

**WAC 458-19-055 Levy limit—Proration of earmarked funds. (1)**

**Introduction.** Certain taxing districts are authorized to make "earmarked" levies for specific purposes. An "earmarked levy" is not a taxing district in and of itself; the levy is included within, or is in addition to, the general regular levy made by a taxing district. Because these levies are generally placed within a taxing district treasury as a separately identified fund, they are often referred to as "earmarked funds." A taxing district is either directed by statute to levy or is authorized by statute to levy, but is not required to levy, for these earmarked funds; that is, some of the underlying statutes are mandatory while others are permissive in nature. This rule only discusses those taxing districts with the statutory authority to reduce their earmarked levies from their budgeted levy amount when they are up against the levy limit contained in chapter 84.55 RCW.

(2) **Reduction of earmarked funds when regular levy affected.** Cities having a regularly organized full-time, paid, fire department may levy an additional amount for a firemen's pension fund under RCW 41.16.060. Counties are required to annually levy amounts for the developmental disabilities or mental health services fund under RCW 71.20.110 and for veterans' assistance fund under RCW 73.08.080. Each of these earmarked levies may be reduced if the taxing district's general regular levy is restricted by the levy limit contained in chapter 84.55 RCW. If a reduction is necessary, the earmarked levy may be reduced from its budgeted levy amount in the same proportion as the district's general levy is reduced from its budgeted amount.

(3) **Modification of county earmarked funds when regular levy affected.** The budgeted amount for an earmarked levy may be modified by the county legislative authority as provided in this subsection. For the purposes of this subsection, refund levies are not included within the general county property tax levy.

(a) If the general county property tax levy is reduced from the preceding year's levy, funding for the earmarked levies may be reduced by no more than the same percentage as the general county property tax levy was reduced from the preceding year's levy;

(b) (i) If the general county property tax levy is increased from the preceding year's levy, funding for the developmental disabilities and mental health services fund must be increased by at least the same percentage as the general county property tax levy was increased from the preceding year's levy; however, funding does not need to be increased for the portion of a voter-approved levy increase that is dedicated to a specific purpose;

(ii) If the general county property tax levy is increased from the preceding year's levy, funding for the veterans' assistance fund cannot be less than the base allocation (the most recent allocation that was not reduced when collections exceed expectations per RCW 73.08.080(2)) increased by the same percentage as the general county property tax levy was increased from the preceding year's levy; however, funding does not need to be increased for the portion of a voter-approved levy increase that is dedicated to a specific purpose; or

(c) If the general county property tax levy is unchanged from the preceding year's levy, funding for the programs must equal or exceed the previous year's funding.

(4) Nothing in this section precludes a county from increasing funding for the programs to an amount that is greater than the change in the regular county levy.

[Statutory Authority: RCW 84.08.010, 84.08.070, 84.48.080, 84.48.200, 84.52.0502, 84.55.060. WSR 14-14-023, § 458-19-055, filed 6/23/14, effective 7/24/14. Statutory Authority: RCW 84.08.010, 84.08.070, 84.48.080, 84.55.060, 84.52.0502, chapters 84.52 and 84.55 RCW, and RCW 34.05.230(1). WSR 02-24-015, § 458-19-055, filed 11/25/02, effective 12/26/02. Statutory Authority: RCW 84.55.060 and 84.08.070. WSR 94-07-066, § 458-19-055, filed 3/14/94, effective 4/14/94.]