
SENATE BILL 5357

State of Washington 56th Legislature 1999 Regular Session

By Senators Benton, Zarelli and Oke

Read first time 01/20/1999. 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 and fifteen cents per thousand dollars of
2 assessed value for taxes 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 twenty-five cents per thousand dollars of
6 assessed value for taxes levied for collection in 2002;

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

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

11 (g) Ninety cents per thousand dollars of assessed value for taxes
12 levied for collection in 2005;

13 (h) Forty-five cents per thousand dollars of assessed value for
14 taxes levied for collection in 2006; and

15 (i) No tax may be levied under this section for taxes levied for
16 collection in 2007 and thereafter.

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

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

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

25 (1) Levies of the senior taxing districts shall be as follows: (a)
26 The levy by the state shall not exceed (~~three dollars and sixty~~
27 ~~cents~~) the dollar rate per thousand dollars of assessed value
28 specified in RCW 84.52.065 adjusted to the state equalized value in
29 accordance with the indicated ratio fixed by the state department of
30 revenue to be used exclusively for the support of the common schools;

31 (b) the levy by any county shall not exceed one dollar and eighty cents
32 per thousand dollars of assessed value; (c) the levy by any road
33 district shall not exceed two dollars and twenty-five cents per
34 thousand dollars of assessed value; and (d) the levy by any city or
35 town shall not exceed three dollars and thirty-seven and one-half cents
36 per thousand dollars of assessed value. However any county is hereby
37 authorized to increase its levy from one dollar and eighty cents to a
38 rate not to exceed two dollars and forty-seven and one-half cents per

1 thousand dollars of assessed value for general county purposes if the
2 total levies for both the county and any road district within the
3 county do not exceed four dollars and five cents per thousand dollars
4 of assessed value, and no other taxing district has its levy reduced as
5 a result of the increased county levy.

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

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

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

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

30 (b) For taxes levied for collection in 2000, 0.95 percent;

31 (c) For taxes levied for collection in 2001, 0.90 percent;

32 (d) For taxes levied for collection in 2002, 0.85 percent;

33 (e) For taxes levied for collection in 2003, 0.80 percent;

34 (f) For taxes levied for collection in 2004, 0.75 percent;

35 (g) For taxes levied for collection in 2005, 0.70 percent;

36 (h) For taxes levied for collection in 2006, 0.65 percent; and

37 (i) For taxes levied for collection in 2007 and thereafter, 0.64
38 percent.

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

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

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

18 (1) A solid waste disposal district shall not have the power to
19 levy an annual levy without voter approval, but it shall have the power
20 to levy a 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 to be used for operating or capital purposes whenever authorized by the
23 electors of the district pursuant to RCW 84.52.052 and Article VII,
24 section 2(a) of the state Constitution.

25 A solid waste disposal district may issue general obligation bonds
26 for capital purposes only, subject to the limitations prescribed in RCW
27 39.36.020(1), and may provide for the retirement of the bonds by voter-
28 approved bond retirement tax levies pursuant to Article VII, section
29 2(b) of the state Constitution and RCW 84.52.056. Such general
30 obligation bonds shall be issued and sold in accordance with chapter
31 39.46 RCW.

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

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

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

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

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

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

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

17 (1) A park and recreation district may impose regular property tax
18 levies in an amount equal to sixty cents or less per thousand dollars
19 of assessed value of property in the district in each year for six
20 consecutive years when specifically authorized so to do by a majority
21 of at least three-fifths of the voters thereof approving a proposition
22 authorizing the levies submitted at a special election or at the
23 regular election of the district, at which election the number of
24 voters voting "yes" on the proposition shall constitute three-fifths of
25 a number equal to forty per centum of the number of voters voting in
26 such district at the last preceding general election when the number of
27 voters voting on the proposition does not exceed forty per centum of
28 the number of voters voting in such taxing district in the last
29 preceding general election; or by a majority of at least three-fifths
30 of the voters thereof voting on the proposition if the number of voters
31 voting on the proposition exceeds forty per centum of the number of
32 voters voting in such taxing district in the last preceding general
33 election. A proposition authorizing the tax levies shall not be
34 submitted by a park and recreation district more than twice in any
35 twelve-month period. Ballot propositions shall conform with RCW
36 29.30.111. In the event a park and recreation district is levying
37 property taxes, which in combination with property taxes levied by
38 other taxing districts subject to the ((one-percent)) limitation

1 provided for in (~~Article 7, section 2, of our state Constitution~~)
2 RCW 84.52.050 result in taxes in excess of the limitation provided for
3 in RCW 84.52.043, the park and recreation district property tax levy
4 shall be reduced or eliminated before the property tax levies of other
5 taxing districts are reduced.

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

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

11 (1) A transportation benefit district may levy an ad valorem
12 property tax in excess of the (~~one percent~~) limitation in RCW
13 84.52.050 upon the property within the district for a one-year period
14 whenever authorized by the voters of the district pursuant to RCW
15 84.52.052 and Article VII, section 2(a) of the state Constitution.

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

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

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

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

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

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

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

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

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

17 (1) Regular ad valorem property tax levies in an amount equal to
18 twenty-five cents or less per thousand dollars of the assessed value of
19 property in the district in each year for six consecutive years when
20 specifically authorized so to do by a majority of at least three-fifths
21 of the electors thereof approving a proposition authorizing the levies
22 submitted at a general or special election, at which election the
23 number of persons voting "yes" on the proposition shall constitute
24 three-fifths of a number equal to forty percentum of the total votes
25 cast in such taxing district at the last preceding general election; or
26 by a majority of at least three-fifths of the electors thereof voting
27 on the proposition when the number of electors voting yes on the
28 proposition exceeds forty percentum of the total votes cast in such
29 taxing district in the last preceding general election. Ballot
30 propositions shall conform with RCW 29.30.111.

31 In the event a cultural arts, stadium and convention district is
32 levying property taxes, which in combination with property taxes levied
33 by other taxing districts subject to the (~~one percent~~) limitation
34 provided for in (~~Article VII, section 2, of our state Constitution~~)
35 RCW 84.52.050 result in taxes in excess of the limitation provided for
36 in RCW 84.52.043, the cultural arts, stadium and convention district
37 property tax levy shall be reduced or eliminated before the property
38 tax levies of other taxing districts are reduced: PROVIDED, That no

1 cultural arts, stadium, and convention district may pledge anticipated
2 revenues derived from the property tax herein authorized as security
3 for payments of bonds issued pursuant to subsection (1) of this
4 section: PROVIDED, FURTHER, That such limitation shall not apply to
5 property taxes approved pursuant to subsections (2) and (3) of this
6 section.

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

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

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

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

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

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

27 The rate percent of all taxes for state and county purposes, and
28 purposes of taxing districts coextensive with the county, shall be
29 determined, calculated and fixed by the county assessors of the
30 respective counties, within the limitations provided by law, upon the
31 assessed valuation of the property of the county, as shown by the
32 completed tax rolls of the county, and the rate percent of all taxes
33 levied for purposes of taxing districts within any county shall be
34 determined, calculated and fixed by the county assessors of the
35 respective counties, within the limitations provided by law, upon the
36 assessed valuation of the property of the taxing districts
37 respectively.

1 When a county assessor finds that the aggregate rate of tax levy on
2 any property, that is subject to the limitations set forth in RCW
3 84.52.043 or 84.52.050, exceeds the limitations provided in either of
4 these sections, the assessor shall recompute and establish a
5 consolidated levy in the following manner:

6 (1) The full certified rates of tax levy for state, county, county
7 road district, and city or town purposes shall be extended on the tax
8 rolls in amounts not exceeding the limitations established by law;
9 however any state levy shall take precedence over all other levies and
10 shall not be reduced for any purpose other than that required by RCW
11 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
12 84.34.230, the portion of the levy by a metropolitan park district that
13 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
14 regular property tax levies that are subject to the ~~((one percent))~~
15 limitation under RCW 84.52.050 exceeds ~~((one percent of the true and~~
16 ~~fair value of any property))~~ the limitation under RCW 84.52.050, then
17 these levies shall be reduced as follows: (a) The portion of the levy
18 by a metropolitan park district that is protected under RCW 84.52.120
19 shall be reduced until the combined rate no longer exceeds ~~((one~~
20 ~~percent of the true and fair value of any property))~~ the limitation
21 under RCW 84.52.050 or shall be eliminated; (b) if the combined rate of
22 regular property tax levies that are subject to the one percent
23 limitation still exceeds ~~((one percent of the true and fair value of~~
24 ~~any property))~~ the limitation under RCW 84.52.050, then the levies
25 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
26 imposed under RCW 84.52.069 that is in excess of thirty cents per
27 thousand dollars of assessed value, shall be reduced on a pro rata
28 basis until the combined rate no longer exceeds one percent of the true
29 and fair value of any property or shall be eliminated; and (c) if the
30 combined rate of regular property tax levies that are subject to the
31 one percent limitation still exceeds one percent of the true and fair
32 value of any property, then the thirty cents per thousand dollars of
33 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced
34 until the combined rate no longer exceeds one percent of the true and
35 fair value of any property or eliminated.

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

1 (a) First, the certified property tax levy rates of those junior
2 taxing districts authorized under RCW 36.68.525, 36.69.145, and
3 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

7 (c) Third, if the consolidated tax levy rate still exceeds these
8 limitations, the certified property tax levy rates of all other junior
9 taxing districts, other than fire protection districts, library
10 districts, the first fifty cent per thousand dollars of assessed
11 valuation levies for metropolitan park districts, and the first fifty
12 cent per thousand dollars of assessed valuation levies for public
13 hospital districts, shall be reduced on a pro rata basis or eliminated;

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

18 (e) Fifth, if the consolidated tax levy rate still exceeds these
19 limitations, the certified property tax levy rates authorized for fire
20 protection districts under RCW 52.16.130, library districts,
21 metropolitan park districts under their first fifty cent per thousand
22 dollars of assessed valuation levy, and public hospital districts under
23 their first fifty cent per thousand dollars of assessed valuation levy,
24 shall be reduced on a pro rata basis or eliminated.

25 In determining whether the aggregate rate of tax levy on any
26 property, that is subject to the limitations set forth in RCW
27 84.52.050, exceeds the limitations provided in that section, the
28 assessor shall use the hypothetical state levy, as apportioned to the
29 county under RCW 84.48.080, that was computed under RCW 84.48.080
30 without regard to the reduction under RCW 84.55.012.

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

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

35 (1) Paid more than once;

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

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

1 (4) Paid as a result of other clerical errors in listing property;
2 (5) Paid with respect to improvements which did not exist on
3 assessment date;
4 (6) Paid under levies or statutes adjudicated to be illegal or
5 unconstitutional;
6 (7) Paid as a result of mistake, inadvertence, or lack of knowledge
7 by any person exempted from paying real property taxes or a portion
8 thereof pursuant to RCW 84.36.381 through 84.36.389, as now or
9 hereafter amended;
10 (8) Paid as a result of mistake, inadvertence, or lack of knowledge
11 by either a public official or employee or by any person with respect
12 to real property in which the person paying the same has no legal
13 interest;
14 (9) Paid on the basis of an assessed valuation which was appealed
15 to the county board of equalization and ordered reduced by the board;
16 (10) Paid on the basis of an assessed valuation which was appealed
17 to the state board of tax appeals and ordered reduced by the board:
18 PROVIDED, That the amount refunded under subsections (9) and (10) of
19 this section shall only be for the difference between the tax paid on
20 the basis of the appealed valuation and the tax payable on the
21 valuation adjusted in accordance with the board's order;
22 (11) Paid as a state property tax levied upon property, the
23 assessed value of which has been established by the state board of tax
24 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
25 refunded shall only be for the difference between the state property
26 tax paid and the amount of state property tax which would, when added
27 to all other property taxes within the ((one percent)) limitation of
28 Article VII, section 2 of the state Constitution equal ((one percent))
29 the percentage under RCW 84.52.050 of the assessed value established by
30 the board;
31 (12) Paid on the basis of an assessed valuation which was
32 adjudicated to be unlawful or excessive: PROVIDED, That the amount
33 refunded shall be for the difference between the amount of tax which
34 was paid on the basis of the valuation adjudged unlawful or excessive
35 and the amount of tax payable on the basis of the assessed valuation
36 determined as a result of the proceeding;
37 (13) Paid on property acquired under RCW 84.60.050, and canceled
38 under RCW 84.60.050(2);

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

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

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

16 The county treasurer of each county shall make all refunds
17 determined to be authorized by this section, and by the first Monday in
18 February of each year, report to the county legislative authority a
19 list of all refunds made under this section during the previous year.
20 The list is to include the name of the person receiving the refund, the
21 amount of the refund, and the reason for the refund.

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

--- END ---