
SENATE BILL 5127

State of Washington

58th Legislature

2003 Regular Session

By Senator Benton

Read first time 01/15/2003. 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 84.69.020; reenacting
4 and amending RCW 84.52.010; 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 2003, and before;

1 (b) Three dollars and fifteen cents per thousand dollars of
2 assessed value for taxes levied for collection in 2004;

3 (c) Two dollars and seventy cents per thousand dollars of assessed
4 value for taxes levied for collection in 2005;

5 (d) Two dollars and twenty-five cents per thousand dollars of
6 assessed value for taxes levied for collection in 2006;

7 (e) One dollar and eighty cents per thousand dollars of assessed
8 value for taxes levied for collection in 2007;

9 (f) One dollar and thirty-five cents per thousand dollars of
10 assessed value for taxes levied for collection in 2008;

11 (g) Ninety cents per thousand dollars of assessed value for taxes
12 levied for collection in 2009;

13 (h) Forty-five cents per thousand dollars of assessed value for
14 taxes levied for collection in 2010; and

15 (i) No tax may be levied under this section for taxes levied for
16 collection in 2011 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

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

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

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

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

29 (a) For taxes levied for collection in 2003, and before, 1.0
30 percent;

31 (b) For taxes levied for collection in 2004, 0.95 percent;

32 (c) For taxes levied for collection in 2005, 0.90 percent;

33 (d) For taxes levied for collection in 2006, 0.85 percent;

34 (e) For taxes levied for collection in 2007, 0.80 percent;

35 (f) For taxes levied for collection in 2008, 0.75 percent;

36 (g) For taxes levied for collection in 2009, 0.70 percent;

37 (h) For taxes levied for collection in 2010, 0.65 percent; and

1 (i) For taxes levied for collection in 2011 and thereafter, 0.64
2 percent.

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

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

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

20 (1) A solid waste disposal district shall not have the power to
21 levy an annual levy without voter approval, but it shall have the power
22 to levy a tax, in excess of the (~~one percent~~) limitation in RCW
23 84.52.050, upon the property within the district for a one year period
24 to be used for operating or capital purposes whenever authorized by the
25 electors of the district pursuant to RCW 84.52.052 and Article VII,
26 section 2(a) of the state Constitution.

27 A solid waste disposal district may issue general obligation bonds
28 for capital purposes only, subject to the limitations prescribed in RCW
29 39.36.020(1), and may provide for the retirement of the bonds by voter-
30 approved bond retirement tax levies pursuant to Article VII, section
31 2(b) of the state Constitution and RCW 84.52.056. Such general
32 obligation bonds shall be issued and sold in accordance with chapter
33 39.46 RCW.

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

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

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

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

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

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

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

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

1 twelve-month period. Ballot propositions shall conform with RCW
2 29.30.111. In the event a park and recreation district is levying
3 property taxes, which in combination with property taxes levied by
4 other taxing districts subject to the (~~one percent~~) limitation
5 provided for in (~~Article 7, section 2, of our state Constitution~~)
6 RCW 84.52.050 result in taxes in excess of the limitation provided for
7 in RCW 84.52.043, the park and recreation district property tax levy
8 shall be reduced or eliminated before the property tax levies of other
9 taxing districts are reduced.

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

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

15 (1) A transportation benefit district may levy an ad valorem
16 property tax in excess of the (~~one percent~~) limitation in RCW
17 84.52.050 upon the property within the district for a one-year period
18 whenever authorized by the voters of the district pursuant to RCW
19 84.52.052 and Article VII, section 2(a) of the state Constitution.

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

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

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

33 (2) A service district may provide for the retirement of voter
34 approved general obligation bonds, issued for capital purposes only, by
35 levying bond retirement ad valorem property tax levies, in excess of

1 the one percent limitation, whenever authorized by the voters of the
2 district pursuant to Article VII, section 2(b) of the state
3 Constitution and RCW 84.52.056.

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

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

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

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

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

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

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

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

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

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

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

31 **Sec. 11.** RCW 84.52.010 and 2002 c 248 s 15 and 2002 c 88 s 7 are
32 each reenacted and amended to read as follows:

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

35 The rate percent of all taxes for state and county purposes, and
36 purposes of taxing districts coextensive with the county, shall be
37 determined, calculated and fixed by the county assessors of the

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

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

14 (1) The full certified rates of tax levy for state, county, county
15 road district, and city or town purposes shall be extended on the tax
16 rolls in amounts not exceeding the limitations established by law;
17 however any state levy shall take precedence over all other levies and
18 shall not be reduced for any purpose other than that required by RCW
19 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
20 84.34.230, the portion of the levy by a metropolitan park district that
21 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
22 regular property tax levies that are subject to the ~~((one percent))~~
23 limitation under RCW 84.52.050 exceeds ~~((one percent of the true and~~
24 ~~fair value of any property))~~ the limitation under RCW 84.52.050, then
25 these levies shall be reduced as follows: (a) The portion of the levy
26 by a metropolitan park district that is protected under RCW 84.52.120
27 shall be reduced until the combined rate no longer exceeds ~~((one~~
28 ~~percent of the true and fair value of any property))~~ the limitation
29 under RCW 84.52.050 or shall be eliminated; (b) if the combined rate of
30 regular property tax levies that are subject to the one percent
31 limitation still exceeds ~~((one percent of the true and fair value of~~
32 ~~any property))~~ the limitation under RCW 84.52.050, then the levies
33 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
34 imposed under RCW 84.52.069 that is in excess of thirty cents per
35 thousand dollars of assessed value, shall be reduced on a pro rata
36 basis until the combined rate no longer exceeds one percent of the true
37 and fair value of any property or shall be eliminated; and (c) if the
38 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, 35.95A.100,
12 and 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 first fifty cent per thousand dollars of assessed
25 valuation levies for metropolitan park districts created on or after
26 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

27 (e) Fifth, if the consolidated tax levy rate still exceeds these
28 limitations, the certified property tax levy rates authorized to fire
29 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced
30 on a pro rata basis or eliminated; and

31 (f) Sixth, if the consolidated tax levy rate still exceeds these
32 limitations, the certified property tax levy rates authorized for fire
33 protection districts under RCW 52.16.130, library districts,
34 metropolitan park districts created before January 1, 2002, under their
35 first fifty cent per thousand dollars of assessed valuation levy, and
36 public hospital districts under their first fifty cent per thousand
37 dollars of assessed valuation levy, shall be reduced on a pro rata
38 basis or eliminated.

1 In determining whether the aggregate rate of tax levy on any
2 property, that is subject to the limitations set forth in RCW
3 84.52.050, exceeds the limitations provided in that section, the
4 assessor shall use the hypothetical state levy, as apportioned to the
5 county under RCW 84.48.080, that was computed under RCW 84.48.080
6 without regard to the reduction under RCW 84.55.012.

7 **Sec. 12.** RCW 84.69.020 and 2002 c 168 s 11 are each amended to
8 read as follows:

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

11 (1) Paid more than once;

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

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

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

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

18 (6) Paid under levies or statutes adjudicated to be illegal or
19 unconstitutional;

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

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

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

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

36 (11) Paid as a state property tax levied upon property, the
37 assessed value of which has been established by the state board of tax

1 appeals for the year of such levy: PROVIDED, HOWEVER, That the amount
2 refunded shall only be for the difference between the state property
3 tax paid and the amount of state property tax which would, when added
4 to all other property taxes within the (~~one percent~~) limitation of
5 Article VII, section 2 of the state Constitution equal (~~one percent~~)
6 the percentage under RCW 84.52.050 of the assessed value established by
7 the board;

8 (12) Paid on the basis of an assessed valuation which was
9 adjudicated to be unlawful or excessive: PROVIDED, That the amount
10 refunded shall be for the difference between the amount of tax which
11 was paid on the basis of the valuation adjudged unlawful or excessive
12 and the amount of tax payable on the basis of the assessed valuation
13 determined as a result of the proceeding;

14 (13) Paid on property acquired under RCW 84.60.050, and canceled
15 under RCW 84.60.050(2);

16 (14) Paid on the basis of an assessed valuation that was reduced
17 under RCW 84.48.065;

18 (15) Paid on the basis of an assessed valuation that was reduced
19 under RCW 84.40.039; or

20 (16) Abated under RCW 84.70.010.

21 No refunds under the provisions of this section shall be made
22 because of any error in determining the valuation of property, except
23 as authorized in subsections (9), (10), (11), and (12) of this section
24 nor may any refunds be made if a bona fide purchaser has acquired
25 rights that would preclude the assessment and collection of the
26 refunded tax from the property that should properly have been charged
27 with the tax. Any refunds made on delinquent taxes shall include the
28 proportionate amount of interest and penalties paid. However, refunds
29 as a result of an incorrect payment authorized under subsection (8) of
30 this section made by a third party payee shall not include refund
31 interest. The county treasurer may deduct from moneys collected for
32 the benefit of the state's levy, refunds of the state levy including
33 interest on the levy as provided by this section and chapter 84.68 RCW.

34 The county treasurer of each county shall make all refunds
35 determined to be authorized by this section, and by the first Monday in
36 February of each year, report to the county legislative authority a
37 list of all refunds made under this section during the previous year.

1 The list is to include the name of the person receiving the refund, the
2 amount of the refund, and the reason for the refund.

3 NEW SECTION. **Sec. 13.** This act applies to taxes levied for
4 collection in 2004 and thereafter.

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