
SUBSTITUTE HOUSE BILL 1180

State of Washington

64th Legislature

2015 Regular Session

By House Transportation (originally sponsored by Representatives Fey, Farrell, Fitzgibbon, Moscoso, Walkinshaw, Sells, Pollet, Ortiz-Self, Dunshee, Goodman, Bergquist, Tarleton, Ryu, Cody, Clibborn, Kagi, Morris, Peterson, Jinkins, Senn, McBride, Pettigrew, Sawyer, Gregerson, Robinson, and Reykdal)

1 AN ACT Relating to dedicated funding sources for high capacity
2 transportation service; amending RCW 81.104.140, 81.104.160,
3 84.52.043, 84.52.043, 84.52.010, 84.52.010, and 84.04.120; reenacting
4 and amending RCW 81.104.170; adding a new section to chapter 81.104
5 RCW; providing an effective date; and providing an expiration date.

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

7 **Sec. 1.** RCW 81.104.140 and 2002 c 56 s 202 are each amended to
8 read as follows:

9 (1) Agencies authorized to provide high capacity transportation
10 service, including transit agencies and regional transit authorities,
11 and regional transportation investment districts acting with the
12 agreement of an agency, are hereby granted dedicated funding sources
13 for such systems. These dedicated funding sources, as set forth in
14 RCW 81.104.150, 81.104.160, ~~((and))~~ 81.104.170, and section 4 of this
15 act, are authorized only for agencies located in (a) each county with
16 a population of two hundred ten thousand or more and (b) each county
17 with a population of from one hundred twenty-five thousand to less
18 than two hundred ten thousand except for those counties that do not
19 border a county with a population as described under (a) of this
20 subsection. In any county with a population of one million or more or
21 in any county having a population of four hundred thousand or more

1 bordering a county with a population of one million or more, these
2 funding sources may be imposed only by a regional transit authority
3 or a regional transportation investment district. Regional
4 transportation investment districts may, with the approval of the
5 regional transit authority within its boundaries, impose the taxes
6 authorized under this chapter, but only upon approval of the voters
7 and to the extent that the maximum amount of taxes authorized under
8 this chapter have not been imposed.

9 (2) Agencies planning to construct and operate a high capacity
10 transportation system should also seek other funds, including
11 federal, state, local, and private sector assistance.

12 (3) Funding sources should satisfy each of the following criteria
13 to the greatest extent possible:

- 14 (a) Acceptability;
- 15 (b) Ease of administration;
- 16 (c) Equity;
- 17 (d) Implementation feasibility;
- 18 (e) Revenue reliability; and
- 19 (f) Revenue yield.

20 (4)(a) Agencies participating in regional high capacity
21 transportation system development are authorized to levy and collect
22 the following voter-approved local option funding sources:

23 ~~((a))~~ (i) Employer tax as provided in RCW 81.104.150, other
24 than by regional transportation investment districts;

25 ~~((b))~~ (ii) Special motor vehicle excise tax as provided in RCW
26 81.104.160; ~~((and~~

27 ~~(c))~~ (iii) Regular property tax as provided in section 4 of this
28 act; and

29 (iv) Sales and use tax as provided in RCW 81.104.170.

30 (b) Revenues from these taxes may be used only to support those
31 purposes prescribed in subsection (10) of this section. Before the
32 date of an election authorizing an agency to impose any of the taxes
33 enumerated in this section and authorized in RCW 81.104.150,
34 81.104.160, ~~((and))~~ 81.104.170, and section 4 of this act, the agency
35 must comply with the process prescribed in RCW 81.104.100 (1) and (2)
36 and 81.104.110. No construction on exclusive right-of-way may occur
37 before the requirements of RCW 81.104.100(3) are met.

38 (5) Authorization in subsection (4) of this section ~~((shall))~~ may
39 not adversely affect the funding authority of transit agencies not
40 provided for in this chapter. Local option funds may be used to

1 support implementation of interlocal agreements with respect to the
2 establishment of regional high capacity transportation service.
3 Except when a regional transit authority exists, local jurisdictions
4 (~~shall~~) must retain control over moneys generated within their
5 boundaries, although funds may be commingled with those generated in
6 other areas for planning, construction, and operation of high
7 capacity transportation systems as set forth in the agreements.

8 (6) Agencies planning to construct and operate high capacity
9 transportation systems may contract with the state for collection and
10 transference of voter-approved local option revenue.

11 (7) Dedicated high capacity transportation funding sources
12 authorized in RCW 81.104.150, 81.104.160, (~~and~~) 81.104.170 (~~shall~~
13 ~~be~~), and section 4 of this act are subject to voter approval by a
14 simple majority. A single ballot proposition may seek approval for
15 one or more of the authorized taxing sources. The ballot title
16 (~~shall~~) must reference the document identified in subsection (8) of
17 this section.

18 (8) Agencies (~~shall~~) must provide to the registered voters in
19 the area a document describing the systems plan and the financing
20 plan set forth in RCW 81.104.100. It (~~shall~~) must also describe the
21 relationship of the system to regional issues such as development
22 density at station locations and activity centers, and the
23 interrelationship of the system to adopted land use and
24 transportation demand management goals within the region. This
25 document (~~shall~~) must be provided to the voters at least twenty
26 days prior to the date of the election.

27 (9) For any election in which voter approval is sought for a high
28 capacity transportation system plan and financing plan pursuant to
29 RCW 81.104.040, a local voter's pamphlet (~~shall~~) must be produced
30 as provided in chapter (~~29.81A~~) 29A.32 RCW.

31 (10) Agencies providing high capacity transportation service
32 (~~shall~~) must retain responsibility for revenue encumbrance,
33 disbursement, and bonding. Funds may be used for any purpose relating
34 to planning, construction, and operation of high capacity
35 transportation systems and commuter rail systems, personal rapid
36 transit, busways, bus sets, and entrained and linked buses.

37 **Sec. 2.** RCW 81.104.160 and 2010 c 161 s 903 are each amended to
38 read as follows:

1 (1) Regional transit authorities that include a county with a
2 population of more than one million five hundred thousand may submit
3 an authorizing proposition to the voters, and if approved, may levy
4 and collect an excise tax, at a rate approved by the voters, but not
5 exceeding eighty one-hundredths of one percent on the value, under
6 chapter 82.44 RCW, of every motor vehicle owned by a resident of the
7 taxing district, solely for the purpose of providing high capacity
8 transportation service. The maximum tax rate under this subsection
9 does not include a motor vehicle excise tax approved before the
10 effective date of this section if the tax will terminate on the date
11 bond debt to which the tax is pledged is repaid. In any county
12 imposing a motor vehicle excise tax surcharge pursuant to RCW
13 81.100.060, the maximum tax rate under this section must be reduced
14 to a rate equal to eighty one-hundredths of one percent on the value
15 less the equivalent motor vehicle excise tax rate of the surcharge
16 imposed pursuant to RCW 81.100.060. This rate does not apply to
17 vehicles licensed under RCW 46.16A.455 except vehicles with an
18 unladen weight of six thousand pounds or less, RCW 46.16A.425 or
19 46.17.335(2). Notwithstanding any other provision of this subsection
20 or chapter 82.44 RCW, a motor vehicle excise tax imposed by a
21 regional transit authority before or after the effective date of this
22 section must comply with chapter 82.44 RCW as it existed on January
23 1, 1996, until December 31st of the year in which the regional
24 transit authority repays bond debt to which a motor vehicle excise
25 tax was pledged before the effective date of this section. Motor
26 vehicle taxes collected by regional transit authorities after
27 December 31st of the year in which a regional transit authority
28 repays bond debt to which a motor vehicle excise tax was pledged
29 before the effective date of this section must comply with chapter
30 82.44 RCW as it existed on the date the tax was approved by voters.

31 (2) An agency and high capacity transportation corridor area
32 ((may)) imposing a tax under subsection (1) of this section may also
33 impose a sales and use tax solely for the purpose of providing high
34 capacity transportation service, in addition to the tax authorized by
35 RCW 82.14.030, upon retail car rentals within the applicable
36 jurisdiction that are taxable by the state under chapters 82.08 and
37 82.12 RCW. The rate of tax ((shall)) may not exceed 2.172 percent.
38 The rate of tax imposed under this subsection must bear the same
39 ratio of the 2.172 percent authorized that the rate imposed under
40 subsection (1) of this section bears to the rate authorized under

1 subsection (1) of this section. The base of the tax (~~(shall be)~~) is
2 the selling price in the case of a sales tax or the rental value of
3 the vehicle used in the case of a use tax.

4 (~~Any motor vehicle excise tax previously imposed under the~~
5 ~~provisions of RCW 81.104.160(1) shall be repealed, terminated, and~~
6 ~~expire on December 5, 2002, except for a motor vehicle excise tax for~~
7 ~~which revenues have been contractually pledged to repay a bonded debt~~
8 ~~issued before December 5, 2002, as determined by Pierce County et al.~~
9 ~~v. State, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds~~
10 ~~that were previously issued, the motor vehicle excise tax must comply~~
11 ~~with chapter 82.44 RCW as it existed on January 1, 1996.~~)

12 **Sec. 3.** RCW 81.104.170 and 2009 c 469 s 106 and 2009 c 280 s 5
13 are each reenacted and amended to read as follows:

14 (1) Cities that operate transit systems, county transportation
15 authorities, metropolitan municipal corporations, public
16 transportation benefit areas, high capacity transportation corridor
17 areas, and regional transit authorities may submit an authorizing
18 proposition to the voters and if approved by a majority of persons
19 voting, fix and impose a sales and use tax in accordance with the
20 terms of this chapter, solely for the purpose of providing high
21 capacity transportation service.

22 (2) The tax authorized pursuant to this section (~~(shall be)~~) is
23 in addition to the tax authorized by RCW 82.14.030 and (~~(shall)~~) must
24 be collected from those persons who are taxable by the state pursuant
25 to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
26 event within the taxing district. Except for the tax imposed by
27 regional transit authorities that include a county with a population
28 of more than one million five hundred thousand, the maximum rate of
29 such tax (~~(shall)~~) must be approved by the voters and (~~(shall)~~) may
30 not exceed one percent of the selling price (in the case of a sales
31 tax) or value of the article used (in the case of a use tax). The
32 maximum rate of such tax that may be imposed (~~(shall)~~) may not exceed
33 nine-tenths of one percent in any county that imposes a tax under RCW
34 82.14.340, or within a regional transit authority if any county
35 within the authority imposes a tax under RCW 82.14.340. The maximum
36 rate of such tax that may be imposed by a regional transit authority
37 that includes a county with a population of more than one million
38 five hundred thousand may not exceed 1.4 percent.

1 (3)(a) The exemptions in RCW 82.08.820 and 82.12.820 are for the
2 state portion of the sales and use tax and do not extend to the tax
3 authorized in this section.

4 (b) The exemptions in RCW 82.08.962 and 82.12.962 are for the
5 state and local sales and use taxes and include the tax authorized by
6 this section.

7 NEW SECTION. **Sec. 4.** A new section is added to chapter 81.104
8 RCW to read as follows:

9 (1) A regional transit authority that includes a county with a
10 population of more than one million five hundred thousand may impose
11 a regular property tax levy in an amount not to exceed twenty-five
12 cents per thousand dollars of the assessed value of property in the
13 regional transit authority district in accordance with the terms of
14 this section.

15 (2) Any tax imposed under this section must be used for the
16 purpose of providing high capacity transportation service, as set
17 forth in a proposition that is approved by a majority of the persons
18 residing within the authority that vote on the proposition.

19 (3) Property taxes imposed under this section may be imposed for
20 the period of time required to pay the cost to plan, design,
21 construct, operate, and maintain the transit facilities set forth in
22 the approved proposition. Property taxes pledged to repay bonds may
23 be imposed at the pledged amount until the bonds are retired. After
24 the bonds are retired, property taxes authorized under this section
25 must be:

26 (a) Reduced to the level required to operate and maintain the
27 regional transit authority's transit facilities; or

28 (b) Terminated, unless the taxes have been extended by public
29 vote.

30 (4) The limitations in RCW 84.52.043 do not apply to the tax
31 authorized in this section.

32 (5) The limitation in RCW 84.55.010 does not apply to the first
33 levy imposed under this section.

34 **Sec. 5.** RCW 84.52.043 and 2011 c 275 s 2 are each amended to
35 read as follows:

36 Within and subject to the limitations imposed by RCW 84.52.050 as
37 amended, the regular ad valorem tax levies upon real and personal
38 property by the taxing districts hereafter named are as follows:

1 (1) Levies of the senior taxing districts are as follows: (a) The
2 levy by the state may not exceed three dollars and sixty cents per
3 thousand dollars of assessed value adjusted to the state equalized
4 value in accordance with the indicated ratio fixed by the state
5 department of revenue to be used exclusively for the support of the
6 common schools; (b) the levy by any county may not exceed one dollar
7 and eighty cents per thousand dollars of assessed value; (c) the levy
8 by any road district may not exceed two dollars and twenty-five cents
9 per thousand dollars of assessed value; and (d) the levy by any city
10 or town may not exceed three dollars and thirty-seven and one-half
11 cents per thousand dollars of assessed value. However any county is
12 hereby authorized to increase its levy from one dollar and eighty
13 cents to a rate not to exceed two dollars and forty-seven and one-
14 half cents per thousand dollars of assessed value for general county
15 purposes if the total levies for both the county and any road
16 district within the county do not exceed four dollars and five cents
17 per thousand dollars of assessed value, and no other taxing district
18 has its levy reduced as a result of the increased county levy.

19 (2) The aggregate levies of junior taxing districts and senior
20 taxing districts, other than the state, may not exceed five dollars
21 and ninety cents per thousand dollars of assessed valuation. The term
22 "junior taxing districts" includes all taxing districts other than
23 the state, counties, road districts, cities, towns, port districts,
24 and public utility districts. The limitations provided in this
25 subsection do not apply to: (a) Levies at the rates provided by
26 existing law by or for any port or public utility district; (b)
27 excess property tax levies authorized in Article VII, section 2 of
28 the state Constitution; (c) levies for acquiring conservation futures
29 as authorized under RCW 84.34.230; (d) levies for emergency medical
30 care or emergency medical services imposed under RCW 84.52.069; (e)
31 levies to finance affordable housing for very low-income housing
32 imposed under RCW 84.52.105; (f) the portions of levies by
33 metropolitan park districts that are protected under RCW 84.52.120;
34 (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies
35 for criminal justice purposes under RCW 84.52.135; (i) the portions
36 of levies by fire protection districts that are protected under RCW
37 84.52.125; (j) levies by counties for transit-related purposes under
38 RCW 84.52.140; ((and)) (k) the protected portion of the levies
39 imposed under RCW 86.15.160 by flood control zone districts in a
40 county with a population of seven hundred seventy-five thousand or

1 more that are coextensive with a county; and (l) levies imposed by a
2 regional transit authority under section 4 of this act.

3 **Sec. 6.** RCW 84.52.043 and 2009 c 551 s 6 are each amended to
4 read as follows:

5 Within and subject to the limitations imposed by RCW 84.52.050 as
6 amended, the regular ad valorem tax levies upon real and personal
7 property by the taxing districts hereafter named (~~shall be~~) are as
8 follows:

9 (1) Levies of the senior taxing districts (~~shall be~~) are as
10 follows: (a) The levy by the state (~~shall~~) may not exceed three
11 dollars and sixty cents per thousand dollars of assessed value
12 adjusted to the state equalized value in accordance with the
13 indicated ratio fixed by the state department of revenue to be used
14 exclusively for the support of the common schools; (b) the levy by
15 any county (~~shall~~) may not exceed one dollar and eighty cents per
16 thousand dollars of assessed value; (c) the levy by any road district
17 (~~shall~~) may not exceed two dollars and twenty-five cents per
18 thousand dollars of assessed value; and (d) the levy by any city or
19 town (~~shall~~) may not exceed three dollars and thirty-seven and one-
20 half cents per thousand dollars of assessed value. However any county
21 is hereby authorized to increase its levy from one dollar and eighty
22 cents to a rate not to exceed two dollars and forty-seven and one-
23 half cents per thousand dollars of assessed value for general county
24 purposes if the total levies for both the county and any road
25 district within the county do not exceed four dollars and five cents
26 per thousand dollars of assessed value, and no other taxing district
27 has its levy reduced as a result of the increased county levy.

28 (2) The aggregate levies of junior taxing districts and senior
29 taxing districts, other than the state, (~~shall~~) may not exceed five
30 dollars and ninety cents per thousand dollars of assessed valuation.
31 The term "junior taxing districts" includes all taxing districts
32 other than the state, counties, road districts, cities, towns, port
33 districts, and public utility districts. The limitations provided in
34 this subsection (~~shall~~) do not apply to: (a) Levies at the rates
35 provided by existing law by or for any port or public utility
36 district; (b) excess property tax levies authorized in Article VII,
37 section 2 of the state Constitution; (c) levies for acquiring
38 conservation futures as authorized under RCW 84.34.230; (d) levies
39 for emergency medical care or emergency medical services imposed

1 under RCW 84.52.069; (e) levies to finance affordable housing for
2 very low-income housing imposed under RCW 84.52.105; (f) the portions
3 of levies by metropolitan park districts that are protected under RCW
4 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130;
5 (h) levies for criminal justice purposes under RCW 84.52.135; (i) the
6 portions of levies by fire protection districts that are protected
7 under RCW 84.52.125; ~~((and))~~ (j) levies by counties for transit-
8 related purposes under RCW 84.52.140; and (k) levies imposed by a
9 regional transit authority under section 4 of this act.

10 **Sec. 7.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each
11 amended to read as follows:

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

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

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

30 (a) The full certified rates of tax levy for state, county,
31 county road district, regional transit authority, and city or town
32 purposes must be extended on the tax rolls in amounts not exceeding
33 the limitations established by law; however any state levy takes
34 precedence over all other levies and may not be reduced for any
35 purpose other than that required by RCW 84.55.010. If, as a result of
36 the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069,
37 84.52.105, the portion of the levy by a metropolitan park district
38 that was protected under RCW 84.52.120, 84.52.125, 84.52.135,
39 84.52.140, and the protected portion of the levy under RCW 86.15.160

1 by flood control zone districts in a county with a population of
2 seven hundred seventy-five thousand or more that are coextensive with
3 a county, the combined rate of regular property tax levies that are
4 subject to the one percent limitation exceeds one percent of the true
5 and fair value of any property, then these levies must be reduced as
6 follows:

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

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

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

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

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

39 (vi) If the combined rate of regular property tax levies that are
40 subject to the one percent limitation still exceeds one percent of

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

5 (vii) If the combined rate of regular property tax levies that
6 are subject to the one percent limitation still exceeds one percent
7 of the true and fair value of any property, the portion of the levy
8 by a metropolitan park district with a population of one hundred
9 fifty thousand or more that is protected under RCW 84.52.120 must be
10 reduced until the combined rate no longer exceeds one percent of the
11 true and fair value of any property or must be eliminated;

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

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

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

31 (i) First, the certified property tax levy rates of those junior
32 taxing districts authorized under RCW 36.68.525, 36.69.145,
33 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or
34 eliminated;

35 (ii) Second, if the consolidated tax levy rate still exceeds
36 these limitations, the certified property tax levy rates of flood
37 control zone districts other than the portion of a levy protected
38 under RCW 84.52.815 must be reduced on a pro rata basis or
39 eliminated;

1 (iii) Third, if the consolidated tax levy rate still exceeds
2 these limitations, the certified property tax levy rates of all other
3 junior taxing districts, other than fire protection districts,
4 regional fire protection service authorities, library districts, the
5 first fifty cent per thousand dollars of assessed valuation levies
6 for metropolitan park districts, and the first fifty cent per
7 thousand dollars of assessed valuation levies for public hospital
8 districts, must be reduced on a pro rata basis or eliminated;

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

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

19 (vi) Sixth, if the consolidated tax levy rate still exceeds these
20 limitations, the certified property tax levy rates authorized for
21 fire protection districts under RCW 52.16.130, regional fire
22 protection service authorities under RCW 52.26.140(1)(a), library
23 districts, metropolitan park districts created before January 1,
24 2002, under their first fifty cent per thousand dollars of assessed
25 valuation levy, and public hospital districts under their first fifty
26 cent per thousand dollars of assessed valuation levy, must be reduced
27 on a pro rata basis or eliminated.

28 **Sec. 8.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to
29 read as follows:

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

32 (2) The rate percent of all taxes for state and county purposes,
33 and purposes of taxing districts coextensive with the county,
34 (~~shall~~) must be determined, calculated and fixed by the county
35 assessors of the respective counties, within the limitations provided
36 by law, upon the assessed valuation of the property of the county, as
37 shown by the completed tax rolls of the county, and the rate percent
38 of all taxes levied for purposes of taxing districts within any
39 county (~~shall~~) must be determined, calculated and fixed by the

1 county assessors of the respective counties, within the limitations
2 provided by law, upon the assessed valuation of the property of the
3 taxing districts respectively.

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

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

22 (~~(a)~~) (i) The levy imposed by a county under RCW 84.52.140
23 (~~shall~~) must be reduced until the combined rate no longer exceeds
24 one percent of the true and fair value of any property or (~~shall~~)
25 must be eliminated;

26 (~~(b)~~) (ii) If the combined rate of regular property tax levies
27 that are subject to the one percent limitation still exceeds one
28 percent of the true and fair value of any property, the portion of
29 the levy by a fire protection district that is protected under RCW
30 84.52.125 (~~shall~~) must be reduced until the combined rate no longer
31 exceeds one percent of the true and fair value of any property or
32 (~~shall~~) must be eliminated;

33 (~~(c)~~) (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 levy imposed
36 by a county under RCW 84.52.135 must be reduced until the combined
37 rate no longer exceeds one percent of the true and fair value of any
38 property or must be eliminated;

39 (~~(d)~~) (iv) If the combined rate of regular property tax levies
40 that are subject to the one percent limitation still exceeds one

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

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

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

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

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

33 ~~((a))~~ (i) First, the certified property tax levy rates of those
34 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
35 35.95A.100, and 67.38.130 ~~((shall))~~ must be reduced on a pro rata
36 basis or eliminated;

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

1 (~~(c)~~) (iii) Third, if the consolidated tax levy rate still
2 exceeds these limitations, the certified property tax levy rates of
3 all other junior taxing districts, other than fire protection
4 districts, regional fire protection service authorities, library
5 districts, the first fifty cent per thousand dollars of assessed
6 valuation levies for metropolitan park districts, and the first fifty
7 cent per thousand dollars of assessed valuation levies for public
8 hospital districts, (~~shall~~) must be reduced on a pro rata basis or
9 eliminated;

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

15 (~~(e)~~) (v) Fifth, if the consolidated tax levy rate still
16 exceeds these limitations, the certified property tax levy rates
17 authorized to fire protection districts under RCW 52.16.140 and
18 52.16.160 and regional fire protection service authorities under RCW
19 52.26.140(1) (b) and (c) (~~shall~~) must be reduced on a pro rata
20 basis or eliminated; and

21 (~~(f)~~) (vi) Sixth, if the consolidated tax levy rate still
22 exceeds these limitations, the certified property tax levy rates
23 authorized for fire protection districts under RCW 52.16.130,
24 regional fire protection service authorities under RCW
25 52.26.140(1)(a), library districts, metropolitan park districts
26 created before January 1, 2002, under their first fifty cent per
27 thousand dollars of assessed valuation levy, and public hospital
28 districts under their first fifty cent per thousand dollars of
29 assessed valuation levy, (~~shall~~) must be reduced on a pro rata
30 basis or eliminated.

31 **Sec. 9.** RCW 84.04.120 and 1999 c 153 s 69 are each amended to
32 read as follows:

33 "Taxing district" (~~shall be held and construed to mean and~~
34 ~~include~~) means the state and any county, city, town, port district,
35 school district, road district, metropolitan park district, regional
36 transit authority, water-sewer district, or other municipal
37 corporation, now or hereafter existing, having the power or
38 authorized by law to impose burdens upon property within the district
39 in proportion to the value thereof, for the purpose of obtaining

1 revenue for public purposes, as distinguished from municipal
2 corporations authorized to impose burdens, or for which burdens may
3 be imposed, for such purposes, upon property in proportion to the
4 benefits accruing thereto.

5 NEW SECTION. **Sec. 10.** Sections 5 and 7 of this act expire
6 January 1, 2018.

7 NEW SECTION. **Sec. 11.** Sections 6 and 8 of this act take effect
8 January 1, 2018.

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