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SECOND SUBSTITUTE HOUSE BILL 2006

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State of Washington                      65th Legislature                      2018 Regular Session

**By** House Appropriations (originally sponsored by Representatives Koster, Lytton, Springer, Volz, Senn, Tharinger, Fey, Stokesbary, Appleton, Nealey, Chapman, and Ormsby)

READ FIRST TIME 01/29/18.

1            AN ACT Relating to providing cities and counties flexibility with  
2 existing resources; and amending RCW 82.14.460, 84.52.135, and  
3 84.55.050.

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

5            **Sec. 1.** RCW 82.14.460 and 2015 c 291 s 5 are each amended to  
6 read as follows:

7            (1)(a) A county legislative authority may authorize, fix, and  
8 impose a sales and use tax in accordance with the terms of this  
9 chapter.

10            (b) If a county with a population over eight hundred thousand has  
11 not imposed the tax authorized under this subsection by January 1,  
12 2011, any city with a population over thirty thousand located in that  
13 county may authorize, fix, and impose the sales and use tax in  
14 accordance with the terms of this chapter. The county must provide a  
15 credit against its tax for the full amount of tax imposed under this  
16 subsection (1)(b) by any city located in that county if the county  
17 imposes the tax after January 1, 2011.

18            (2) The tax authorized in this section is in addition to any  
19 other taxes authorized by law and must be collected from those  
20 persons who are taxable by the state under chapters 82.08 and 82.12  
21 RCW upon the occurrence of any taxable event within the county for a

1 county's tax and within a city for a city's tax. The rate of tax  
2 equals one-tenth of one percent of the selling price in the case of a  
3 sales tax, or value of the article used, in the case of a use tax.

4 (3) Moneys collected under this section must be used solely for  
5 the purpose of providing for the operation or delivery of chemical  
6 dependency or mental health treatment programs and services and for  
7 the operation or delivery of therapeutic court programs and services.  
8 For the purposes of this section, "programs and services" includes,  
9 but is not limited to, treatment services, case management,  
10 transportation, and housing that are a component of a coordinated  
11 chemical dependency or mental health treatment program or service.  
12 Every county that authorizes the tax provided in this section shall,  
13 and every other county may, establish and operate a therapeutic court  
14 component for dependency proceedings designed to be effective for the  
15 court's size, location, and resources.

16 ~~((4) All moneys collected under this section must be used solely  
17 for the purpose of providing new or expanded programs and services as  
18 provided in this section, except as follows:~~

19 ~~(a) For a county with a population larger than twenty five  
20 thousand or a city with a population over thirty thousand, which  
21 initially imposed the tax authorized under this section prior to  
22 January 1, 2012, a portion of moneys collected under this section may  
23 be used to supplant existing funding for these purposes as follows:  
24 Up to fifty percent may be used to supplant existing funding in  
25 calendar years 2011-2012; up to forty percent may be used to supplant  
26 existing funding in calendar year 2013; up to thirty percent may be  
27 used to supplant existing funding in calendar year 2014; up to twenty  
28 percent may be used to supplant existing funding in calendar year  
29 2015; and up to ten percent may be used to supplant existing funding  
30 in calendar year 2016;~~

31 ~~(b) For a county with a population larger than twenty five  
32 thousand or a city with a population over thirty thousand, which  
33 initially imposes the tax authorized under this section after  
34 December 31, 2011, a portion of moneys collected under this section  
35 may be used to supplant existing funding for these purposes as  
36 follows: Up to fifty percent may be used to supplant existing funding  
37 for up to the first three calendar years following adoption; and up  
38 to twenty five percent may be used to supplant existing funding for  
39 the fourth and fifth years after adoption;~~

1       ~~(c) For a county with a population of less than twenty five~~  
2 ~~thousand, a portion of moneys collected under this section may be~~  
3 ~~used to supplant existing funding for these purposes as follows: Up~~  
4 ~~to eighty percent may be used to supplant existing funding in~~  
5 ~~calendar years 2011-2012; up to sixty percent may be used to supplant~~  
6 ~~existing funding in calendar year 2013; up to forty percent may be~~  
7 ~~used to supplant existing funding in calendar year 2014; up to twenty~~  
8 ~~percent may be used to supplant existing funding in calendar year~~  
9 ~~2015; and up to ten percent may be used to supplant existing funding~~  
10 ~~in calendar year 2016; and~~

11       ~~(d) Notwithstanding (a) through (c) of this subsection, moneys~~  
12 ~~collected under this section may be used to support the cost of the~~  
13 ~~judicial officer and support staff of a therapeutic court.~~

14       ~~(5) Nothing in this section may be interpreted to prohibit the~~  
15 ~~use of moneys collected under this section for the replacement of~~  
16 ~~lapsed federal funding previously provided for the operation or~~  
17 ~~delivery of services and programs as provided in this section.)~~

18       **Sec. 2.** RCW 84.52.135 and 2004 c 80 s 1 are each amended to read  
19 as follows:

20       (1) A county (~~with a population of ninety thousand or less~~) may  
21 impose additional regular property tax levies in an amount equal to  
22 fifty cents or less per thousand dollars of the assessed value of  
23 property in the county in accordance with the terms of this section.

24       (2) The tax proposition may be submitted at a general or special  
25 election.

26       (3) The tax may be imposed each year for six consecutive years  
27 when specifically authorized by the registered voters voting on the  
28 proposition, subject to the following:

29       (a) If the number of registered voters voting on the proposition  
30 does not exceed forty percent of the total number of voters voting in  
31 the taxing district at the last general election, the number of  
32 persons voting "yes" on the proposition (~~shall~~) must constitute at  
33 least three-fifths of a number equal to forty percent of the total  
34 number of voters voting in the taxing district at the last general  
35 election.

36       (b) If the number of registered voters voting on the proposition  
37 exceeds forty percent of the total number of voters voting in the  
38 taxing district at the last preceding general election, the number of

1 persons voting "yes" on the proposition (~~shall~~) must be at least  
2 three-fifths of the registered voters voting on the proposition.

3 (4) Ballot propositions (~~shall~~) must conform with RCW  
4 29A.36.210.

5 (5) Any tax imposed under this section (~~shall~~) must be used  
6 exclusively for criminal justice purposes as defined in RCW  
7 82.14.310.

8 (6) The limitations in RCW 84.52.043 do not apply to the tax  
9 authorized in this section.

10 (7) The limitation in RCW 84.55.010 does not apply to the first  
11 tax levy imposed pursuant to this section following the approval of  
12 the levy by the voters pursuant to subsection (3) of this section.

13 **Sec. 3.** RCW 84.55.050 and 2017 c 296 s 2 are each amended to  
14 read as follows:

15 (1) Subject to any otherwise applicable statutory dollar rate  
16 limitations, regular property taxes may be levied by or for a taxing  
17 district in an amount exceeding the limitations provided for in this  
18 chapter if such levy is authorized by a proposition approved by a  
19 majority of the voters of the taxing district voting on the  
20 proposition at a general election held within the district or at a  
21 special election within the taxing district called by the district  
22 for the purpose of submitting such proposition to the voters. Any  
23 election held pursuant to this section (~~shall~~) must be held not  
24 more than twelve months prior to the date on which the proposed levy  
25 is to be made, except as provided in subsection (2) of this section.  
26 The ballot of the proposition (~~shall~~) must state the dollar rate  
27 proposed and (~~shall~~) must clearly state the conditions, if any,  
28 which are applicable under subsection (4) of this section.

29 (2)(~~(a)~~) Subject to statutory dollar limitations, a proposition  
30 placed before the voters under this section may authorize annual  
31 increases in levies for multiple consecutive years, up to six  
32 consecutive years, during which period each year's authorized maximum  
33 legal levy (~~shall~~) must be used as the base upon which an increased  
34 levy limit for the succeeding year is computed, but the ballot  
35 proposition must state the dollar rate proposed only for the first  
36 year of the consecutive years and must state the limit factor, or a  
37 specified index to be used for determining a limit factor, such as  
38 the consumer price index, which need not be the same for all years,  
39 by which the regular tax levy for the district may be increased in

1 each of the subsequent consecutive years. Elections for this purpose  
2 must be held at a primary or general election. The title of each  
3 ballot measure must state the limited purposes for which the proposed  
4 annual increases during the specified period of up to six consecutive  
5 years (~~shall~~) will be used.

6 ~~((b)(i) Except as otherwise provided in this subsection (2)(b),~~  
7 ~~funds raised by a levy under this subsection may not supplant~~  
8 ~~existing funds used for the limited purpose specified in the ballot~~  
9 ~~title. For purposes of this subsection, existing funds means the~~  
10 ~~actual operating expenditures for the calendar year in which the~~  
11 ~~ballot measure is approved by voters. Actual operating expenditures~~  
12 ~~excludes lost federal funds, lost or expired state grants or loans,~~  
13 ~~extraordinary events not likely to reoccur, changes in contract~~  
14 ~~provisions beyond the control of the taxing district receiving the~~  
15 ~~services, and major nonrecurring capital expenditures.~~

16 ~~(ii) The supplanting limitations in (b)(i) of this subsection do~~  
17 ~~not apply to levies approved by the voters in calendar years 2009,~~  
18 ~~2010, and 2011, in any county with a population of one million five~~  
19 ~~hundred thousand or more. This subsection (2)(b)(ii) only applies to~~  
20 ~~levies approved by the voters after July 26, 2009.~~

21 ~~(iii) The supplanting limitations in (b)(i) of this subsection do~~  
22 ~~not apply to levies approved by the voters in calendar year 2009 and~~  
23 ~~thereafter in any county with a population less than one million five~~  
24 ~~hundred thousand. This subsection (2)(b)(iii) only applies to levies~~  
25 ~~approved by the voters after July 26, 2009.)~~

26 (3) After a levy authorized pursuant to this section is made, the  
27 dollar amount of such levy may not be used for the purpose of  
28 computing the limitations for subsequent levies provided for in this  
29 chapter, unless the ballot proposition expressly states that the levy  
30 made under this section will be used for this purpose.

31 (4) If expressly stated, a proposition placed before the voters  
32 under subsection (1) or (2) of this section may:

33 (a) Use the dollar amount of a levy under subsection (1) of this  
34 section, or the dollar amount of the final levy under subsection (2)  
35 of this section, for the purpose of computing the limitations for  
36 subsequent levies provided for in this chapter;

37 (b) Limit the period for which the increased levy is to be made  
38 under (a) of this subsection;

1 (c) Limit the purpose for which the increased levy is to be made  
2 under (a) of this subsection, but if the limited purpose includes  
3 making redemption payments on bonds;  
4 (i) For the county in which the state capitol is located, the  
5 period for which the increased levies are made may not exceed twenty-  
6 five years; and  
7 (ii) For districts other than a district under (c)(i) of this  
8 subsection, the period for which the increased levies are made may  
9 not exceed nine years;  
10 (d) Set the levy or levies at a rate less than the maximum rate  
11 allowed for the district; or  
12 (e) Include any combination of the conditions in this subsection.  
13 (5) Except as otherwise expressly stated in an approved ballot  
14 measure under this section, subsequent levies (~~shall~~) must be  
15 computed as if:  
16 (a) The proposition under this section had not been approved; and  
17 (b) The taxing district had made levies at the maximum rates  
18 which would otherwise have been allowed under this chapter during the  
19 years levies were made under the proposition.

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