

2SSB 5433 - CONF REPT  
By Conference Committee

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 82.14.450 and 2007 c 380 s 1 are each amended to read  
4 as follows:

5 (1) A county legislative authority may submit an authorizing  
6 proposition to the county voters at a primary or general election and,  
7 if the proposition is approved by a majority of persons voting, impose  
8 a sales and use tax in accordance with the terms of this chapter. The  
9 title of each ballot measure must clearly state the purposes for which  
10 the proposed sales and use tax will be used. Funds raised under this  
11 tax shall not supplant existing funds used for these purposes, except  
12 as follows: Up to one hundred percent may be used to supplant existing  
13 funding in calendar year 2010; up to eighty percent may be used to  
14 supplant existing funding in calendar year 2011; up to sixty percent  
15 may be used to supplant existing funding in calendar year 2012; up to  
16 forty percent may be used to supplant existing funding in calendar year  
17 2013; and up to twenty percent may be used to supplant existing funding  
18 in calendar year 2014. For purposes of this subsection, existing funds  
19 means the actual operating expenditures for the calendar year in which  
20 the ballot measure is approved by voters. Actual operating  
21 expenditures excludes lost federal funds, lost or expired state grants  
22 or loans, extraordinary events not likely to reoccur, changes in  
23 contract provisions beyond the control of the county or city receiving  
24 the services, and major nonrecurring capital expenditures. The rate of  
25 tax under this section (~~shall~~) may not exceed three-tenths of one  
26 percent of the selling price in the case of a sales tax, or value of  
27 the article used, in the case of a use tax.

28 (2) The tax authorized in this section is in addition to any other  
29 taxes authorized by law and (~~shall~~) must be collected from those

1 persons who are taxable by the state under chapters 82.08 and 82.12 RCW  
2 upon the occurrence of any taxable event within the county.

3 (3) The retail sale or use of motor vehicles, and the lease of  
4 motor vehicles for up to the first thirty-six months of the lease, are  
5 exempt from tax imposed under this section.

6 (4) One-third of all money received under this section (~~shall~~)  
7 must be used solely for criminal justice purposes, fire protection  
8 purposes, or both. For the purposes of this subsection, "criminal  
9 justice purposes" (~~means additional police protection, mitigation of~~  
10 ~~congested court systems, or relief of overcrowded jails or other local~~  
11 ~~correctional facilities~~) has the same meaning as provided in RCW  
12 82.14.340.

13 (5) Money received under this section (~~shall~~) must be shared  
14 between the county and the cities as follows: Sixty percent (~~shall~~)  
15 must be retained by the county and forty percent (~~shall~~) must be  
16 distributed on a per capita basis to cities in the county.

17 **Sec. 2.** RCW 82.14.460 and 2008 c 157 s 2 are each amended to read  
18 as follows:

19 (1) A county legislative authority may authorize, fix, and impose  
20 a sales and use tax in accordance with the terms of this chapter.

21 (2) The tax authorized in this section shall be in addition to any  
22 other taxes authorized by law and shall be collected from those persons  
23 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
24 the occurrence of any taxable event within the county. The rate of tax  
25 shall equal one-tenth of one percent of the selling price in the case  
26 of a sales tax, or value of the article used, in the case of a use tax.

27 (3) Moneys collected under this section shall be used solely for  
28 the purpose of providing for the operation or delivery of (~~new or~~  
29 ~~expanded~~) chemical dependency or mental health treatment programs and  
30 services and for the operation or delivery of (~~new or expanded~~)  
31 therapeutic court programs and services. For the purposes of this  
32 section, "programs and services" includes, but is not limited to,  
33 treatment services, case management, and housing that are a component  
34 of a coordinated chemical dependency or mental health treatment program  
35 or service.

36 (4) All moneys collected under this section must be used solely for  
37 the purpose of providing new or expanded programs and services as

1 provided in this section, except a portion of moneys collected under  
2 this section (~~(shall not)~~) may be used to supplant existing funding for  
3 these purposes(~~(, provided that)~~) in any county as follows: Up to  
4 fifty percent may be used to supplant existing funding in calendar year  
5 2010; up to forty percent may be used to supplant existing funding in  
6 calendar year 2011; up to thirty percent may be used to supplant  
7 existing funding in calendar year 2012; up to twenty percent may be  
8 used to supplant existing funding in calendar year 2013; and up to ten  
9 percent may be used to supplant existing funding in calendar year 2014.

10 (5) Nothing in this section (~~(shall)~~) may be interpreted to  
11 prohibit the use of moneys collected under this section for the  
12 replacement of lapsed federal funding previously provided for the  
13 operation or delivery of services and programs as provided in this  
14 section.

15 **Sec. 3.** RCW 84.55.050 and 2008 c 319 s 1 are each amended to read  
16 as follows:

17 (1) Subject to any otherwise applicable statutory dollar rate  
18 limitations, regular property taxes may be levied by or for a taxing  
19 district in an amount exceeding the limitations provided for in this  
20 chapter if such levy is authorized by a proposition approved by a  
21 majority of the voters of the taxing district voting on the proposition  
22 at a general election held within the district or at a special election  
23 within the taxing district called by the district for the purpose of  
24 submitting such proposition to the voters. Any election held pursuant  
25 to this section shall be held not more than twelve months prior to the  
26 date on which the proposed levy is to be made, except as provided in  
27 subsection (2) of this section. The ballot of the proposition shall  
28 state the dollar rate proposed and shall clearly state the conditions,  
29 if any, which are applicable under subsection (4) of this section.

30 (2)(a) Subject to statutory dollar limitations, a proposition  
31 placed before the voters under this section may authorize annual  
32 increases in levies for multiple consecutive years, up to six  
33 consecutive years, during which period each year's authorized maximum  
34 legal levy shall be used as the base upon which an increased levy limit  
35 for the succeeding year is computed, but the ballot proposition must  
36 state the dollar rate proposed only for the first year of the  
37 consecutive years and must state the limit factor, or a specified index

1 to be used for determining a limit factor, such as the consumer price  
2 index, which need not be the same for all years, by which the regular  
3 tax levy for the district may be increased in each of the subsequent  
4 consecutive years. Elections for this purpose must be held at a  
5 primary or general election. The title of each ballot measure must  
6 state the limited purposes for which the proposed annual increases  
7 during the specified period of up to six consecutive years shall be  
8 used(~~(, and funds raised under the levy shall not supplant existing~~  
9 ~~funds used for these purposes))).~~

10 (b)(i) Except as otherwise provided in this subsection (2)(b),  
11 funds raised by a levy under this subsection may not supplant existing  
12 funds used for the limited purpose specified in the ballot title. For  
13 purposes of this subsection, existing funds means the actual operating  
14 expenditures for the calendar year in which the ballot measure is  
15 approved by voters. Actual operating expenditures excludes lost  
16 federal funds, lost or expired state grants or loans, extraordinary  
17 events not likely to reoccur, changes in contract provisions beyond the  
18 control of the taxing district receiving the services, and major  
19 nonrecurring capital expenditures.

20 (ii) The supplanting limitations in (b)(i) of this subsection do  
21 not apply to levies approved by the voters in calendar years 2009,  
22 2010, and 2011, in any county with a population of one million five  
23 hundred thousand or more. This subsection (2)(b)(ii) only applies to  
24 levies approved by the voters after the effective date of this act.

25 (iii) The supplanting limitations in (b)(i) of this subsection do  
26 not apply to levies approved by the voters in calendar year 2009 and  
27 thereafter in any county with a population less than one million five  
28 hundred thousand. This subsection (2)(b)(iii) only applies to levies  
29 approved by the voters after the effective date of this act.

30 (3) After a levy authorized pursuant to this section is made, the  
31 dollar amount of such levy may not be used for the purpose of computing  
32 the limitations for subsequent levies provided for in this chapter,  
33 unless the ballot proposition expressly states that the levy made under  
34 this section will be used for this purpose.

35 (4) If expressly stated, a proposition placed before the voters  
36 under subsection (1) or (2) of this section may:

37 (a) Use the dollar amount of a levy under subsection (1) of this

1 section, or the dollar amount of the final levy under subsection (2) of  
2 this section, for the purpose of computing the limitations for  
3 subsequent levies provided for in this chapter;

4 (b) Limit the period for which the increased levy is to be made  
5 under (a) of this subsection;

6 (c) Limit the purpose for which the increased levy is to be made  
7 under (a) of this subsection, but if the limited purpose includes  
8 making redemption payments on bonds, the period for which the increased  
9 levies are made shall not exceed nine years;

10 (d) Set the levy or levies at a rate less than the maximum rate  
11 allowed for the district; or

12 (e) Include any combination of the conditions in this subsection.

13 (5) Except as otherwise expressly stated in an approved ballot  
14 measure under this section, subsequent levies shall be computed as if:

15 (a) The proposition under this section had not been approved; and

16 (b) The taxing district had made levies at the maximum rates which  
17 would otherwise have been allowed under this chapter during the years  
18 levies were made under the proposition.

19 **Sec. 4.** RCW 36.54.130 and 2007 c 223 s 6 are each amended to read  
20 as follows:

21 (1) To carry out the purposes for which ferry districts are  
22 created, the governing body of a ferry district may levy each year an  
23 ad valorem tax on all taxable property located in the district not to  
24 exceed seventy-five cents per thousand dollars of assessed value,  
25 except a ferry district in a county with a population of one million  
26 five hundred thousand or more may not levy at a rate that exceeds seven  
27 and one-half cents per thousand dollars of assessed value. The levy  
28 must be sufficient for the provision of ferry services as shown to be  
29 required by the budget prepared by the governing body of the ferry  
30 district.

31 (2) A tax imposed under this section may be used only for:

32 (a) Providing ferry services, including the purchase, lease, or  
33 rental of ferry vessels and dock facilities;

34 (b) The operation, maintenance, and improvement of ferry vessels  
35 and dock facilities;

36 (c) Providing shuttle services between the ferry terminal and

1 passenger parking facilities, and other landside improvements directly  
2 related to the provision of passenger-only ferry service; and  
3 (d) Related personnel costs.

4 NEW SECTION. **Sec. 5.** A new section is added to chapter 84.52 RCW  
5 to read as follows:

6 (1) A county with a population of one million five hundred thousand  
7 or more may impose an additional regular property tax levy in an amount  
8 not to exceed seven and one-half cents per thousand dollars of the  
9 assessed value of property in the county in accordance with the terms  
10 of this section.

11 (2) Any tax imposed under this section shall be used as follows:

12 (a) The first one cent for expanding transit capacity along state  
13 route number 520 by adding core and other supporting bus routes;

14 (b) The remainder for transit-related expenditures.

15 (3) The limitations in RCW 84.52.043 do not apply to the tax  
16 authorized in this section.

17 (4) The limitation in RCW 84.55.010 does not apply to the first tax  
18 levy imposed under this section.

19 **Sec. 6.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to read  
20 as follows:

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

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

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

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

25 **Sec. 7.** RCW 84.52.010 and 2007 c 54 s 26 are each amended to read  
26 as follows:

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

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

4 When a county assessor finds that the aggregate rate of tax levy on  
5 any property, that is subject to the limitations set forth in RCW  
6 84.52.043 or 84.52.050, exceeds the limitations provided in either of  
7 these sections, the assessor shall recompute and establish a  
8 consolidated levy in the following manner:

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

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

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

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

36 (~~(c)~~) (d) If the combined rate of regular property tax levies  
37 that are subject to the one percent limitation still exceeds one  
38 percent of the true and fair value of any property, the levy imposed by



1 a ferry district under RCW 36.54.130 must be reduced until the combined  
2 rate no longer exceeds one percent of the true and fair value of any  
3 property or must be eliminated;

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

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

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

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

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

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

36 (c) Third, if the consolidated tax levy rate still exceeds these  
37 limitations, the certified property tax levy rates of all other junior  
38 taxing districts, other than fire protection districts, regional fire

1 protection service authorities, library districts, the first fifty cent  
2 per thousand dollars of assessed valuation levies for metropolitan park  
3 districts, and the first fifty cent per thousand dollars of assessed  
4 valuation levies for public hospital districts, shall be reduced on a  
5 pro rata basis or eliminated;

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

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

15 (f) Sixth, 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, regional fire protection  
18 service authorities under RCW 52.26.140(1)(a), library districts,  
19 metropolitan park districts created before January 1, 2002, under their  
20 first fifty cent per thousand dollars of assessed valuation levy, and  
21 public hospital districts under their first fifty cent per thousand  
22 dollars of assessed valuation levy, shall be reduced on a pro rata  
23 basis or eliminated.

24 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.80 RCW  
25 to read as follows:

26 (1) Subject to voter approval, a public transportation entity may  
27 fix and impose an annual congestion reduction tax, not to exceed twenty  
28 dollars per vehicle registered within the boundaries of the public  
29 transportation entity, for each vehicle subject to license tab fees  
30 under RCW 46.16.0621 and for each vehicle subject to gross weight fees  
31 under RCW 46.16.070 with an unladen weight of six thousand pounds or  
32 less. For purposes of this section, a "public transportation entity"  
33 includes public transportation benefit areas under chapter 36.57A RCW,  
34 metropolitan municipal corporations providing public transportation  
35 services under chapter 36.56 or 35.58 RCW, city-owned transit systems  
36 under chapter 35.58 RCW, county public transportation authorities under

1 chapter 36.57 RCW, and unincorporated transportation benefit areas  
2 under chapter 36.57 RCW.

3 (2) The department of licensing must administer and collect the tax  
4 for the relevant public transportation entity identified in subsection  
5 (1) of this section. The department of licensing must deduct a  
6 percentage amount, as provided by contract, not to exceed one percent  
7 of the taxes collected, for administration and collection expenses  
8 incurred by it. The department of licensing must remit remaining  
9 proceeds to the custody of the state treasurer. The state treasurer  
10 must distribute the proceeds to the public transportation entity on a  
11 monthly basis.

12 (3) No tax under this section may be collected until six months  
13 after it has been approved by a majority of the voters within the  
14 public transportation entity's boundaries.

15 (4) The congestion reduction tax under this section applies only  
16 when renewing a vehicle registration, and is effective upon the  
17 registration renewal date as provided by the department of licensing.

18 (5) The following vehicles are exempt from the tax under this  
19 section:

- 20 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and  
21 46.04.181;
- 22 (b) Off-road and nonhighway vehicles as defined in RCW 46.09.020;
- 23 (c) Vehicles registered under chapter 46.87 RCW and the  
24 international registration plan; and
- 25 (d) Snowmobiles as defined in RCW 46.10.010.

26 NEW SECTION. **Sec. 9.** A new section is added to chapter 36.57A RCW  
27 to read as follows:

28 In addition to other general and specific powers granted to a  
29 public transportation benefit area authority, the legislative authority  
30 of a public transportation benefit area may submit an authorizing  
31 proposition to the voters and if approved may impose an annual  
32 congestion reduction tax in accordance with section 8 of this act. The  
33 proposition must include a specific description of the public  
34 transportation services or improvements that will be funded by the  
35 congestion reduction tax. A public transportation benefit area  
36 authority must provide a credit against the tax imposed under this

1 section for any tax imposed by a city or metropolitan municipal  
2 corporation under section 10 of this act.

3 NEW SECTION. **Sec. 10.** A new section is added to chapter 35.58 RCW  
4 to read as follows:

5 In addition to other general and specific powers granted to  
6 metropolitan municipal corporations and city-owned transit systems, the  
7 legislative authorities of metropolitan municipal corporations and  
8 city-owned transit systems may submit an authorizing proposition to the  
9 voters within their respective boundaries and if approved may impose an  
10 annual congestion reduction tax in accordance with section 8 of this  
11 act. The proposition must include a specific description of the public  
12 transportation services or improvements that will be funded by the  
13 congestion reduction tax.

14 NEW SECTION. **Sec. 11.** A new section is added to chapter 36.57 RCW  
15 to read as follows:

16 In addition to other general and specific powers granted to county  
17 public transportation authorities and unincorporated transportation  
18 benefit areas, the legislative authorities of a county public  
19 transportation authority and an unincorporated transportation benefit  
20 area may submit an authorizing proposition to the voters within their  
21 respective boundaries and if approved may impose an annual congestion  
22 reduction tax in accordance with section 8 of this act. The  
23 proposition must include a specific description of the public  
24 transportation services or improvements that will be funded by the  
25 congestion reduction tax.

26 NEW SECTION. **Sec. 12.** Sections 1 and 2 of this act expire January  
27 1, 2015."

**2SSB 5433** - CONF REPT  
By Conference Committee

1        On page 1, line 1 of the title, after "taxes;" strike the remainder  
2 of the title and insert "amending RCW 82.14.450, 82.14.460, 84.55.050,  
3 36.54.130, 84.52.043, and 84.52.010; adding a new section to chapter  
4 84.52 RCW; adding a new section to chapter 82.80 RCW; adding a new  
5 section to chapter 36.57A RCW; adding a new section to chapter 35.58  
6 RCW; adding a new section to chapter 36.57 RCW; and providing an  
7 expiration date."

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