

FORMATTING NOTE:

In initiatives, legislative bills and other proposed measures, language that is to be deleted from current statutes is represented by a "strikethrough" character and language that is to be added is underlined. Because these special characters cannot be formatted in all Internet browsers, a different set of symbols is used for presenting these proposals on-line. The symbols are as follows:

- Text that is surrounded by (({- text here -})) is text that will be DELETED FROM the existing statute if the proposed measure is approved.
- Text that is surrounded by {+ text here +} is text that will be ADDED TO the existing statute if the proposed measure is approved.
- {+ NEW SECTION+} (found at the beginning of a section or paragraph) indicates that ALL of the text in that section will become law if the proposed measure is approved.

* * *

INITIATIVE 215

AN ACT Relating to property; amending RCW 84.52.065, 84.48.080, and 84.52.010; adding a new section to chapter 43.88 RCW; adding a new chapter to Title 8 RCW; creating a new section; and declaring an emergency.

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

{+ NEW SECTION. +} Sec. 1. The people find that property taxes have become increasingly burdensome and that a reduction in the state property tax will relieve the burden on the taxpayers. The people also find that there should be fairness in property regulations, and that the burden of providing for open space and wildlife habitat should be shared equally, in the same manner that the burden is shared by the public to provide for highways, schools, and other public facilities.

The people intend this measure to provide that fairness in providing public benefits. In addition, it is the intent of the people to provide for property tax relief from the state, without allowing other governments to replace the state property tax with additional local property taxes that are not approved by local voters.

Finally, the people intend to protect education funding from any reductions or threats of reduction that may be proposed or suggested in response to this measure.

Sec. 2. RCW 84.52.065 and 1991 sp.s. c 31 s 16 are each amended to read as follows:

Subject to the limitations in RCW 84.55.010, in each year the state shall levy for collection in the following year for the support of common schools of the state (({- a tax of three dollars and sixty cents -})) {+ , for taxes levied for collection in 2000 and 2001, a tax of one dollar and eighty cents per thousand dollars of assessed value and, for taxes levied for collection in 2002 and thereafter, zero dollars +} per thousand dollars of assessed value upon the assessed valuation of all taxable property within the state adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue.

As used in this section, "the support of common schools" includes the payment of the principal and interest on bonds issued for capital construction projects for the common schools.

{+ NEW SECTION. +} Sec. 3. A new section is added to chapter 43.88 RCW to read as follows:

The legislature shall not reduce per-pupil funding or programmatic funding for public education, consistent with Article IX, sections 1 and 2 of the state Constitution, until such time as the legislature has fully funded or repealed mandates to local school districts, and not prior to the 2003 legislative session.

Sec. 4. RCW 84.48.080 and 1997 c 3 s 112 (Referendum Bill No. 47) are each amended to read as follows:

(1) Annually during the months of September and October, the department of revenue shall examine and compare the returns of the assessment of the property in the several counties of the state, and the assessment of the property of railroad and other companies assessed by the department, and proceed to equalize the same, so that each county in the state shall pay its due and just proportion of the taxes for state purposes for such assessment year, according to the ratio the assessed valuation of the property in each county bears to the correct total assessed valuation of all property in the state.

First. The department shall classify all property, real and personal, and shall raise and lower the assessed valuation of any class of property in any county to a value that shall be equal, so far as possible, to the correct assessed value of such class as of January 1st of the current year, after determining the correct appraised value, and any adjustment applicable under RCW 84.40.0305 for the property, for the purpose of ascertaining the just amount of tax due from each county for state purposes. In equalizing personal property as of January 1st of the current year, the department shall use the assessment level of the preceding year. Such classification may be on the basis of types of property, geographical areas, or both. For purposes of this section, for each county that has not provided the department with an assessment return by December 1st, the department shall proceed, using facts and information and in a manner it deems appropriate, to estimate the value of each class of property in the county.

Second. The department shall keep a full record of its proceedings and the same shall be published annually by the department.

(2) The department shall levy the state taxes authorized by law. The amount levied in any one year for general state purposes shall not exceed the lawful dollar rate on the dollar of the assessed value of the property of the entire state as equalized under this section. The department shall apportion the amount of tax for state purposes levied by the department, among the several counties, in proportion to the assessed valuation of the taxable property of the county for the year as equalized by the department: PROVIDED, That for purposes of this apportionment, the department shall recompute the previous year's levy and the apportionment thereof to correct for changes and errors in taxable values reported to the department after October 1 of the preceding year and shall adjust the apportioned amount of the current year's state levy for each county by the difference between the apportioned amounts established by the original and revised levy computations for the previous year. For purposes of this section, changes in taxable values mean a final adjustment made by a county board of equalization, the state board of tax appeals, or a court of competent jurisdiction and shall include additions of omitted property, other additions or deletions from the assessment or tax rolls, any assessment return provided by a county to the department subsequent to December 1st, or a change in the indicated ratio of a county. Errors in taxable values mean errors corrected by a final reviewing body.

In addition to computing a levy under this subsection that is reduced under RCW 84.55.012 {+ or section 2, chapter ---, Laws of 1999 (section 2 of this act) +}, the department shall compute a hypothetical levy without regard to the reduction under RCW 84.55.012 {+ or section 2, chapter ---, Laws of 1999 (section 2 of this act) +}. This hypothetical levy shall also be apportioned among the several counties in proportion to the valuation of the taxable property of the county for the year, as equalized by the department, in the same manner as the actual levy and shall be used by the county assessors for the purpose of recomputing and establishing a consolidated levy under RCW 84.52.010.

(3) The department shall have authority to adopt rules and regulations to enforce obedience to its orders in all matters in relation to the returns of county assessments, the equalization of values, and the apportionment of the state levy by the department.

(4) After the completion of the duties prescribed in this section, the director of the department shall certify the record of the proceedings of the department under this section, the tax levies made for state purposes and the apportionment thereof among the counties, and the certification shall be available for public inspection.

Sec. 5. RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each amended to read as follows:

Except as is permitted under RCW 84.55.050, all taxes shall be levied or voted in specific amounts.

The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county shall be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

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

(1) The full certified rates of tax levy for state, county, county road district, and city or town purposes shall be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy shall take precedence over all other levies and shall not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 84.52.069, 84.34.230, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, and 84.52.105, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies shall be reduced as follows: (a) The portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated; (b) if the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies

imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, shall be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or shall be eliminated; and (c) if the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 shall be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.

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

(a) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, and 67.38.130 shall be reduced on a pro rata basis or eliminated;

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

(c) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, shall be reduced on a pro rata basis or eliminated;

(d) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 shall be reduced on a pro rata basis or eliminated; and

(e) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, library districts, metropolitan park districts under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, shall be reduced on a pro rata basis or eliminated.

In determining whether the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.050, exceeds the limitations provided in that section, the assessor shall use the hypothetical state levy, as apportioned to the county under RCW 84.48.080, that was computed under RCW 84.48.080 without regard to the reduction under RCW 84.55.012 {+ or section 2, chapter ---, Laws of 1999 (section 2 of this act) +}.

{+ NEW SECTION. +} Sec. 6. (1) The definitions in this subsection apply throughout this chapter unless the context clearly requires otherwise.

(a) "Open space" means any land area, the preservation of which in its natural state or present use would: (i) Conserve and enhance natural or scenic resources, including habitat for plant, fish, or animal wildlife; (ii) promote conservation of wetlands; (iii) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries, or other open space; or (iv) provide tracts of land situated in an urban area and open to public use.

(b) "Real property" means real property as defined in RCW 84.04.090.

(c) "Reservation of property" means to require a property owner to:

(i) Leave property in a natural state;

(ii) Remove property from use that was allowable prior to the reservation of property; or

(iii) Limit the use of property so as to provide open space or wildlife habitat.

(2) The definitions in RCW 8.26.020 apply to this chapter.

{+ NEW SECTION. +} Sec. 7. The people find that reservation of property for plant or wildlife habitat and open space is for the benefit of the public. Therefore, the public should bear the primary burden of providing such property reservations.

The state or a local government agency shall use existing acquisition procedures as authorized and prescribed in RCW 8.26.180, when requiring the reservation of any part of a person's real property for open space.

Every reasonable effort must be made to acquire expeditiously real property by negotiation in a manner that is most cost-effective to the acquiring agency. The negotiation may include an offer of one or more of the following elements: Trading surplus property owned by the state or local government; modifying the density or intensity of use of other property owned by the property owner; adjusting land development or permit standards, such as clustering or variance; purchase of development rights; purchase of conservation easements; and other compensation measures not otherwise restricted by law.

{+ NEW SECTION. +} Sec. 8. If the state or a local public agency requires a person to leave any part of real property in its natural state or to enhance the person's property to provide open space, the property value for property tax purposes for the property shall be based on a current use assessment of the property as provided in chapter 84.34 RCW, if so requested by the property owner.

{+ NEW SECTION. +} Sec. 9. Donation of property is not prohibited under this chapter. A person whose real property is being acquired in accordance with this chapter may, after the person has been fully informed of his or her right to receive just compensation for the property, donate the property, any part of or interest in the property, or any compensation paid for the property to any agency as the person determines.

{+ NEW SECTION. +} Sec. 10. Sections 6 through 9 of this act constitute a new chapter in Title 8 RCW.

{+ NEW SECTION. +} Sec. 11. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

{+ NEW SECTION. +} Sec. 12. 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 immediately.

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