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**HOUSE BILL 1703**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Orcutt, Abbarno, Volz, Jacobsen, and Eslick

AN ACT Relating to imposing local property tax levies wholly credited against the state property tax to provide support and services for veterans' assistance and for persons with developmental disabilities or mental health needs; amending RCW 71.20.110 and 73.08.080; providing an effective date; and declaring an emergency.

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

**Sec.**  RCW 71.20.110 and 2013 c 123 s 1 are each amended to read as follows:

(1) In order to provide additional funds for the coordination and provision of community services for persons with developmental disabilities or mental health services, the county governing authority of each county in the state must budget and levy annually a tax in a sum equal to the amount which would be raised by a levy of ((~~two and one-half~~)) 2.5 cents per ((~~thousand dollars~~)) $1,000 of assessed value against the taxable property in the county((~~, or as such amount is modified pursuant to subsection (2) or (3) of this section,~~)) to be used for such purposes. ((~~However, all~~)) The levy must be deducted from the amount of tax otherwise required to be collected or paid to the department of revenue for the state levy under RCW 84.36.005 at no cost to the county.

(2) All or part of the funds collected from the tax levied for the purposes of this section may be transferred to the state of Washington, department of social and health services, for the purpose of obtaining federal matching funds to provide and coordinate community services for persons with developmental disabilities and mental health services. In the event a county elects to transfer such tax funds to the state for this purpose, the state must grant these moneys and the additional funds received as matching funds to service-providing community agencies or community boards in the county which has made such transfer, pursuant to the plan approved by the county, as provided by chapters 71.24 and 71.28 RCW and by chapter 71A.14 RCW, all as now or hereafter amended.

((~~(2) The amount of a levy allocated to the purposes specified in this section may be reduced in the same proportion as the regular property tax levy of the county is reduced by chapter 84.55 RCW.~~

~~(3)(a) The amount of a levy allocated to the purposes specified in this section may be modified from the amount required by subsection (1) of this section as follows:~~

~~(i) If the certified levy is reduced from the preceding year's certified levy, the amount of the levy allocated to the purposes specified in this section may be reduced by no more than the same percentage as the certified levy is reduced from the preceding year's certified levy;~~

~~(ii) If the certified levy is increased from the preceding year's certified levy, the amount of the levy allocated to the purposes specified in this section must be increased from the amount of the levy so allocated in the previous year by at least the same percentage as the certified levy is increased from the preceding year's certified levy. However, the amount of the levy allocated to the purposes specified in this section does not have to be increased under this subsection (3)(a)(ii) for the portion of a certified levy increase resulting from a voter-approved increase under RCW 84.55.050 that is dedicated to a specific purpose; or~~

~~(iii) If the certified levy is unchanged from the preceding year's certified levy, the amount of the levy allocated to the purposes specified in this section must be equal to or greater than the amount of the levy so allocated in the preceding year.~~

~~(b) For purposes of this subsection, "certified levy" means the property tax levy for general county purposes certified to the county assessor as required by RCW 84.52.070, excluding any amounts certified under chapters 84.69 and 84.68 RCW.~~

~~(4) Subsections (2) and (3) of this section do not preclude a county from increasing the levy amount in subsection (1) of this section to an amount that is greater than the change in the regular county levy.~~))

**Sec.**  RCW 73.08.080 and 2019 c 432 s 35 are each amended to read as follows:

(1) The legislative authority in each county must levy, in addition to the taxes now levied by law, a tax in a sum equal to the amount that would be raised by not less than ((~~one and one-eighth~~)) 1.8 cents per ((~~thousand dollars~~)) $1,000 of assessed value, and not greater than ((~~twenty-seven~~)) 27 cents per ((~~thousand dollars~~)) $1,000 of assessed value against the taxable property of their respective counties, to be levied and collected as now prescribed by law for the assessment and collection of taxes, for the purpose of creating a veterans' assistance fund.

(2) The levy must be deducted from the amount of tax otherwise required to be collected or paid to the department of revenue for the state levy under RCW 84.36.005 at no cost to the county.

(3) Expenditures from the veterans' assistance fund, and interest earned on balances from the fund, may be used only for:

(a) The veterans' assistance programs authorized by RCW 73.08.010;

(b) The lawful disposition of the remains as defined in RCW 68.04.020 of a deceased indigent veteran or deceased family member of an indigent veteran as authorized by RCW 73.08.070; and

(c) The direct and indirect costs incurred in the administration of the fund ((~~as authorized by subsection (2) of this section~~)).

((~~(2) If the funds on deposit in the veterans' assistance fund, less outstanding warrants, on the first Tuesday in September exceed the lesser of the expected yield of one and one-eighth cents per thousand dollars of assessed value against the taxable property of the county or the expected yield of a levy determined as set forth in subsection (5) of this section, the county legislative authority may levy a lesser amount than would otherwise be required under subsection (1) or (5) of this section.~~

~~(3) The direct and indirect costs incurred in the administration of the veterans' assistance fund must be computed by the county auditor, or the chief financial officer in a county operating under a charter, not less than annually. Following the computation of these direct and indirect costs, an amount equal to these costs may then be transferred from the veterans' assistance fund to the county current expense fund.~~

~~(4) The amount of a levy allocated to the purposes specified in this section may be reduced in the same proportion as the regular property tax levy of the county is reduced by chapter 84.55 RCW.~~

~~(5)(a) The amount of a levy allocated to the purposes specified in this section may be modified from the amount required by subsection (1) of this section as follows:~~

~~(i) If the certified levy is reduced from the preceding year's certified levy, the amount of the levy allocated to the purposes specified in this section may be reduced by no more than the same percentage as the certified levy is reduced from the preceding year's certified levy;~~

~~(ii) If the certified levy is increased from the preceding year's certified levy, the amount of the levy allocated to the purposes specified in this section may not be less than the base allocation increased by the same percentage as the certified levy is increased from the preceding year's certified levy. However, the amount of the levy allocated to the purposes specified in this section does not have to be increased under this subsection (5)(a)(ii) for the portion of a certified levy increase resulting from a voter-approved increase under RCW 84.55.050 that is dedicated to a specific purpose; or~~

~~(iii) If the certified levy is unchanged from the preceding year's certified levy, the amount of the levy allocated to the purposes specified in this section must be equal to or greater than the base allocation.~~

~~(b) For purposes of this subsection, the following definitions apply:~~

~~(i) "Base allocation" means the most recent allocation that was not reduced under subsection (2) of this section.~~

~~(ii) "Certified levy" means the property tax levy for general county purposes certified to the county assessor as required by RCW 84.52.070, excluding any amounts certified under chapters 84.69 and 84.68 RCW.~~

~~(6) Subsections (2), (4), and (5) of this section do not preclude a county from increasing the levy amount in subsection (1) of this section to an amount that is greater than the change in the regular county levy.~~))

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2023.

**--- END ---**