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HOUSE BILL 1159

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State of Washington                      60th Legislature                      2007 Regular Session

By Representatives B. Sullivan, Takko, Wallace, Conway, Sells, Haigh, Simpson and Moeller

Read first time 01/11/2007. Referred to Committee on Finance.

1            AN ACT Relating to establishing local public works assistance  
2 funds; amending RCW 29A.36.210, 84.52.010, and 84.52.043; and adding a  
3 new chapter to Title 36 RCW.

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

5            NEW SECTION.    **Sec. 1.** Unless the context clearly requires  
6 otherwise, the definitions in this section apply throughout this  
7 chapter.

8            (1) "Capital facilities plan" means a capital facilities plan  
9 required under chapter 36.70A RCW.

10           (2) "Local government" means cities, towns, counties, special  
11 purpose districts, and any other municipal corporations or quasi-  
12 municipal corporations in the state, excluding school districts and  
13 port districts.

14           (3) "Public works project" means a project of a local government  
15 for the planning, acquisition, construction, repair, reconstruction,  
16 replacement, rehabilitation, or improvement of streets and roads,  
17 bridges, water systems, or storm and sanitary sewage systems and solid  
18 waste facilities, including recycling facilities.

1        NEW SECTION.    **Sec. 2.** (1) County legislative authorities may  
2 establish local public works assistance funds for the purpose of  
3 funding public works projects located wholly or partially within the  
4 county. Moneys may be deposited in local public works assistance funds  
5 from taxes levied under section 5 of this act or from any other lawful  
6 source.

7        (2) Moneys deposited in local public works assistance funds, and  
8 interest earned on balances from the funds, may only be used:

9        (a) To make loans to the county and to other local governments for  
10 funding public works projects as provided in this chapter; and

11        (b) For costs incurred in the administration of funds.

12        (3) No more than fifty percent of the moneys loaned from a fund in  
13 a calendar year may be loaned to the county imposing the levy under  
14 section 5 of this act. At least twenty-five percent of the moneys  
15 anticipated to be loaned from a fund in a calendar year must be made  
16 available for funding public works projects in cities or towns.

17        (4) No more than one percent of the average annual balance of a  
18 county's fund, including interest earned on balances from the fund, may  
19 be used annually for administrative costs.

20        NEW SECTION.    **Sec. 3.** (1) Counties, in consultation with cities  
21 and towns within the county, may make loans to local governments from  
22 funds established under section 2 of this act for the purpose of  
23 assisting local governments in funding public works projects. Counties  
24 may require terms and conditions and may charge rates of interest on  
25 its loans as they deem necessary or convenient to carry out the  
26 purposes of this chapter. Counties may not pledge any amount greater  
27 than the sum of money in their local public works assistance fund plus  
28 money to be received from the payment of the debt service on loans made  
29 from that fund. Money received from local governments in repayment of  
30 loans made under this chapter must be paid into the fund of the lending  
31 county for uses consistent with this chapter.

32        (2) Prior to receiving moneys from a fund established under section  
33 2 of this act, a local government applying for financial assistance  
34 under this chapter must demonstrate to the lending county:

35        (a) Utilization of all local revenue sources that are reasonably  
36 available for funding public works projects;

1 (b) Compliance with applicable requirements of chapter 36.70A RCW;  
2 and

3 (c) Consistency between the proposed project and applicable capital  
4 facilities plans.

5 (3) Counties may not make loans under this chapter prior to  
6 completing the initial collaboration and prioritization requirements of  
7 section 4(1) of this act.

8 NEW SECTION. **Sec. 4.** (1) County legislative authorities utilizing  
9 or providing money under this chapter must develop a prioritization  
10 process for funding public works projects that gives priority to  
11 projects necessary to address public health needs or substantial  
12 environmental degradation. The intent of this prioritization process  
13 is to maximize the value of public works projects accomplished with  
14 funds levied under section 5 of this act. This prioritization process  
15 must be:

16 (a) Completed collaboratively with public works directors of local  
17 governments within the county;

18 (b) Documented in the form of written findings produced by the  
19 county; and

20 (c) Revised periodically according to a schedule developed by the  
21 county and the public works directors.

22 (2) In addition to the public health and environmental degradation  
23 requirements under subsection (1) of this section, legislative  
24 authorities providing funding to other local governments under this  
25 chapter must consider, through a competitive application process, the  
26 following factors in assigning a priority to and funding a project:

27 (a) Whether the local government applying for assistance has  
28 experienced severe fiscal distress resulting from natural disaster or  
29 emergency public works needs;

30 (b) Whether the project is critical in nature and would affect the  
31 health and safety of a great number of citizens;

32 (c) The cost of the project compared to the size of the local  
33 government and amount of loan money available;

34 (d) The number of communities served by or funding the project;

35 (e) Whether the project is the acquisition, expansion, improvement,  
36 or renovation by a local government of a public water system that is in  
37 violation of health and safety standards; and

1 (f) Other criteria the county legislative authority deems  
2 appropriate.

3 NEW SECTION. **Sec. 5.** (1)(a) County legislative authorities may  
4 impose additional regular property tax levies in an amount equal to  
5 fifteen cents or less per thousand dollars of the assessed value of  
6 property in the county in accordance with the terms of this section.

7 (b) The sum total a county legislative authority may impose under  
8 this section may not exceed one hundred million dollars.

9 (2) The tax proposition may be submitted at a general or special  
10 election.

11 (3) The tax may be imposed for each year for six consecutive years  
12 or permanently, but either imposition must be specifically authorized  
13 by the registered voters voting on the proposition in accordance with  
14 the following:

15 (a) If the number of registered voters voting on the proposition is  
16 equal to or less than forty percent of the total number of voters  
17 voting in the county at the last general election, the number of  
18 persons voting "yes" on the proposition must constitute at least  
19 three-fifths of a number equal to forty percent of the total number of  
20 voters voting in the county at the last general election.

21 (b) If the number of registered voters voting on the proposition  
22 exceeds forty percent of the total number of voters voting in the  
23 county at the last preceding general election, the number of persons  
24 voting "yes" on the proposition must constitute at least three-fifths  
25 of the registered voters voting on the proposition.

26 (4) Ballot propositions must conform with RCW 29A.36.210.

27 (5) Any tax imposed under this section shall be used exclusively  
28 for the purpose of funding public works projects as provided in this  
29 chapter.

30 (6) The limitations in RCW 84.52.043 do not apply to the tax  
31 authorized in this section.

32 (7) The limitation in RCW 84.55.010 does not apply to the first tax  
33 levy imposed under this section following the approval of the levy by  
34 the voters under subsection (3) of this section.

35 NEW SECTION. **Sec. 6.** County legislative authorities providing

1 funding for public works projects under this chapter must keep proper  
2 records of accounts and are subject to audit by the state auditor.

3 **Sec. 7.** RCW 29A.36.210 and 2004 c 80 s 2 are each amended to read  
4 as follows:

5 (1) The ballot proposition authorizing a taxing district to impose  
6 the regular property tax levies authorized in RCW 36.69.145, 67.38.130,  
7 84.52.069, (~~(or)~~) 84.52.135, or section 5 of this act shall contain in  
8 substance the following:

9 "Shall the . . . . . (insert the name of the taxing district) be  
10 authorized to impose regular property tax levies of . . . . . (insert  
11 the maximum rate) or less per thousand dollars of assessed valuation  
12 for each of . . . . . (insert the maximum number of years allowable)  
13 consecutive years?

14 Yes . . . . .

15 No . . . . .

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

18 (2) The ballot proposition authorizing a taxing district to impose  
19 a permanent regular tax levy under RCW 84.52.069 shall contain the  
20 following:

21 "Shall the . . . . . (insert the name of the taxing district) be  
22 authorized to impose a PERMANENT regular property levy of . . . . .  
23 (insert the maximum rate) or less per thousand dollars of assessed  
24 valuation?

25 Yes . . . . .

26 No . . . . .

27 **Sec. 8.** RCW 84.52.010 and 2005 c 122 s 2 are each amended to read  
28 as follows:

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

31 The rate percent of all taxes for state and county purposes, and  
32 purposes of taxing districts coextensive with the county, shall be  
33 determined, calculated and fixed by the county assessors of the  
34 respective counties, within the limitations provided by law, upon the  
35 assessed valuation of the property of the county, as shown by the

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

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

12 (1) The full certified rates of tax levy for state, county, county  
13 road district, and city or town purposes shall be extended on the tax  
14 rolls in amounts not exceeding the limitations established by law;  
15 however any state levy shall take precedence over all other levies and  
16 shall not be reduced for any purpose other than that required by RCW  
17 84.55.010. If, as a result of the levies imposed under section 5 of  
18 this act, RCW 84.52.125, 84.52.135, 36.54.130, 84.52.069, 84.34.230,  
19 the portion of the levy by a metropolitan park district that was  
20 protected under RCW 84.52.120, and 84.52.105, the combined rate of  
21 regular property tax levies that are subject to the one percent  
22 limitation exceeds one percent of the true and fair value of any  
23 property, then these levies shall be reduced as follows:

24 (a) The levy imposed by a county under section 5 of this act must  
25 be reduced until the combined rate no longer exceeds one percent of the  
26 true and fair value of any property or must be eliminated;

27 (b) If the combined rate of regular property tax levies that are  
28 subject to the one percent limitation still exceeds one percent of the  
29 true and fair value of any property, the portion of the levy by a fire  
30 protection district that is protected under RCW 84.52.125 shall be  
31 reduced until the combined rate no longer exceeds one percent of the  
32 true and fair value of any property or shall be eliminated;

33 ~~((b))~~ (c) If the combined rate of regular property tax levies  
34 that are subject to the one percent limitation still exceeds one  
35 percent of the true and fair value of any property, the levy imposed by  
36 a county under RCW 84.52.135 must be reduced until the combined rate no  
37 longer exceeds one percent of the true and fair value of any property  
38 or must be eliminated;

1       (~~(e)~~) (d) If the combined rate of regular property tax levies  
2 that are subject to the one percent limitation still exceeds one  
3 percent of the true and fair value of any property, the levy imposed by  
4 a ferry district under RCW 36.54.130 must be reduced until the combined  
5 rate no longer exceeds one percent of the true and fair value of any  
6 property or must be eliminated;

7       (~~(d)~~) (e) If the combined rate of regular property tax levies  
8 that are subject to the one percent limitation still exceeds one  
9 percent of the true and fair value of any property, the portion of the  
10 levy by a metropolitan park district that is protected under RCW  
11 84.52.120 shall be reduced until the combined rate no longer exceeds  
12 one percent of the true and fair value of any property or shall be  
13 eliminated;

14       (~~(e)~~) (f) If the combined rate of regular property tax levies  
15 that are subject to the one percent limitation still exceeds one  
16 percent of the true and fair value of any property, then the levies  
17 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy  
18 imposed under RCW 84.52.069 that is in excess of thirty cents per  
19 thousand dollars of assessed value, shall be reduced on a pro rata  
20 basis until the combined rate no longer exceeds one percent of the true  
21 and fair value of any property or shall be eliminated; and

22       (~~(f)~~) (g) If the combined rate of regular property tax levies  
23 that are subject to the one percent limitation still exceeds one  
24 percent of the true and fair value of any property, then the thirty  
25 cents per thousand dollars of assessed value of tax levy imposed under  
26 RCW 84.52.069 shall be reduced until the combined rate no longer  
27 exceeds one percent of the true and fair value of any property or  
28 eliminated.

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

33       (a) First, the certified property tax levy rates of those junior  
34 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,  
35 and 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

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

9 (d) Fourth, if the consolidated tax levy rate still exceeds these  
10 limitations, the first fifty cent per thousand dollars of assessed  
11 valuation levies for metropolitan park districts created on or after  
12 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

13 (e) Fifth, if the consolidated tax levy rate still exceeds these  
14 limitations, the certified property tax levy rates authorized to  
15 regional fire protection service authorities under RCW 52.26.140(1) (b)  
16 and (c) and fire protection districts under RCW 52.16.140 and 52.16.160  
17 shall be reduced on a pro rata basis or eliminated; and

18 (f) Sixth, if the consolidated tax levy rate still exceeds these  
19 limitations, the certified property tax levy rates authorized for  
20 regional fire protection service authorities under RCW 52.26.140(1)(a),  
21 fire protection districts under RCW 52.16.130, library districts,  
22 metropolitan park districts created before January 1, 2002, under their  
23 first fifty cent per thousand dollars of assessed valuation levy, and  
24 public hospital districts under their first fifty cent per thousand  
25 dollars of assessed valuation levy, shall be reduced on a pro rata  
26 basis or eliminated.

27 **Sec. 9.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to read  
28 as follows:

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

32 (1) Levies of the senior taxing districts shall be as follows: (a)  
33 The levy by the state shall not exceed three dollars and sixty cents  
34 per thousand dollars of assessed value adjusted to the state equalized  
35 value in accordance with the indicated ratio fixed by the state  
36 department of revenue to be used exclusively for the support of the  
37 common schools; (b) the levy by any county shall not exceed one dollar



1 and eighty cents per thousand dollars of assessed value; (c) the levy  
2 by any road district shall not exceed two dollars and twenty-five cents  
3 per thousand dollars of assessed value; and (d) the levy by any city or  
4 town shall not exceed three dollars and thirty-seven and one-half cents  
5 per thousand dollars of assessed value. However any county is hereby  
6 authorized to increase its levy from one dollar and eighty cents to a  
7 rate not to exceed two dollars and forty-seven and one-half cents per  
8 thousand dollars of assessed value for general county purposes if the  
9 total levies for both the county and any road district within the  
10 county do not exceed four dollars and five cents per thousand dollars  
11 of assessed value, and no other taxing district has its levy reduced as  
12 a result of the increased county levy.

13 (2) The aggregate levies of junior taxing districts and senior  
14 taxing districts, other than the state, shall not exceed five dollars  
15 and ninety cents per thousand dollars of assessed valuation. The term  
16 "junior taxing districts" includes all taxing districts other than the  
17 state, counties, road districts, cities, towns, port districts, and  
18 public utility districts. The limitations provided in this subsection  
19 shall not apply to: (a) Levies at the rates provided by existing law  
20 by or for any port or public utility district; (b) excess property tax  
21 levies authorized in Article VII, section 2 of the state Constitution;  
22 (c) levies for acquiring conservation futures as authorized under RCW  
23 84.34.230; (d) levies for emergency medical care or emergency medical  
24 services imposed under RCW 84.52.069; (e) levies to finance affordable  
25 housing for very low-income housing imposed under RCW 84.52.105; (f)  
26 the portions of levies by metropolitan park districts that are  
27 protected under RCW 84.52.120; (g) levies imposed by ferry districts  
28 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW  
29 84.52.135; ~~((and))~~ (i) the portions of levies by fire protection  
30 districts that are protected under RCW 84.52.125; and (j) levies for  
31 funding public works projects under section 5 of this act.

32 NEW SECTION. Sec. 10. Sections 1 through 6 of this act constitute  
33 a new chapter in Title 36 RCW.

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