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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1484

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State of Washington

59th Legislature

2005 Regular Session

By House Committee on Finance (originally sponsored by Representatives Hunter, Jarrett, Haigh, Tom, McDermott, McIntire, Simpson, P. Sullivan, Kagi and Chase)

READ FIRST TIME 03/07/05.

1 AN ACT Relating to county property tax levies for school purposes;  
2 amending RCW 29A.36.210, 84.52.043, and 84.55.005; adding a new section  
3 to chapter 84.52 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature that  
6 additional funding provided under section 2 of this act be used by  
7 school districts to provide regional cost-of-living salary supplements  
8 to school district employees, as determined through collective  
9 bargaining.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.52 RCW  
11 to read as follows:

12 (1) A county may impose a regular property tax levy for schools  
13 within the county in accordance with this section.

14 (2) Upon receiving resolutions requesting a levy under this section  
15 from the board of directors of school districts within the county where  
16 the petitioning school districts represent a majority of the students  
17 within the county, the county legislative authority shall submit an  
18 authorizing proposition to the county voters.

1 (3) If the proposition is approved by a majority of the voters  
2 voting on the proposition, the county shall impose a levy not to exceed  
3 the lesser of the amount necessary to fully fund the cost-of-living  
4 supplements defined in subsection (5) of this section or seventy-five  
5 cents per thousand dollars of assessed value.

6 (4) Ballot propositions shall conform with RCW 29A.36.210.

7 (5) Any tax imposed under this section shall be used solely to  
8 provide regional cost-of-living salary supplements to school district  
9 employees, as determined through collective bargaining. For  
10 certificated instructional staff, the supplements shall be provided in  
11 the form of separate contracts for additional time, additional  
12 responsibility, or incentive, pursuant to RCW 28A.400.200(4). The  
13 county shall distribute levy proceeds to each school district within  
14 the county in an amount equal to the number of the district's full-time  
15 equivalent employees in the prior school year multiplied by the cost-  
16 of-living salary supplement for the county. The cost-of-living salary  
17 supplement for each county shall be calculated by the superintendent of  
18 public instruction. The cost-of-living salary supplement for a county  
19 is the difference between the weighted average housing and urban  
20 development rent for the county and the smallest weighted average  
21 housing and urban development rent for any county. The weighted  
22 average housing and urban development rent for a county is equal to the  
23 housing and urban development rent for the county weighted by fifty  
24 percent plus the housing and urban development rent for the two  
25 neighboring counties weighted by twenty-five percent each. For each  
26 county, the superintendent shall select the two contiguous counties  
27 with the highest housing and urban development rent as the neighboring  
28 counties. Except for Skamania county, counties located west of the  
29 crest of the Cascade mountains shall not be selected as neighbors for  
30 counties located east of the crest of the Cascade mountains and  
31 counties located east of the crest of the Cascade mountains shall not  
32 be selected as neighbors for counties located west of the crest of the  
33 Cascade mountains. The housing and urban development rent for a county  
34 is the most recently available fair market rent for two-bedroom units  
35 published by the federal department of housing and urban development  
36 under section 8 of the United States housing act of 1937 annualized for  
37 a twelve-month period. For school districts not wholly contained  
38 within a county in which the tax is levied, the district's number of

1 full-time equivalent employees shall be prorated based on the  
2 percentage of the school district's total assessed value that is  
3 contained within the county as adjusted to one hundred percent by the  
4 county indicated ratio established in RCW 84.48.075. The cost-of-  
5 living salary supplement shall be reduced as necessary so that the  
6 total distributed to school districts does not exceed the levy amount.

7 (6) The tax levy authorized in this section is not part of the  
8 county levy in RCW 84.52.043(1) and the limitations in RCW 84.52.043(2)  
9 do not apply.

10 (7) The limitation in RCW 84.55.010 does not apply to the tax levy  
11 authorized in this section.

12 **Sec. 3.** RCW 29A.36.210 and 2004 c 80 s 2 are each amended to read  
13 as follows:

14 (1) The ballot proposition authorizing a taxing district to impose  
15 the regular property tax levies authorized in RCW 36.69.145, 67.38.130,  
16 84.52.069, or 84.52.135 shall contain in substance the following:

17 "Shall the . . . . . (insert the name of the taxing district) be  
18 authorized to impose regular property tax levies of . . . . . (insert  
19 the maximum rate) or less per thousand dollars of assessed valuation  
20 for each of . . . . . (insert the maximum number of years allowable)  
21 consecutive years?

22 Yes . . . . .   
23 No . . . . .

24 Each voter shall indicate either "Yes" or "No" on his or her ballot  
25 in accordance with the procedures established under this title.

26 (2) The ballot proposition authorizing a taxing district to impose  
27 a permanent regular tax levy under RCW 84.52.069 or section 2 of this  
28 act shall contain the following:

29 "Shall the . . . . . (insert the name of the taxing district) be  
30 authorized to impose a PERMANENT regular property levy of . . . . .  
31 (insert the maximum rate) or less per thousand dollars of assessed  
32 valuation?

33 Yes . . . . .   
34 No . . . . .

1       **Sec. 4.** RCW 84.52.043 and 2004 c 80 s 4 are each amended to read  
2 as follows:

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

6       (1) Levies of the senior taxing districts shall be as follows: (a)  
7 The levy by the state shall not exceed three dollars and sixty cents  
8 per thousand dollars of assessed value adjusted to the state equalized  
9 value in accordance with the indicated ratio fixed by the state  
10 department of revenue to be used exclusively for the support of the  
11 common schools; (b) the levy by any county shall not exceed one dollar  
12 and eighty cents per thousand dollars of assessed value; (c) the levy  
13 by any road district shall not exceed two dollars and twenty-five cents  
14 per thousand dollars of assessed value; and (d) the levy by any city or  
15 town shall not exceed three dollars and thirty-seven and one-half cents  
16 per thousand dollars of assessed value. However any county is hereby  
17 authorized to increase its levy from one dollar and eighty cents to a  
18 rate not to exceed two dollars and forty-seven and one-half cents per  
19 thousand dollars of assessed value for general county purposes if the  
20 total levies for both the county and any road district within the  
21 county do not exceed four dollars and five cents per thousand dollars  
22 of assessed value, and no other taxing district has its levy reduced as  
23 a result of the increased county levy.

24       (2) The aggregate levies of junior taxing districts and senior  
25 taxing districts, other than the state, shall not exceed five dollars  
26 and ninety cents per thousand dollars of assessed valuation. The term  
27 "junior taxing districts" includes all taxing districts other than the  
28 state, counties, road districts, cities, towns, port districts, and  
29 public utility districts. The limitations provided in this subsection  
30 shall not apply to: (a) Levies at the rates provided by existing law  
31 by or for any port or public utility district; (b) excess property tax  
32 levies authorized in Article VII, section 2 of the state Constitution;  
33 (c) levies for acquiring conservation futures as authorized under RCW  
34 84.34.230; (d) levies for emergency medical care or emergency medical  
35 services imposed under RCW 84.52.069; (e) levies to finance affordable  
36 housing for very low-income housing imposed under RCW 84.52.105; (f)  
37 the portions of levies by metropolitan park districts that are  
38 protected under RCW 84.52.120; (g) levies imposed by ferry districts

1 under RCW 36.54.130; (~~and~~) (h) levies for criminal justice purposes  
2 under RCW 84.52.135; and (i) levies by counties for school purposes  
3 under section 2 of this act.

4 **Sec. 5.** RCW 84.55.005 and 2002 c 1 s 2 are each amended to read as  
5 follows:

6 As used in this chapter:

7 (1) "Inflation" means the percentage change in the implicit price  
8 deflator for personal consumption expenditures for the United States as  
9 published for the most recent twelve-month period by the bureau of  
10 economic analysis of the federal department of commerce in September of  
11 the year before the taxes are payable;

12 (2) "Limit factor" means:

13 (a) For taxing districts with a population of less than ten  
14 thousand in the calendar year prior to the assessment year, one hundred  
15 one percent;

16 (b) For taxing districts for which a limit factor is authorized  
17 under RCW 84.55.0101, the lesser of the limit factor under that section  
18 or one hundred one percent;

19 (c) For all other districts, the lesser of one hundred one percent  
20 or one hundred percent plus inflation; and

21 (3) "Regular property taxes" has the meaning given it in RCW  
22 84.04.140, except does not include tax levies under section 2 of this  
23 act.

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