

CERTIFICATION OF ENROLLMENT

SECOND ENGROSSED SENATE BILL 5638

Chapter 28, Laws of 2011

62nd Legislature
2011 1st Special Session

TAXING DISTRICTS - EXEMPTION

EFFECTIVE DATE: 08/24/11

Passed by the Senate May 17, 2011
YEAS 38 NAYS 7

BRAD OWEN

President of the Senate

Passed by the House May 22, 2011
YEAS 53 NAYS 37

FRANK CHOPP

Speaker of the House of Representatives

Approved June 7, 2011, 3:21 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND ENGROSSED SENATE BILL 5638** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

June 8, 2011

**Secretary of State
State of Washington**

SECOND ENGROSSED SENATE BILL 5638

Passed Legislature - 2011 1st Special Session

State of Washington 62nd Legislature 2011 Regular Session

By Senators Keiser, Fain, Prentice, and Shin

Read first time 02/02/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to the exemption of certain taxing districts;
2 amending RCW 84.52.010, 84.52.010, 84.52.120, and 84.52.---; creating
3 a new section; providing contingent effective dates; and providing an
4 expiration date.

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

6 **Sec. 1.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to read
7 as follows:

8 (1) Except as is permitted under RCW 84.55.050, all taxes (~~shall~~)
9 must be levied or voted in specific amounts.

10 (2) The rate percent of all taxes for state and county purposes,
11 and purposes of taxing districts coextensive with the county, (~~shall~~)
12 must be determined, calculated and fixed by the county assessors of the
13 respective counties, within the limitations provided by law, upon the
14 assessed valuation of the property of the county, as shown by the
15 completed tax rolls of the county, and the rate percent of all taxes
16 levied for purposes of taxing districts within any county (~~shall~~)
17 must be determined, calculated and fixed by the county assessors of the
18 respective counties, within the limitations provided by law, upon the

1 assessed valuation of the property of the taxing districts
2 respectively.

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

8 (~~(1)~~) (a) The full certified rates of tax levy for state, county,
9 county road district, and city or town purposes (~~shall~~) must be
10 extended on the tax rolls in amounts not exceeding the limitations
11 established by law; however any state levy (~~shall~~) takes precedence
12 over all other levies and (~~shall~~) may not be reduced for any purpose
13 other than that required by RCW 84.55.010. If, as a result of the
14 levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105,
15 the portion of the levy by a metropolitan park district that was
16 protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the
17 combined rate of regular property tax levies that are subject to the
18 one percent limitation exceeds one percent of the true and fair value
19 of any property, then these levies (~~shall~~) must be reduced as
20 follows:

21 (~~(a)~~) (i) The portion of the levy by a metropolitan park district
22 that has a population of less than one hundred fifty thousand and is
23 located in a county with a population of one million five hundred
24 thousand or more that is protected under RCW 84.52.120 must be reduced
25 until the combined rate no longer exceeds one percent of the true and
26 fair value of any property or must be eliminated;

27 (ii) 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 levy imposed by a county under
30 RCW 84.52.140 (~~shall~~) must be reduced until the combined rate no
31 longer exceeds one percent of the true and fair value of any property
32 or (~~shall~~) must be eliminated;

33 (~~(b)~~) (iii) 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 portion of the
36 levy by a fire protection district that is protected under RCW
37 84.52.125 (~~shall~~) must be reduced until the combined rate no longer

1 exceeds one percent of the true and fair value of any property or
2 (~~shall~~) must be eliminated;

3 ((~~e~~)) (iv) If the combined rate of regular property tax levies
4 that are subject to the one percent limitation still exceeds one
5 percent of the true and fair value of any property, the levy imposed by
6 a county under RCW 84.52.135 must be reduced until the combined rate no
7 longer exceeds one percent of the true and fair value of any property
8 or must be eliminated;

9 ((~~d~~)) (v) If the combined rate of regular property tax levies
10 that are subject to the one percent limitation still exceeds one
11 percent of the true and fair value of any property, the levy imposed by
12 a ferry district under RCW 36.54.130 must be reduced until the combined
13 rate no longer exceeds one percent of the true and fair value of any
14 property or must be eliminated;

15 ((~~e~~)) (vi) If the combined rate of regular property tax levies
16 that are subject to the one percent limitation still exceeds one
17 percent of the true and fair value of any property, the portion of the
18 levy by a metropolitan park district with a population of one hundred
19 fifty thousand or more that is protected under RCW 84.52.120 (~~shall~~)
20 must be reduced until the combined rate no longer exceeds one percent
21 of the true and fair value of any property or (~~shall~~) must be
22 eliminated;

23 ((~~f~~)) (vii) If the combined rate of regular property tax levies
24 that are subject to the one percent limitation still exceeds one
25 percent of the true and fair value of any property, then the levies
26 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
27 imposed under RCW 84.52.069 that is in excess of thirty cents per
28 thousand dollars of assessed value, (~~shall~~) must be reduced on a pro
29 rata basis until the combined rate no longer exceeds one percent of the
30 true and fair value of any property or (~~shall~~) must be eliminated;
31 and

32 ((~~g~~)) (viii) If the combined rate of regular property tax levies
33 that are subject to the one percent limitation still exceeds one
34 percent of the true and fair value of any property, then the thirty
35 cents per thousand dollars of assessed value of tax levy imposed under
36 RCW 84.52.069 (~~shall~~) 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 (~~(2)~~) (b) The certified rates of tax levy subject to these
2 limitations by all junior taxing districts imposing taxes on such
3 property (~~(shall)~~) must be reduced or eliminated as follows to bring
4 the consolidated levy of taxes on such property within the provisions
5 of these limitations:

6 (~~(a)~~) (i) First, the certified property tax levy rates of those
7 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
8 35.95A.100, and 67.38.130 (~~(shall)~~) must be reduced on a pro rata basis
9 or eliminated;

10 (~~(b)~~) (ii) Second, if the consolidated tax levy rate still
11 exceeds these limitations, the certified property tax levy rates of
12 flood control zone districts (~~(shall)~~) must be reduced on a pro rata
13 basis or eliminated;

14 (~~(c)~~) (iii) Third, if the consolidated tax levy rate still
15 exceeds these limitations, the certified property tax levy rates of all
16 other junior taxing districts, other than fire protection districts,
17 regional fire protection service authorities, library districts, the
18 first fifty cent per thousand dollars of assessed valuation levies for
19 metropolitan park districts, and the first fifty cent per thousand
20 dollars of assessed valuation levies for public hospital districts,
21 (~~(shall)~~) must be reduced on a pro rata basis or eliminated;

22 (~~(d)~~) (iv) Fourth, if the consolidated tax levy rate still
23 exceeds these limitations, the first fifty cent per thousand dollars of
24 assessed valuation levies for metropolitan park districts created on or
25 after January 1, 2002, (~~(shall)~~) must be reduced on a pro rata basis or
26 eliminated;

27 (~~(e)~~) (v) Fifth, if the consolidated tax levy rate still exceeds
28 these limitations, the certified property tax levy rates authorized to
29 fire protection districts under RCW 52.16.140 and 52.16.160 and
30 regional fire protection service authorities under RCW 52.26.140(1) (b)
31 and (c) (~~(shall)~~) must be reduced on a pro rata basis or eliminated;
32 and

33 (~~(f)~~) (vi) Sixth, if the consolidated tax levy rate still exceeds
34 these limitations, the certified property tax levy rates authorized for
35 fire protection districts under RCW 52.16.130, regional fire protection
36 service authorities under RCW 52.26.140(1)(a), library districts,
37 metropolitan park districts created before January 1, 2002, under their
38 first fifty cent per thousand dollars of assessed valuation levy, and

1 public hospital districts under their first fifty cent per thousand
2 dollars of assessed valuation levy, (~~shall~~) must be reduced on a pro
3 rata basis or eliminated.

4 **Sec. 2.** RCW 84.52.010 and 2011 c ... (EHB 1969) s 1 are each
5 amended to read as follows:

6 (1) Except as is permitted under RCW 84.55.050, all taxes must be
7 levied or voted in specific amounts.

8 (2) The rate percent of all taxes for state and county purposes,
9 and purposes of taxing districts coextensive with the county, must be
10 determined, calculated and fixed by the county assessors of the
11 respective counties, within the limitations provided by law, upon the
12 assessed valuation of the property of the county, as shown by the
13 completed tax rolls of the county, and the rate percent of all taxes
14 levied for purposes of taxing districts within any county must be
15 determined, calculated and fixed by the county assessors of the
16 respective counties, within the limitations provided by law, upon the
17 assessed valuation of the property of the taxing districts
18 respectively.

19 (3) When a county assessor finds that the aggregate rate of tax
20 levy on any property, that is subject to the limitations set forth in
21 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either
22 of these sections, the assessor must recompute and establish a
23 consolidated levy in the following manner:

24 (a) The full certified rates of tax levy for state, county, county
25 road district, and city or town purposes must be extended on the tax
26 rolls in amounts not exceeding the limitations established by law;
27 however any state levy takes precedence over all other levies and may
28 not be reduced for any purpose other than that required by RCW
29 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
30 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
31 metropolitan park district that was protected under RCW 84.52.120,
32 84.52.125, 84.52.135, 84.52.140, and the protected portion of the levy
33 under RCW 86.15.160 by flood control zone districts in a county with a
34 population of seven hundred seventy-five thousand or more that are
35 coextensive with a county, the combined rate of regular property tax
36 levies that are subject to the one percent limitation exceeds one

1 percent of the true and fair value of any property, then these levies
2 must be reduced as follows:

3 (i) The portion of the levy by a metropolitan park district that
4 has a population of less than one hundred fifty thousand and is located
5 in a county with a population of one million five hundred thousand or
6 more that is protected under RCW 84.52.120 must be reduced until the
7 combined rate no longer exceeds one percent of the true and fair value
8 of any property or must be eliminated;

9 (ii) If the combined rate of regular property tax levies that are
10 subject to the one percent limitation still exceeds one percent of the
11 true and fair value of any property, the protected portion of the levy
12 imposed under RCW 86.15.160 by a flood control zone district in a
13 county with a population of seven hundred seventy-five thousand or more
14 that is coextensive with a county must be reduced until the combined
15 rate no longer exceeds one percent of the true and fair value of any
16 property or must be eliminated;

17 ~~((+iii))~~ (iii) If the combined rate of regular property tax levies
18 that are subject to the one percent limitation still exceeds one
19 percent of the true and fair value of any property, the levy imposed by
20 a county under RCW 84.52.140 must be reduced until the combined rate no
21 longer exceeds one percent of the true and fair value of any property
22 or must be eliminated;

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

30 ~~((+iv))~~ (v) 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 ~~((+v))~~ (vi) 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 ~~((vi))~~ (vii) 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 with a population of one hundred
8 fifty thousand or more that is protected under RCW 84.52.120 must be
9 reduced until the combined rate no longer exceeds one percent of the
10 true and fair value of any property or must be eliminated;

11 ~~((vii))~~ (viii) If the combined rate of regular property tax
12 levies 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, must be reduced on a pro rata basis
17 until the combined rate no longer exceeds one percent of the true and
18 fair value of any property or must be eliminated; and

19 ~~((viii))~~ (ix) 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 must be reduced until the combined rate no longer exceeds
24 one percent of the true and fair value of any property or must be
25 eliminated.

26 (b) The certified rates of tax levy subject to these limitations by
27 all junior taxing districts imposing taxes on such property must 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 (i) 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 must be reduced on a pro rata basis or eliminated;

33 (ii) Second, if the consolidated tax levy rate still exceeds these
34 limitations, the certified property tax levy rates of flood control
35 zone districts ~~((that have a population of seven hundred seventy five~~
36 ~~thousand or more))~~ other than the portion of a levy protected under RCW
37 84.52.--- (section 4 of this act) must be reduced on a pro rata basis
38 or eliminated;

1 (iii) 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, must be reduced on a
8 pro rata basis or eliminated;

9 (iv) 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, must be reduced on a pro rata basis or eliminated;

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

18 (vi) Sixth, if the consolidated tax levy rate still exceeds these
19 limitations, the certified property tax levy rates authorized for fire
20 protection districts under RCW 52.16.130, regional fire protection
21 service authorities under RCW 52.26.140(1)(a), 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, must be reduced on a pro rata basis
26 or eliminated.

27 **Sec. 3.** RCW 84.52.120 and 1995 c 99 s 1 are each amended to read
28 as follows:

29 A metropolitan park district with a population of one hundred fifty
30 thousand or more, or any metropolitan park district located in a county
31 with a population of one million five hundred thousand or more, may
32 submit a ballot proposition to voters of the district authorizing the
33 protection of the district's tax levy from prorationing under RCW
34 84.52.010(~~(+2)~~) (3)(b) by imposing all or any portion of the
35 district's twenty-five cent per thousand dollars of assessed valuation
36 tax levy outside of the five dollar and ninety cent per thousand dollar
37 of assessed valuation limitation established under RCW 84.52.043(2), if

1 those taxes otherwise would be prorated under RCW 84.52.010(~~((2)(e))~~)
2 (3)(b)(iii), for taxes imposed in any year on or before the first day
3 of January six years after the ballot proposition is approved. A
4 simple majority vote of voters voting on the proposition is required
5 for approval.

6 **Sec. 4.** RCW 84.52.--- and 2011 c ... (EHB 1969) s 3 are each
7 amended to read as follows:

8 A flood control zone district in a county with a population of
9 seven hundred seventy-five thousand or more that is coextensive with a
10 county may protect the levy under RCW 86.15.160(1) from prorating
11 under RCW 84.52.010(3)(b)(ii) by imposing up to a total of twenty-five
12 cents per thousand dollars of assessed value of the tax levy authorized
13 under RCW 86.15.160 outside of the five dollars and ninety cents per
14 thousand dollars of assessed value limitation under RCW 84.52.043(2),
15 if those taxes otherwise would be prorated under RCW
16 84.52.010(3)(b)(ii).

17 NEW SECTION. **Sec. 5.** This act applies to taxes levied for
18 collection in 2012 through 2017.

19 NEW SECTION. **Sec. 6.** (1) Section 1 of this act takes effect if
20 section 1, chapter . . . (EHB 1969), Laws of 2011 is not enacted into
21 law.

22 (2) Section 2 of this act takes effect if section 1, chapter . . .
23 (EHB 1969), Laws of 2011 is enacted into law.

24 NEW SECTION. **Sec. 7.** This act expires January 1, 2018.
Passed by the Senate May 17, 2011.
Passed by the House May 22, 2011.
Approved by the Governor June 7, 2011.
Filed in Office of Secretary of State June 8, 2011.