HOUSE BILL REPORT
HB 1870

As Reported by House Committee On:
Finance

Title: An act relating to county property tax levies for public health clinic purposes.

Brief Description: Concerning county property tax levies for public health clinic purposes.

Sponsors: Representatives Zahn, Thai, Salahuddin, Macri, Street, Parshley, Reed, Ramel, Fitzgibbon, Pollet and Duerr.

Brief History:
Committee Activity:
Finance: 2/24/25, 2/26/25 [DP].

Brief Summary of Bill

- Allows counties to levy a property tax of up to 5 cents per $1,000 of assessed value for public health clinics.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 10 members: Representatives Berg, Chair; Street, Vice Chair; Mena, Parshley, Ramel, Santos, Scott, Springer, Walen and Wylie.

Minority Report: Do not pass. Signed by 5 members: Representatives Orcutt, Ranking Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell, Chase and Penner.

Staff: Rachelle Harris (786-7137).

Background:

Property Tax—Regular Levies.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

All real and personal property is subject to a tax each year based on the highest and best use, unless a specific exemption is provided by law. The annual growth of all regular property tax levy revenue is limited as follows:

- For jurisdictions with a population of less than 10,000, revenue growth is limited to 1 percent.
- For jurisdictions with a population of 10,000 or more, revenue growth is limited to the lesser of inflation or 1 percent plus the value of new construction.

An additional amount is added, based on the increase in assessed value in a district from:

- new construction;
- construction of wind turbine, solar, biomass, and geothermal facilities;
- improvements to property;
- state-assessed property; and
- real property within a local tax increment finance area designated by a local government, excluding the state school levies, or ports and public utility district bond levies.

The state collects two regular property tax levies for common schools. The revenue growth limit applies to both levies.

The Washington Constitution also limits regular levies to a maximum of 1 percent of the property's value or $10 per $1,000 of assessed value. There are individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit:

- The state levy rate is limited to $3.60 per $1,000 of assessed value.
- County general levies are limited to $1.80 per $1,000 of assessed value.
- County road levies are limited to $2.25 per $1,000 of assessed value.
- City levies are limited to $3.375 per $1,000 of assessed value.

For property tax purposes, the state, counties, and cities are collectively referred to as senior taxing districts. Junior taxing districts—a term that includes fire, hospital, flood control zones, and most other special purpose districts—each have specific rate limits as well.

The tax rates for senior and junior taxing districts, excluding the state, must fit within an overall rate limit of $5.90 per $1,000 of assessed value. If the statutory $5.90 or constitutional $10 limit are exceeded, statute establishes the sequential order in which the levies must be proportionally reduced or eliminated, a process referred to as prorationing, to conform to the statutory and constitutional limits.

Some regular property tax levies—including levies for criminal justice purposes, port districts, and emergency medical services—are subject to the $10 constitutional limit but not the $5.90 aggregate rate limit. These levies have protections from general prorationing requirements and exist within the "gap" that remains after subtracting the state levy and the $5.90 in local regular levies from the constitutional $10 limit per $1,000 of assessed value.

Summary of Bill:

A county can levy a regular property tax not to exceed 5 cents per $1,000 of assessed value. The revenues may be used only for the operation, maintenance, and capital expenses of public health clinics. A public health clinic means a fixed or mobile publicly operated site that provides low-barrier public health and other related services.

The tax is exempt from the revenue growth limit for the first year it is imposed. It is exempt from the $5.90 aggregate levy limit on regular levies and is subject to prorationing.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains multiple effective dates. Please see the bill.

Staff Summary of Public Testimony:

(In support) Access to health care services is important, especially as health care costs continue to grow. The health care system is fractured and local health clinics are crucial. Counties need to be able to have these tools if they need it. This builds on the mission of Harborview to provide appropriate healthcare. Most funding comes from federal and other outside sources, but has around $20 million remaining that is not supported. Harborview serves as the largest public safety-net hospital in the state, 70 percent of patients use government supported health insurance. Public health clinic patients depend tremendously on health clinics and clinics are often the only access to health care they have. Clinical services are increasingly rare, and this undermines access. Health clinics save money by providing vaccines and preventive care to prevent hospitalizations. Public health clinics play a key role in supporting residents for overdoses and other injuries. Preventative medicine is important in saving lives and keeping people out of hospitals. Without public health clinics, more people would rely on expensive emergency rooms. Outreach to rural areas is done with public health clinics and they are critical to providing reproductive health. This property tax is modest and helps support public health clinics financially. Public health clinics serve several purposes; they prevent disease spread, respond to crises like COVID-19 and the opioid epidemic, and work to address disparities in health care access.

(Opposed) There are too many taxes which takes away from disposable income. This is inappropriate during a housing crisis.

Persons Testifying: (In support) Representative Janice Zahn, prime sponsor; Karen Estevenin , PROTEC17; Joe McDermott, State Relations Director, King County; Drew Nazarian, PROTEC17; Justin Gill, Washington State Nurses Association; Rashi Gupta, UW

Medicine; Chantell Harmon Reed, Tacoma Pierce County Health Director; and Dr. Caitlin Enright, Public Health, Seattle & King County.

(Opposed) Jeff Pack, Washington Citizens Against Unfair Taxes.

Persons Signed In To Testify But Not Testifying: None.