
SUBSTITUTE HOUSE BILL 1344

State of Washington

65th Legislature

2017 Regular Session

By House Finance (originally sponsored by Representatives Dolan, Nealey, Doglio, Springer, Frame, Riccelli, Appleton, Ryu, Ormsby, and Goodman)

READ FIRST TIME 02/07/17.

1 AN ACT Relating to extending the period for which a bond levy may
2 be increased; amending RCW 84.55.050; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** The legislature finds government owned
5 property is exempt from both property taxes and leasehold excise tax.
6 The legislature further finds property tax exemptions lower the
7 taxable assessed value within a district. The legislature further
8 finds most of the state-owned buildings in Washington, including the
9 state capitol, are located in Thurston county. The legislature
10 further finds this imposes a disproportional burden on taxpayers and
11 Thurston county. It is the legislature's objective to mitigate this
12 burden by providing Thurston county the ability to increase a bond
13 levy for a longer period of time with a voter approved lid lift.

14 **Sec. 2.** RCW 84.55.050 and 2009 c 551 s 3 are each amended to
15 read as follows:

16 (1) Subject to any otherwise applicable statutory dollar rate
17 limitations, regular property taxes may be levied by or for a taxing
18 district in an amount exceeding the limitations provided for in this
19 chapter if such levy is authorized by a proposition approved by a
20 majority of the voters of the taxing district voting on the

1 proposition at a general election held within the district or at a
2 special election within the taxing district called by the district
3 for the purpose of submitting such proposition to the voters. Any
4 election held pursuant to this section shall be held not more than
5 twelve months prior to the date on which the proposed levy is to be
6 made, except as provided in subsection (2) of this section. The
7 ballot of the proposition shall state the dollar rate proposed and
8 shall clearly state the conditions, if any, which are applicable
9 under subsection (4) of this section.

10 (2)(a) Subject to statutory dollar limitations, a proposition
11 placed before the voters under this section may authorize annual
12 increases in levies for multiple consecutive years, up to six
13 consecutive years, during which period each year's authorized maximum
14 legal levy shall be used as the base upon which an increased levy
15 limit for the succeeding year is computed, but the ballot proposition
16 must state the dollar rate proposed only for the first year of the
17 consecutive years and must state the limit factor, or a specified
18 index to be used for determining a limit factor, such as the consumer
19 price index, which need not be the same for all years, by which the
20 regular tax levy for the district may be increased in each of the
21 subsequent consecutive years. Elections for this purpose must be held
22 at a primary or general election. The title of each ballot measure
23 must state the limited purposes for which the proposed annual
24 increases during the specified period of up to six consecutive years
25 shall be used.

26 (b)(i) Except as otherwise provided in this subsection (2)(b),
27 funds raised by a levy under this subsection may not supplant
28 existing funds used for the limited purpose specified in the ballot
29 title. For purposes of this subsection, existing funds means the
30 actual operating expenditures for the calendar year in which the
31 ballot measure is approved by voters. Actual operating expenditures
32 excludes lost federal funds, lost or expired state grants or loans,
33 extraordinary events not likely to reoccur, changes in contract
34 provisions beyond the control of the taxing district receiving the
35 services, and major nonrecurring capital expenditures.

36 (ii) The supplanting limitations in (b)(i) of this subsection do
37 not apply to levies approved by the voters in calendar years 2009,
38 2010, and 2011, in any county with a population of one million five
39 hundred thousand or more. This subsection (2)(b)(ii) only applies to
40 levies approved by the voters after July 26, 2009.

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

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

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

13 (a) Use the dollar amount of a levy under subsection (1) of this
14 section, or the dollar amount of the final levy under subsection (2)
15 of this section, for the purpose of computing the limitations for
16 subsequent levies provided for in this chapter;

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

19 (c) Limit the purpose for which the increased levy is to be made
20 under (a) of this subsection, but if the limited purpose includes
21 making redemption payments on bonds;

22 (i) For the county in which the state capitol is located, the
23 period for which the increased levies are made may not exceed twenty-
24 five years; and

25 (ii) For districts other than a district under (c)(i) of this
26 subsection, the period for which the increased levies are made
27 ((shall)) may not exceed nine years;

28 (d) Set the levy or levies at a rate less than the maximum rate
29 allowed for the district; or

30 (e) Include any combination of the conditions in this subsection.

31 (5) Except as otherwise expressly stated in an approved ballot
32 measure under this section, subsequent levies shall be computed as
33 if:

34 (a) The proposition under this section had not been approved; and

35 (b) The taxing district had made levies at the maximum rates
36 which would otherwise have been allowed under this chapter during the
37 years levies were made under the proposition.

1 NEW SECTION. **Sec. 3.** This act applies to taxes levied for
2 collection in 2018 and thereafter.

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