

# SENATE BILL REPORT

## SB 6484

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As of February 3, 2020

**Title:** An act relating to allowing counties to seek voter approval for a property tax levy to fund community and technical college districts.

**Brief Description:** Allowing counties to seek voter approval for a property tax levy to fund community and technical college districts.

**Sponsors:** Senators Frockt, Lias, Hunt and Saldaña.

**Brief History:**

**Committee Activity:** Higher Education & Workforce Development: 2/04/20.

**Brief Summary of Bill**

- Permits counties to impose an additional regular property tax levy up to \$0.25 per \$1,000 of the assessed value of property in the county for community and technical colleges.
- Specifies the funds may be used for operating or capital expenses, but not both.
- Stipulates requirements on prorationing and ballot requirements.

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**SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT**

**Staff:** Alicia Kinne-Clawson (786-7407)

**Background:** Community and Technical College Funding. Sources of funding for Washington's 34 community and technical colleges include state general fund support, Workforce Education Investment Account funding, tuition and fees, and various other governmental and non-governmental funds. During the 2019-21 biennium, approximately \$1.5 billion in state funding and \$124 million from the Workforce Education Investment Account was dedicated to community and technical colleges.

Regular Property Taxes. Real and personal property is subject to regular property taxes each year. "Regular property tax" means a property tax levied by or for a taxing district subject to

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certain constitutional and statutory limitations. Junior taxing districts, such as cemetery districts and rural library districts, may also impose a regular property tax. Property taxes for all property listed, assessed, and placed on county tax rolls are collected by the county treasurer.

Property Tax Rate Limits and Prorationing. The Washington Constitution limits regular property tax levies to a maximum of 1 percent of a property's assessed value, or \$10 for every \$1,000 of value. The property tax rates for senior taxing districts—such as counties and cities combined with the tax rates for junior taxing districts and most special purpose districts—must fit within an overall rate limit of \$5.90 per \$1,000 of assessed value. If that limit is exceeded, statute establishes the sequential order in which levies must be proportionally reduced or eliminated, a process referred to as prorationing.

**Summary of Bill:** Authorization for Property Tax Levy. Beginning in the 2021 calendar year, the legislative authority of a county may impose, with a vote of the people, an additional regular property tax levy, not to exceed \$0.25 per \$1,000 of the assessed value of property in the county for the exclusive purpose of providing funding to the community and technical college districts located within the boundaries of that county. A county with more than one community or technical college within its boundary may not impose more than one levy.

Community and technical colleges must use the funds solely for operating and maintaining the colleges located within the county. The levy funds may be used for operating or capital expenses, but not both.

The tax proposition may be submitted at a general or special election. The tax may be imposed up to six years when specifically authorized by voters.

Any revenue from this tax is intended to supplement, and not supplant state general fund support to community and technical colleges.

Property Tax Rate Limits and Prorationing. A community or technical college tax levied under this act is the first to be reduced or eliminated if the combined senior and junior taxing district rates exceed state limits of \$5.90 per \$1,000 of assessed value.

Property Tax Levies: Ballot Requirements. The tax proposition language required on the ballot is specified.

**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2020.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.