assessments, the equalization of  
9 values, and the apportionment of the state levy by the department.

10 (4) After the completion of the duties prescribed in this section,  
11 the director of the department shall certify the record of the  
12 proceedings of the department under this section, the tax levies made  
13 for state purposes and the apportionment thereof among the counties,  
14 and the certification shall be available for public inspection.

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

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

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

30 When a county assessor finds that the aggregate rate of tax levy on  
31 any property, that is subject to the limitations set forth in RCW  
32 84.52.043 or 84.52.050, exceeds the limitations provided in either of  
33 these sections, the assessor shall recompute and establish a  
34 consolidated levy in the following manner:

35 (1) The full certified rates of tax levy for state, county, county  
36 road district, and city or town purposes shall be extended on the tax  
37 rolls in amounts not exceeding the limitations established by law;  
38 however any state levy shall take precedence over all other levies and

1 shall not be reduced for any purpose other than that required by RCW  
2 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,  
3 84.34.230, the portion of the levy by a metropolitan park district that  
4 was protected under RCW 84.52.120, and 84.52.105, the combined rate of  
5 regular property tax levies that are subject to the one percent  
6 limitation exceeds one percent of the true and fair value of any  
7 property, then these levies shall be reduced as follows: (a) The  
8 portion of the levy by a metropolitan park district that is protected  
9 under RCW 84.52.120 shall be reduced until the combined rate no longer  
10 exceeds one percent of the true and fair value of any property or shall  
11 be eliminated; (b) if the combined rate of regular property tax levies  
12 that are subject to the one percent limitation still exceeds one  
13 percent of the true and fair value of any property, then the levies  
14 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy  
15 imposed under RCW 84.52.069 that is in excess of thirty cents per  
16 thousand dollars of assessed value, shall be reduced on a pro rata  
17 basis until the combined rate no longer exceeds one percent of the true  
18 and fair value of any property or shall be eliminated; and (c) if the  
19 combined rate of regular property tax levies that are subject to the  
20 one percent limitation still exceeds one percent of the true and fair  
21 value of any property, then the thirty cents per thousand dollars of  
22 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced  
23 until the combined rate no longer exceeds one percent of the true and  
24 fair value of any property or eliminated.

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

29 (a) First, the certified property tax levy rates of those junior  
30 taxing districts authorized under RCW 36.68.525, 36.69.145, and  
31 67.38.130 shall be reduced on a pro rata basis or eliminated;

32 (b) Second, if the consolidated tax levy rate still exceeds these  
33 limitations, the certified property tax levy rates of flood control  
34 zone districts shall be reduced on a pro rata basis or eliminated;

35 (c) Third, if the consolidated tax levy rate still exceeds these  
36 limitations, the certified property tax levy rates of all other junior  
37 taxing districts, other than fire protection districts, library  
38 districts, the first fifty cent per thousand dollars of assessed  
39 valuation levies for metropolitan park districts, and the first fifty

1 cent per thousand dollars of assessed valuation levies for public  
2 hospital districts, shall be reduced on a pro rata basis or eliminated;

3 (d) Fourth, if the consolidated tax levy rate still exceeds these  
4 limitations, the certified property tax levy rates authorized to fire  
5 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced  
6 on a pro rata basis or eliminated; and

7 (e) Fifth, if the consolidated tax levy rate still exceeds these  
8 limitations, the certified property tax levy rates authorized for fire  
9 protection districts under RCW 52.16.130, library districts,  
10 metropolitan park districts under their first fifty cent per thousand  
11 dollars of assessed valuation levy, and public hospital districts under  
12 their first fifty cent per thousand dollars of assessed valuation levy,  
13 shall be reduced on a pro rata basis or eliminated.

14 In determining whether the aggregate rate of tax levy on any  
15 property, that is subject to the limitations set forth in RCW  
16 84.52.050, exceeds the limitations provided in that section, the  
17 assessor shall use the hypothetical state levy, as apportioned to the  
18 county under RCW 84.48.080, that was computed under RCW 84.48.080  
19 without regard to ~~((the))~~ any reduction under RCW ~~((84.55.012))~~  
20 84.55.010 and 84.55.0121.

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