
SENATE BILL 5905

State of Washington

56th Legislature

1999 Regular Session

By Senators Winsley, Benton, West, Zarelli, Sheahan, McCaslin, Swecker, Horn, Hale, Sellar, Oke, Honeyford, McDonald, Hochstatter, Stevens, Morton, Roach, Johnson, Rossi, Long, Deccio and Finkbeiner

Read first time 02/16/1999. 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; and

3 (c) For taxes levied for collection in 2001 and for each year
4 thereafter, the greater of no tax rate or the rate imposed in the
5 previous year reduced by twenty cents. On December 1, 2000, and on
6 December 1st of each year thereafter, the department shall determine
7 the growth in state personal income for the previous calendar year as
8 published by the bureau of economic analysis. If the growth is equal
9 to or less than zero, then the reduction in the state rate for taxes
10 collected the following year shall not be made.

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

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

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

19 (1) Levies of the senior taxing districts shall be as follows: (a)
20 The levy by the state shall not exceed (~~three dollars and sixty~~
21 ~~cents~~) the dollar rate per thousand dollars of assessed value
22 specified in RCW 84.52.065 adjusted to the state equalized value in
23 accordance with the indicated ratio fixed by the state department of
24 revenue to be used exclusively for the support of the common schools;
25 (b) the levy by any county shall not exceed one dollar and eighty cents
26 per thousand dollars of assessed value; (c) the levy by any road
27 district shall not exceed two dollars and twenty-five cents per
28 thousand dollars of assessed value; and (d) the levy by any city or
29 town shall not exceed three dollars and thirty-seven and one-half cents
30 per thousand dollars of assessed value. However any county is hereby
31 authorized to increase its levy from one dollar and eighty cents to a
32 rate not to exceed two dollars and forty-seven and one-half cents per
33 thousand dollars of assessed value for general county purposes if the
34 total levies for both the county and any road district within the
35 county do not exceed four dollars and five cents per thousand dollars
36 of assessed value, and no other taxing district has its levy reduced as
37 a result of the increased county levy.

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

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

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

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

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

26 (c) For taxes levied for collection in 2001 and for each year
27 thereafter, the greater of 0.64 or the percentage from the previous
28 year reduced by two one-hundredths of one percent. On December 1,
29 2000, and on December 1st of each year thereafter, the department shall
30 determine the growth in state personal income for the previous calendar
31 year as published by the bureau of economic analysis. If the growth is
32 equal to or less than zero, then the reduction in the percentage for
33 taxes collected the following year shall not be made.

34 (2) Nothing herein shall prevent levies at the rates now provided
35 by law by or for any port or public utility district. The term "taxing
36 district" for the purposes of this section shall mean any political
37 subdivision, municipal corporation, district, or other governmental
38 agency authorized by law to levy, or have levied for it, ad valorem

1 taxes on property, other than a port or public utility district. Such
2 aggregate limitation or any specific limitation imposed by law in
3 conformity therewith may be exceeded only as authorized by law and in
4 conformity with the provisions of Article VII, section 2(a), (b), or
5 (c) of the Constitution of the state of Washington.

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

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

13 (1) A solid waste disposal district shall not have the power to
14 levy an annual levy without voter approval, but it shall have the power
15 to levy a tax, in excess of the (~~one percent~~) limitation in RCW
16 84.52.050, upon the property within the district for a one year period
17 to be used for operating or capital purposes whenever authorized by the
18 electors of the district pursuant to RCW 84.52.052 and Article VII,
19 section 2(a) of the state Constitution.

20 A solid waste disposal district may issue general obligation bonds
21 for capital purposes only, subject to the limitations prescribed in RCW
22 39.36.020(1), and may provide for the retirement of the bonds by voter-
23 approved bond retirement tax levies pursuant to Article VII, section
24 2(b) of the state Constitution and RCW 84.52.056. Such general
25 obligation bonds shall be issued and sold in accordance with chapter
26 39.46 RCW.

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

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

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

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

36 (1) Levy an ad valorem property tax, in excess of the (~~one~~
37 ~~percent~~) limitation in RCW 84.52.050, upon the property within the

1 district for a one-year period to be used for operating or capital
2 purposes whenever authorized by the voters of the district pursuant to
3 RCW 84.52.052 and Article VII, section 2(a) of the state Constitution.

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

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

11 (1) A park and recreation district may impose regular property tax
12 levies in an amount equal to sixty cents or less per thousand dollars
13 of assessed value of property in the district in each year for six
14 consecutive years when specifically authorized so to do by a majority
15 of at least three-fifths of the voters thereof approving a proposition
16 authorizing the levies submitted at a special election or at the
17 regular election of the district, at which election the number of
18 voters voting "yes" on the proposition shall constitute three-fifths of
19 a number equal to forty per centum of the number of voters voting in
20 such district at the last preceding general election when the number of
21 voters voting on the proposition does not exceed forty per centum of
22 the number of voters voting in such taxing district in the last
23 preceding general election; or by a majority of at least three-fifths
24 of the voters thereof voting on the proposition if the number of voters
25 voting on the proposition exceeds forty per centum of the number of
26 voters voting in such taxing district in the last preceding general
27 election. A proposition authorizing the tax levies shall not be
28 submitted by a park and recreation district more than twice in any
29 twelve-month period. Ballot propositions shall conform with RCW
30 29.30.111. In the event a park and recreation district is levying
31 property taxes, which in combination with property taxes levied by
32 other taxing districts subject to the ~~((one percent))~~ limitation
33 provided for in ~~((Article 7, section 2, of our state Constitution))~~
34 RCW 84.52.050 result in taxes in excess of the limitation provided for
35 in RCW 84.52.043, the park and recreation district property tax levy
36 shall be reduced or eliminated before the property tax levies of other
37 taxing districts are reduced.

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

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

6 (1) A transportation benefit district may levy an ad valorem
7 property tax in excess of the (~~one percent~~) limitation in RCW
8 84.52.050 upon the property within the district for a one-year period
9 whenever authorized by the voters of the district pursuant to RCW
10 84.52.052 and Article VII, section 2(a) of the state Constitution.

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

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

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

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

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

32 (1) A public facilities district may levy an ad valorem property
33 tax, in excess of the (~~one percent~~) limitation in RCW 84.52.050, upon
34 the property within the district for a one-year period to be used for
35 operating or capital purposes whenever authorized by the voters of the

1 district pursuant to RCW 84.52.052 and Article VII, section 2(a) of the
2 state Constitution.

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

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

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

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

27 In the event a cultural arts, stadium and convention district is
28 levying property taxes, which in combination with property taxes levied
29 by other taxing districts subject to the ~~((one percent))~~ limitation
30 provided for in ~~((Article VII, section 2, of our state Constitution))~~
31 RCW 84.52.050 result in taxes in excess of the limitation provided for
32 in RCW 84.52.043, the cultural arts, stadium and convention district
33 property tax levy shall be reduced or eliminated before the property
34 tax levies of other taxing districts are reduced: PROVIDED, That no
35 cultural arts, stadium, and convention district may pledge anticipated
36 revenues derived from the property tax herein authorized as security
37 for payments of bonds issued pursuant to subsection (1) of this
38 section: PROVIDED, FURTHER, That such limitation shall not apply to

1 property taxes approved pursuant to subsections (2) and (3) of this
2 section.

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

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

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

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

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

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

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

34 When a county assessor finds that the aggregate rate of tax levy on
35 any property, that is subject to the limitations set forth in RCW
36 84.52.043 or 84.52.050, exceeds the limitations provided in either of
37 these sections, the assessor shall recompute and establish a
38 consolidated levy in the following manner:

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

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

35 (a) First, the certified property tax levy rates of those junior
36 taxing districts authorized under RCW 36.68.525, 36.69.145, and
37 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

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

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

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

22 In determining whether the aggregate rate of tax levy on any
23 property, that is subject to the limitations set forth in RCW
24 84.52.050, exceeds the limitations provided in that section, the
25 assessor shall use the hypothetical state levy, as apportioned to the
26 county under RCW 84.48.080, that was computed under RCW 84.48.080
27 without regard to the reduction under RCW 84.55.012.

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

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

32 (1) Paid more than once;

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

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

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

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

1 (6) Paid under levies or statutes adjudicated to be illegal or
2 unconstitutional;

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

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

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

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

19 (11) Paid as a state property tax levied upon property, the
20 assessed value of which has been established by the state board of tax
21 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
22 refunded shall only be for the difference between the state property
23 tax paid and the amount of state property tax which would, when added
24 to all other property taxes within the (~~one percent~~) limitation of
25 Article VII, section 2 of the state Constitution equal (~~one percent~~)
26 the percentage under RCW 84.52.050 of the assessed value established by
27 the board;

28 (12) Paid on the basis of an assessed valuation which was
29 adjudicated to be unlawful or excessive: PROVIDED, That the amount
30 refunded shall be for the difference between the amount of tax which
31 was paid on the basis of the valuation adjudged unlawful or excessive
32 and the amount of tax payable on the basis of the assessed valuation
33 determined as a result of the proceeding;

34 (13) Paid on property acquired under RCW 84.60.050, and canceled
35 under RCW 84.60.050(2);

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

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

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

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

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

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