

FINAL BILL REPORT

SB 5988

C 17 L 91 E1

SYNOPSIS AS ENACTED

Brief Description: Allowing the levying of certain authorized library improvement tax levies.

SPONSORS: Senators Vognild and McCaslin.

BACKGROUND:

The amount of ad valorem taxes levied annually against real property is subject to a variety of limitations. Article 7, Section 2 of the State Constitution limits the aggregate of such taxes, excepting those of port or public utility districts, to 1 percent of the true and fair value of any parcel of real estate. By statute, the aggregate regular property taxes of any taxing entity (county, city, or district) may not be increased in any year to a level in excess of 106 percent of the highest amount levied in any of the three preceding years. Also, by statute, local governments are subject to rate limitations of dollars per \$1,000 of valuation which may be levied; e.g. counties may not levy regular taxes in excess of \$1.80 per \$1,000 in valuation.

By majority vote, the voters in a taxing district may approve a regular property tax which results in an increase in excess of the 106 percent ceiling, provided that they do not exceed the limitation on the tax rate applicable to the particular type of district.

The voters in the City of Everett authorized a partial waiver of the 106 percent limitation to pay back library improvement bonds. In the first year the full amount approved could not be levied because of tax rate limitations. Litigation has been commenced to prevent any subsequent levies from exceeding the amount levied in the first year.

SUMMARY:

Taxes in excess of the 106 percent limitation are validated and may be levied by a taxing district if they were authorized by voters prior to 1988 and restricted to funding the cost of library improvements and costs of borrowing money for such purpose over a 20 year period.

This new law is curative and applied retroactively to such a ballot proposition authorizing a limited waiver of the 106 percent limitation.

VOTES ON FINAL PASSAGE:

First Special Session

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| Senate | 46 | 0 |
| House | 93 | 0 |

EFFECTIVE: September 29, 1991