
SENATE BILL 5218

State of Washington 56th Legislature 1999 Regular Session

By Senators Benton, Honeyford, Swecker, Rossi, Zarelli, Oke and Johnson

Read first time 01/15/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to eliminating the state property tax; amending RCW
2 84.52.065, 84.52.043, 84.52.050, 36.58.150, 36.60.040, 36.69.145,
3 36.73.060, 36.83.030, 36.100.050, 67.38.130, and 84.52.010; reenacting
4 and amending RCW 84.69.020; and creating a new section.

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

6 **Sec. 1.** RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to
7 read as follows:

8 (1) Subject to the limitations in RCW 84.55.010, in each year the
9 state shall levy for collection in the following year for the support
10 of common schools of the state a tax ((of three dollars and sixty cents
11 per thousand dollars of assessed value)) at the rate specified in
12 subsection (2) of this section upon the assessed valuation of all
13 taxable property within the state adjusted to the state equalized value
14 in accordance with the indicated ratio fixed by the state department of
15 revenue.

16 (2) The rate of state tax in subsection (1) of this section shall
17 be as follows:

18 (a) Three dollars and sixty cents per thousand dollars of assessed
19 value for taxes levied for collection in 1999, and before;

1 (b) Three dollars per thousand dollars of assessed value for taxes
2 levied for collection in 2000;

3 (c) Two dollars and seventy cents per thousand dollars of assessed
4 value for taxes levied for collection in 2001;

5 (d) Two dollars and forty cents per thousand dollars of assessed
6 value for taxes levied for collection in 2002;

7 (e) Two dollars and ten cents per thousand dollars of assessed
8 value for taxes levied for collection in 2003;

9 (f) One dollar and eighty cents per thousand dollars of assessed
10 value for taxes levied for collection in 2004;

11 (g) One dollar and fifty cents per thousand dollars of assessed
12 value for taxes levied for collection in 2005;

13 (h) One dollar and twenty cents per thousand dollars of assessed
14 value for taxes levied for collection in 2006;

15 (i) Ninety cents per thousand dollars of assessed value for taxes
16 levied for collection in 2007;

17 (j) Sixty cents per thousand dollars of assessed value for taxes
18 levied for collection in 2008;

19 (k) Thirty cents per thousand dollars of assessed value for taxes
20 levied for collection in 2009; and

21 (l) No tax may be levied under this section for taxes levied for
22 collection in 2010 and thereafter.

23 (3) As used in this section, "the support of common schools"
24 includes the payment of the principal and interest on bonds issued for
25 capital construction projects for the common schools.

26 **Sec. 2.** RCW 84.52.043 and 1995 c 99 s 3 are each amended to read
27 as follows:

28 Within and subject to the limitations imposed by RCW 84.52.050 as
29 amended, the regular ad valorem tax levies upon real and personal
30 property by the taxing districts hereafter named shall be as follows:

31 (1) Levies of the senior taxing districts shall be as follows: (a)
32 The levy by the state shall not exceed (~~three dollars and sixty~~
33 ~~cents~~) the dollar rate per thousand dollars of assessed value
34 specified in RCW 84.52.065 adjusted to the state equalized value in
35 accordance with the indicated ratio fixed by the state department of
36 revenue to be used exclusively for the support of the common schools;
37 (b) the levy by any county shall not exceed one dollar and eighty cents
38 per thousand dollars of assessed value; (c) the levy by any road

1 district shall not exceed two dollars and twenty-five cents per
2 thousand dollars of assessed value; and (d) the levy by any city or
3 town shall not exceed three dollars and thirty-seven and one-half cents
4 per thousand dollars of assessed value. However any county is hereby
5 authorized to increase its levy from one dollar and eighty cents to a
6 rate not to exceed two dollars and forty-seven and one-half cents per
7 thousand dollars of assessed value for general county purposes if the
8 total levies for both the county and any road district within the
9 county do not exceed four dollars and five cents per thousand dollars
10 of assessed value, and no other taxing district has its levy reduced as
11 a result of the increased county levy.

12 (2) The aggregate levies of junior taxing districts and senior
13 taxing districts, other than the state, shall not exceed five dollars
14 and ninety cents per thousand dollars of assessed valuation. The term
15 "junior taxing districts" includes all taxing districts other than the
16 state, counties, road districts, cities, towns, port districts, and
17 public utility districts. The limitations provided in this subsection
18 shall not apply to: (a) Levies at the rates provided by existing law
19 by or for any port or public utility district; (b) excess property tax
20 levies authorized in Article VII, section 2 of the state Constitution;
21 (c) levies for acquiring conservation futures as authorized under RCW
22 84.34.230; (d) levies for emergency medical care or emergency medical
23 services imposed under RCW 84.52.069; (e) levies to finance affordable
24 housing for very low-income housing imposed under RCW 84.52.105; and
25 (f) the portions of levies by metropolitan park districts that are
26 protected under RCW 84.52.120.

27 **Sec. 3.** RCW 84.52.050 and 1973 1st ex.s. c 194 s 1 are each
28 amended to read as follows:

29 (1) Except as hereinafter provided, the aggregate of all tax levies
30 upon real and personal property by the state and all taxing districts,
31 now existing or hereafter created, shall not in any year exceed ((one
32 percentum)) the following percentage of the true and fair value of such
33 property in money: ((PROVIDED, HOWEVER, That))

34 (a) For taxes levied for collection in 1999, and before, 1.0
35 percent;

36 (b) For taxes levied for collection in 2000, 0.94 percent;

37 (c) For taxes levied for collection in 2001, 0.91 percent;

38 (d) For taxes levied for collection in 2002, 0.88 percent;

1 (e) For taxes levied for collection in 2003, 0.85 percent;
2 (f) For taxes levied for collection in 2004, 0.82 percent;
3 (g) For taxes levied for collection in 2005, 0.79 percent;
4 (h) For taxes levied for collection in 2006, 0.76 percent;
5 (i) For taxes levied for collection in 2007, 0.73 percent;
6 (j) For taxes levied for collection in 2008, 0.70 percent;
7 (k) For taxes levied for collection in 2009, 0.67 percent; and
8 (l) For taxes levied for collection in 2010 and thereafter, 0.64
9 percent.

10 (2) Nothing herein shall prevent levies at the rates now provided
11 by law by or for any port or public utility district. The term "taxing
12 district" for the purposes of this section shall mean any political
13 subdivision, municipal corporation, district, or other governmental
14 agency authorized by law to levy, or have levied for it, ad valorem
15 taxes on property, other than a port or public utility district. Such
16 aggregate limitation or any specific limitation imposed by law in
17 conformity therewith may be exceeded only as authorized by law and in
18 conformity with the provisions of Article VII, section 2(a), (b), or
19 (c) of the Constitution of the state of Washington.

20 (3) Nothing herein contained shall prohibit the legislature from
21 allocating or reallocating the authority to levy taxes between the
22 taxing districts of the state and its political subdivisions in a
23 manner which complies with the aggregate tax limitation set forth in
24 this section.

25 **Sec. 4.** RCW 36.58.150 and 1984 c 186 s 25 are each amended to read
26 as follows:

27 (1) A solid waste disposal district shall not have the power to
28 levy an annual levy without voter approval, but it shall have the power
29 to levy a tax, in excess of the (~~one percent~~) limitation in RCW
30 84.52.050, upon the property within the district for a one year period
31 to be used for operating or capital purposes whenever authorized by the
32 electors of the district pursuant to RCW 84.52.052 and Article VII,
33 section 2(a) of the state Constitution.

34 A solid waste disposal district may issue general obligation bonds
35 for capital purposes only, subject to the limitations prescribed in RCW
36 39.36.020(1), and may provide for the retirement of the bonds by voter-
37 approved bond retirement tax levies pursuant to Article VII, section
38 2(b) of the state Constitution and RCW 84.52.056. Such general

1 obligation bonds shall be issued and sold in accordance with chapter
2 39.46 RCW.

3 A solid waste disposal district may issue revenue bonds to fund its
4 activities. Such revenue bonds may be in any form, including bearer
5 bonds or registered bonds as provided in RCW 39.46.030.

6 (2) Notwithstanding subsection (1) of this section, such revenue
7 bonds may be issued and sold in accordance with chapter 39.46 RCW.

8 **Sec. 5.** RCW 36.60.040 and 1983 c 303 s 11 are each amended to read
9 as follows:

10 A county rail district is not authorized to impose a regular ad
11 valorem property tax levy but may:

12 (1) Levy an ad valorem property tax, in excess of the ((one
13 percent)) limitation in RCW 84.52.050, upon the property within the
14 district for a one-year period to be used for operating or capital
15 purposes whenever authorized by the voters of the district pursuant to
16 RCW 84.52.052 and Article VII, section 2(a) of the state Constitution.

17 (2) Provide for the retirement of voter approved general obligation
18 bonds, issued for capital purposes only, by levying bond retirement ad
19 valorem property tax levies, in excess of the one percent limitation,
20 whenever authorized by the voters of the district pursuant to Article
21 VII, section 2(b) of the state Constitution and RCW 84.52.056.

22 **Sec. 6.** RCW 36.69.145 and 1994 c 156 s 3 are each amended to read
23 as follows:

24 (1) A park and recreation district may impose regular property tax
25 levies in an amount equal to sixty cents or less per thousand dollars
26 of assessed value of property in the district in each year for six
27 consecutive years when specifically authorized so to do by a majority
28 of at least three-fifths of the voters thereof approving a proposition
29 authorizing the levies submitted at a special election or at the
30 regular election of the district, at which election the number of
31 voters voting "yes" on the proposition shall constitute three-fifths of
32 a number equal to forty per centum of the number of voters voting in
33 such district at the last preceding general election when the number of
34 voters voting on the proposition does not exceed forty per centum of
35 the number of voters voting in such taxing district in the last
36 preceding general election; or by a majority of at least three-fifths
37 of the voters thereof voting on the proposition if the number of voters

1 voting on the proposition exceeds forty per centum of the number of
2 voters voting in such taxing district in the last preceding general
3 election. A proposition authorizing the tax levies shall not be
4 submitted by a park and recreation district more than twice in any
5 twelve-month period. Ballot propositions shall conform with RCW
6 29.30.111. In the event a park and recreation district is levying
7 property taxes, which in combination with property taxes levied by
8 other taxing districts subject to the ~~((one percent))~~ limitation
9 provided for in ~~((Article 7, section 2, of our state Constitution))~~
10 RCW 84.52.050 result in taxes in excess of the limitation provided for
11 in RCW 84.52.043, the park and recreation district property tax levy
12 shall be reduced or eliminated before the property tax levies of other
13 taxing districts are reduced.

14 (2) The limitation in RCW 84.55.010 shall not apply to the first
15 levy imposed under this section following the approval of the levies by
16 the voters under subsection (1) of this section.

17 **Sec. 7.** RCW 36.73.060 and 1987 c 327 s 6 are each amended to read
18 as follows:

19 (1) A transportation benefit district may levy an ad valorem
20 property tax in excess of the ~~((one percent))~~ limitation in RCW
21 84.52.050 upon the property within the district for a one-year period
22 whenever authorized by the voters of the district pursuant to RCW
23 84.52.052 and Article VII, section 2(a) of the state Constitution.

24 (2) A district may provide for the retirement of voter-approved
25 general obligation bonds, issued for capital purposes only, by levying
26 bond retirement ad valorem property tax levies in excess of the one
27 percent limitation whenever authorized by the voters of the district
28 pursuant to Article VII, section 2(b) of the state Constitution and RCW
29 84.52.056.

30 **Sec. 8.** RCW 36.83.030 and 1983 c 130 s 3 are each amended to read
31 as follows:

32 (1) A service district may levy an ad valorem property tax, in
33 excess of the ~~((one percent))~~ limitation in RCW 84.52.050, upon the
34 property within the district for a one-year period whenever authorized
35 by the voters of the district pursuant to RCW 84.52.052 and Article
36 VII, section 2(a) of the state Constitution.

1 (2) A service district may provide for the retirement of voter
2 approved general obligation bonds, issued for capital purposes only, by
3 levying bond retirement ad valorem property tax levies, in excess of
4 the one percent limitation, whenever authorized by the voters of the
5 district pursuant to Article VII, section 2(b) of the state
6 Constitution and RCW 84.52.056.

7 **Sec. 9.** RCW 36.100.050 and 1988 ex.s. c 1 s 15 are each amended to
8 read as follows:

9 (1) A public facilities district may levy an ad valorem property
10 tax, in excess of the (~~one percent~~) limitation in RCW 84.52.050, upon
11 the property within the district for a one-year period to be used for
12 operating or capital purposes whenever authorized by the voters of the
13 district pursuant to RCW 84.52.052 and Article VII, section 2(a) of the
14 state Constitution.

15 (2) A public facilities district may provide for the retirement of
16 voter-approved general obligation bonds, issued for capital purposes
17 only, by levying bond retirement ad valorem property tax levies, in
18 excess of the one percent limitation, whenever authorized by the voters
19 of the district pursuant to Article VII, section 2(b) of the state
20 Constitution and RCW 84.52.056.

21 **Sec. 10.** RCW 67.38.130 and 1984 c 131 s 4 are each amended to read
22 as follows:

23 The governing body of a cultural arts, stadium and convention
24 district may levy or cause to levy the following ad valorem taxes:

25 (1) Regular ad valorem property tax levies in an amount equal to
26 twenty-five cents or less per thousand dollars of the assessed value of
27 property in the district in each year for six consecutive years when
28 specifically authorized so to do by a majority of at least three-fifths
29 of the electors thereof approving a proposition authorizing the levies
30 submitted at a general or special election, at which election the
31 number of persons voting "yes" on the proposition shall constitute
32 three-fifths of a number equal to forty percentum of the total votes
33 cast in such taxing district at the last preceding general election; or
34 by a majority of at least three-fifths of the electors thereof voting
35 on the proposition when the number of electors voting yes on the
36 proposition exceeds forty percentum of the total votes cast in such

1 taxing district in the last preceding general election. Ballot
2 propositions shall conform with RCW 29.30.111.

3 In the event a cultural arts, stadium and convention district is
4 levying property taxes, which in combination with property taxes levied
5 by other taxing districts subject to the (~~one percent~~) limitation
6 provided for in (~~Article VII, section 2, of our state Constitution~~)
7 RCW 84.52.050 result in taxes in excess of the limitation provided for
8 in RCW 84.52.043, the cultural arts, stadium and convention district
9 property tax levy shall be reduced or eliminated before the property
10 tax levies of other taxing districts are reduced: PROVIDED, That no
11 cultural arts, stadium, and convention district may pledge anticipated
12 revenues derived from the property tax herein authorized as security
13 for payments of bonds issued pursuant to subsection (1) of this
14 section: PROVIDED, FURTHER, That such limitation shall not apply to
15 property taxes approved pursuant to subsections (2) and (3) of this
16 section.

17 The limitation in RCW 84.55.010 shall apply to levies after the
18 first levy authorized under this section following the approval of such
19 levy by voters pursuant to this section.

20 (2) An annual excess ad valorem property tax for general district
21 purposes when authorized by the district voters in the manner
22 prescribed by (~~section 27~~) Article VII, section 2 of the state
23 Constitution and by RCW 84.52.052.

24 (3) Multi-year excess ad valorem property tax levies used to retire
25 general obligation bond issues when authorized by the district voters
26 in the manner prescribed by (~~section 27~~) Article VII, section 2 of
27 the state Constitution and by RCW 84.52.056.

28 The district shall include in its regular property tax levy for
29 each year a sum sufficient to pay the interest and principal on all
30 outstanding general obligation bonds issued without voter approval
31 pursuant to RCW 67.38.110 and may include a sum sufficient to create a
32 sinking fund for the redemption of all outstanding bonds.

33 **Sec. 11.** RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each
34 amended to read as follows:

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

37 The rate percent of all taxes for state and county purposes, and
38 purposes of taxing districts coextensive with the county, shall be

1 determined, calculated and fixed by the county assessors of the
2 respective counties, within the limitations provided by law, upon the
3 assessed valuation of the property of the county, as shown by the
4 completed tax rolls of the county, and the rate percent of all taxes
5 levied for purposes of taxing districts within any county shall be
6 determined, calculated and fixed by the county assessors of the
7 respective counties, within the limitations provided by law, upon the
8 assessed valuation of the property of the taxing districts
9 respectively.

10 When a county assessor finds that the aggregate rate of tax levy on
11 any property, that is subject to the limitations set forth in RCW
12 84.52.043 or 84.52.050, exceeds the limitations provided in either of
13 these sections, the assessor shall recompute and establish a
14 consolidated levy in the following manner:

15 (1) The full certified rates of tax levy for state, county, county
16 road district, and city or town purposes shall be extended on the tax
17 rolls in amounts not exceeding the limitations established by law;
18 however any state levy shall take precedence over all other levies and
19 shall not be reduced for any purpose other than that required by RCW
20 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
21 84.34.230, the portion of the levy by a metropolitan park district that
22 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
23 regular property tax levies that are subject to the ~~((one percent))~~
24 limitation under RCW 84.52.050 exceeds ~~((one percent of the true and~~
25 ~~fair value of any property))~~ the limitation under RCW 84.52.050, then
26 these levies shall be reduced as follows: (a) The portion of the levy
27 by a metropolitan park district that is protected under RCW 84.52.120
28 shall be reduced until the combined rate no longer exceeds ~~((one~~
29 ~~percent of the true and fair value of any property))~~ the limitation
30 under RCW 84.52.050 or shall be eliminated; (b) if the combined rate of
31 regular property tax levies that are subject to the one percent
32 limitation still exceeds ~~((one percent of the true and fair value of~~
33 ~~any property))~~ the limitation under RCW 84.52.050, then the levies
34 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
35 imposed under RCW 84.52.069 that is in excess of thirty cents per
36 thousand dollars of assessed value, shall be reduced on a pro rata
37 basis until the combined rate no longer exceeds one percent of the true
38 and fair value of any property or shall be eliminated; and (c) if the
39 combined rate of regular property tax levies that are subject to the

1 one percent limitation still exceeds one percent of the true and fair
2 value of any property, then the thirty cents per thousand dollars of
3 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced
4 until the combined rate no longer exceeds one percent of the true and
5 fair value of any property or eliminated.

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

10 (a) First, the certified property tax levy rates of those junior
11 taxing districts authorized under RCW 36.68.525, 36.69.145, and
12 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

16 (c) Third, if the consolidated tax levy rate still exceeds these
17 limitations, the certified property tax levy rates of all other junior
18 taxing districts, other than fire protection districts, library
19 districts, the first fifty cent per thousand dollars of assessed
20 valuation levies for metropolitan park districts, and the first fifty
21 cent per thousand dollars of assessed valuation levies for public
22 hospital districts, shall be reduced on a pro rata basis or eliminated;

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

27 (e) Fifth, if the consolidated tax levy rate still exceeds these
28 limitations, the certified property tax levy rates authorized for fire
29 protection districts under RCW 52.16.130, library districts,
30 metropolitan park districts under their first fifty cent per thousand
31 dollars of assessed valuation levy, and public hospital districts under
32 their first fifty cent per thousand dollars of assessed valuation levy,
33 shall be reduced on a pro rata basis or eliminated.

34 In determining whether the aggregate rate of tax levy on any
35 property, that is subject to the limitations set forth in RCW
36 84.52.050, exceeds the limitations provided in that section, the
37 assessor shall use the hypothetical state levy, as apportioned to the
38 county under RCW 84.48.080, that was computed under RCW 84.48.080
39 without regard to the reduction under RCW 84.55.012.

1 **Sec. 12.** RCW 84.69.020 and 1998 c 306 s 2 and 1997 c 393 s 18 are
2 each reenacted and amended to read as follows:

3 On the order of the county treasurer, ad valorem taxes paid before
4 or after delinquency shall be refunded if they were:

5 (1) Paid more than once;

6 (2) Paid as a result of manifest error in description;

7 (3) Paid as a result of a clerical error in extending the tax
8 rolls;

9 (4) Paid as a result of other clerical errors in listing property;

10 (5) Paid with respect to improvements which did not exist on
11 assessment date;

12 (6) Paid under levies or statutes adjudicated to be illegal or
13 unconstitutional;

14 (7) Paid as a result of mistake, inadvertence, or lack of knowledge
15 by any person exempted from paying real property taxes or a portion
16 thereof pursuant to RCW 84.36.381 through 84.36.389, as now or
17 hereafter amended;

18 (8) Paid as a result of mistake, inadvertence, or lack of knowledge
19 by either a public official or employee or by any person with respect
20 to real property in which the person paying the same has no legal
21 interest;

22 (9) Paid on the basis of an assessed valuation which was appealed
23 to the county board of equalization and ordered reduced by the board;

24 (10) Paid on the basis of an assessed valuation which was appealed
25 to the state board of tax appeals and ordered reduced by the board:
26 PROVIDED, That the amount refunded under subsections (9) and (10) of
27 this section shall only be for the difference between the tax paid on
28 the basis of the appealed valuation and the tax payable on the
29 valuation adjusted in accordance with the board's order;

30 (11) Paid as a state property tax levied upon property, the
31 assessed value of which has been established by the state board of tax
32 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
33 refunded shall only be for the difference between the state property
34 tax paid and the amount of state property tax which would, when added
35 to all other property taxes within the ((one percent)) limitation of
36 Article VII, section 2 of the state Constitution equal ((one percent))
37 the percentage under RCW 84.52.050 of the assessed value established by
38 the board;

1 (12) Paid on the basis of an assessed valuation which was
2 adjudicated to be unlawful or excessive: PROVIDED, That the amount
3 refunded shall be for the difference between the amount of tax which
4 was paid on the basis of the valuation adjudged unlawful or excessive
5 and the amount of tax payable on the basis of the assessed valuation
6 determined as a result of the proceeding;

7 (13) Paid on property acquired under RCW 84.60.050, and canceled
8 under RCW 84.60.050(2);

9 (14) Paid on the basis of an assessed valuation that was reduced
10 under RCW 84.48.065; or

11 (15) Paid on the basis of an assessed valuation that was reduced
12 under RCW 84.40.039.

13 No refunds under the provisions of this section shall be made
14 because of any error in determining the valuation of property, except
15 as authorized in subsections (9), (10), (11), and (12) of this section
16 nor may any refunds be made if a bona fide purchaser has acquired
17 rights that would preclude the assessment and collection of the
18 refunded tax from the property that should properly have been charged
19 with the tax. Any refunds made on delinquent taxes shall include the
20 proportionate amount of interest and penalties paid. The county
21 treasurer may deduct from moneys collected for the benefit of the
22 state's levy, refunds of the state levy including interest on the levy
23 as provided by this section and chapter 84.68 RCW.

24 The county treasurer of each county shall make all refunds
25 determined to be authorized by this section, and by the first Monday in
26 February of each year, report to the county legislative authority a
27 list of all refunds made under this section during the previous year.
28 The list is to include the name of the person receiving the refund, the
29 amount of the refund, and the reason for the refund.

30 NEW SECTION. **Sec. 13.** This act applies to taxes levied for
31 collection in 2000 and thereafter.

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