
ENGROSSED THIRD SUBSTITUTE HOUSE BILL 1484

State of Washington

59th Legislature

2006 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 01/19/06.

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) The county legislative authority shall submit an authorizing
15 proposition to the county voters after receiving petitions requesting
16 a levy under this section from the boards of directors of school
17 districts subject to the following conditions:

1 (a) In a county with fewer than eight school districts, school
2 districts representing one hundred percent of the students must
3 petition the county.

4 (b) In a county with fewer than fifteen school districts and more
5 than seven school districts, a majority of school districts
6 representing at least seventy-five percent of the students must
7 petition the county.

8 (c) In a county with more than fourteen school districts, a
9 majority of school districts representing at least fifty percent of the
10 students must petition the county.

11 (d) For school districts not wholly contained within a county, the
12 district's number of students shall be prorated based on the percentage
13 of the school district's total assessed value that is contained within
14 the county as adjusted to one hundred percent by the county indicated
15 ratio established in RCW 84.48.075.

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

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

22 (5) Any tax imposed under this section shall be used solely to
23 provide regional cost-of-living salary supplements to school district
24 employees, as determined through collective bargaining. For
25 certificated instructional staff, the supplements shall be provided in
26 the form of separate contracts for additional time, additional
27 responsibility, or incentive, pursuant to RCW 28A.400.200(4). The
28 county shall distribute levy proceeds to each school district within
29 the county in an amount equal to the number of the district's full-time
30 equivalent employees in the prior school year multiplied by the cost-
31 of-living salary supplement for the county. The cost-of-living salary
32 supplement for each county shall be calculated by the superintendent of
33 public instruction. The cost-of-living salary supplement for a county
34 is the difference between the weighted average housing and urban
35 development rent for the county and the smallest weighted average
36 housing and urban development rent for any county. The weighted
37 average housing and urban development rent for a county is equal to the
38 housing and urban development rent for the county weighted by fifty

1 percent plus the housing and urban development rent for the two
2 neighboring counties weighted by twenty-five percent each. For each
3 county, the superintendent shall select the two contiguous counties
4 with the highest housing and urban development rent as the neighboring
5 counties. Except for Skamania county, counties located west of the
6 crest of the Cascade mountains shall not be selected as neighbors for
7 counties located east of the crest of the Cascade mountains and
8 counties located east of the crest of the Cascade mountains shall not
9 be selected as neighbors for counties located west of the crest of the
10 Cascade mountains. The housing and urban development rent for a county
11 is the most recently available fair market rent for two-bedroom units
12 published by the federal department of housing and urban development
13 under section 8 of the United States housing act of 1937 annualized for
14 a twelve-month period. For school districts not wholly contained
15 within a county in which the tax is levied, the district's number of
16 full-time equivalent employees shall be prorated based on the
17 percentage of the school district's total assessed value that is
18 contained within the county as adjusted to one hundred percent by the
19 county indicated ratio established in RCW 84.48.075. The cost-of-
20 living salary supplement shall be reduced as necessary so that the
21 total distributed to school districts does not exceed the levy amount.

22 (6) Each school receiving levy proceeds under this section shall
23 annually report to the superintendent of public instruction on the use
24 of the proceeds. The report shall include a detailed description of
25 the additional time, additional responsibilities, or incentives for
26 which certificated instructional staff receive the supplemental
27 contracts supported by the proceeds.

28 (7) The state auditor shall conduct regular audits of compliance
29 with RCW 28A.400.200 in the implementation of this act.

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

33 (9) The limitation in RCW 84.55.010 does not apply to the tax levy
34 authorized in this section.

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

1 (1) The ballot proposition authorizing a taxing district to impose
2 the regular property tax levies authorized in RCW 36.69.145, 67.38.130,
3 84.52.069, or 84.52.135 shall contain in substance the following:

4 "Shall the (insert the name of the taxing district) be
5 authorized to impose regular property tax levies of (insert
6 the maximum rate) or less per thousand dollars of assessed valuation
7 for each of (insert the maximum number of years allowable)
8 consecutive years?

9 Yes

10 No

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

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

16 "Shall the (insert the name of the taxing district) be
17 authorized to impose a PERMANENT regular property levy of
18 (insert the maximum rate) or less per thousand dollars of assessed
19 valuation?

20 Yes

21 No

22 **Sec. 4.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to read
23 as follows:

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

27 (1) Levies of the senior taxing districts shall be as follows: (a)
28 The levy by the state shall not exceed three dollars and sixty cents
29 per thousand dollars of assessed value adjusted to the state equalized
30 value in accordance with the indicated ratio fixed by the state
31 department of revenue to be used exclusively for the support of the
32 common schools; (b) the levy by any county shall not exceed one dollar
33 and eighty cents per thousand dollars of assessed value; (c) the levy
34 by any road district shall not exceed two dollars and twenty-five cents
35 per thousand dollars of assessed value; and (d) the levy by any city or
36 town shall not exceed three dollars and thirty-seven and one-half cents

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

9 (2) The aggregate levies of junior taxing districts and senior
10 taxing districts, other than the state, shall not exceed five dollars
11 and ninety cents per thousand dollars of assessed valuation. The term
12 "junior taxing districts" includes all taxing districts other than the
13 state, counties, road districts, cities, towns, port districts, and
14 public utility districts. The limitations provided in this subsection
15 shall not apply to: (a) Levies at the rates provided by existing law
16 by or for any port or public utility district; (b) excess property tax
17 levies authorized in Article VII, section 2 of the state Constitution;
18 (c) levies for acquiring conservation futures as authorized under RCW
19 84.34.230; (d) levies for emergency medical care or emergency medical
20 services imposed under RCW 84.52.069; (e) levies to finance affordable
21 housing for very low-income housing imposed under RCW 84.52.105; (f)
22 the portions of levies by metropolitan park districts that are
23 protected under RCW 84.52.120; (g) levies imposed by ferry districts
24 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW
25 84.52.135; ~~((and))~~ (i) the portions of levies by fire protection
26 districts that are protected under RCW 84.52.125; and (j) levies by
27 counties for school purposes under section 2 of this act.

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

30 As used in this chapter:

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

36 (2) "Limit factor" means:

1 (a) For taxing districts with a population of less than ten
2 thousand in the calendar year prior to the assessment year, one hundred
3 one percent;
4 (b) For taxing districts for which a limit factor is authorized
5 under RCW 84.55.0101, the lesser of the limit factor under that section
6 or one hundred one percent;
7 (c) For all other districts, the lesser of one hundred one percent
8 or one hundred percent plus inflation; and
9 (3) "Regular property taxes" has the meaning given it in RCW
10 84.04.140, except does not include tax levies under section 2 of this
11 act.

--- END ---