

INITIATIVE 362

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 362 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT Relating to property taxes; amending RCW 84.55.050,
2 84.55.092, and 36.54.130; adding a new section to chapter 84.55 RCW;
3 and creating new sections.

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

5 **INTENT**

6 NEW SECTION. **Sec. 1.** The Lower Property Taxes Initiative protects
7 taxpayers from our state's obscene and unsustainable property tax
8 burden. It is long overdue. This measure reduces property taxes and
9 requires voter approval for property tax increases. This measure would
10 not affect local school levies or voter-approved levies.

11 During these tough economic times, struggling working families and
12 senior citizens desperately need and deserve meaningful property tax
13 relief. Property taxes have skyrocketed for decades and politicians
14 have done nothing to address this very real problem. This measure also
15 provides a much-needed economic stimulus to our state's economy by
16 providing tax incentives to all businesses and individuals. This helps
17 everyone, both employers and employees. So, this measure ensures
18 meaningful tax relief, a big boost to our state's economy, and long-

1 overdue reform of government. It's a smart, balanced, reasonable
2 solution to our state's property tax problem.

3 **REDUCING REGULAR PROPERTY TAX LEVIES BY 1% BEGINNING IN 2007**
4 **(VOTER-APPROVED LEVIES, INCLUDING LOCAL SCHOOL LEVIES,**
5 **ARE NOT AFFECTED)**

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.55 RCW
7 to read as follows:

8 (1) The regular property tax levy for each taxing district shall be
9 reduced by one percent of the levy amount that would otherwise be
10 allowed under this chapter without regard to this section beginning
11 with taxes levied for collection in 2007 and every year thereafter.

12 (2) Before applying the reduction in the property tax levy required
13 by this section, levies shall be set every year at the amount that
14 would otherwise be allowed under this chapter without regard to the
15 prior years' reductions provided for in this section.

16 (3) This section does not affect voter-approved levies, including:
17 (a) The portion of any levy approved by the voters under RCW 84.55.050.
18 The passage of a levy lid lift does not exempt the nonvoter approved
19 portion of the levy from the reduction required by this section; (b)
20 any levy approved by the voters that is not exempt from this section
21 under (a) of this subsection; and (c) any excess levy, such as a local
22 school district levy.

23 **REQUIRING VOTER APPROVAL AT A GENERAL ELECTION**
24 **FOR PROPERTY TAX INCREASES**

25 **Sec. 3.** RCW 84.55.050 and 2003 1st sp.s. c 24 s 4 are each amended
26 to read as follows:

27 (1) Subject to any otherwise applicable statutory dollar rate
28 limitations, regular property taxes may be levied by or for a taxing
29 district in an amount exceeding the limitations provided for in this
30 chapter if such levy is authorized by a proposition approved by a
31 majority of the voters of the taxing district voting on the proposition
32 at a general election held within the district (~~(or at a special~~
33 ~~election within the taxing district called by the district for the~~
34 ~~purpose of submitting such proposition to the voters)).~~ Any election
35 held pursuant to this section shall be held not more than twelve months

1 prior to the date on which the proposed levy is to be made, except as
2 provided in subsection (3)(b) of this section. The ballot of the
3 proposition shall state the dollar rate proposed and shall clearly
4 state any conditions which are applicable under subsection (3) of this
5 section.

6 (2) After a levy authorized pursuant to this section is made, the
7 dollar amount of such levy shall be used for the purpose of computing
8 the limitations for subsequent levies provided for in this chapter,
9 except as provided in subsections (3) and (4) of this section.

10 (3) A proposition placed before the voters under this section may:

11 (a) Limit the period for which the increased levy is to be made;

12 (b) Subject to statutory dollar limitations in RCW 84.52.043,
13 authorize annual increases in levies for any county, city, or town for
14 multiple consecutive years, up to six consecutive years, during which
15 period each year's authorized maximum legal levy shall be used as the
16 base upon which an increased levy limit for the succeeding year is
17 computed, but the ballot proposition must state the dollar rate
18 proposed only for the first year of the consecutive years and must
19 state the limit factor, or a specified index to be used for determining
20 a limit factor, such as the consumer price index, which need not be the
21 same for all years, by which the regular tax levy for the district may
22 be increased in each of the subsequent consecutive years. Elections
23 for this purpose must be held at a (~~primary or~~) general election.
24 The title of each ballot measure must state the specific purposes for
25 which the proposed levy increase shall be used, and funds raised under
26 this levy shall not supplant existing funds used for these purposes;

27 (c) Limit the purpose for which the increased levy is to be made,
28 but if the limited purpose includes making redemption payments on
29 bonds, the period for which the increased levies are made shall not
30 exceed nine years;

31 (d) Set the levy at a rate less than the maximum rate allowed for
32 the district;

33 (e) Provide that the maximum allowable dollar amount of the final
34 annual levy of the period specified in the measure shall be used to
35 compute the limitations provided for in this chapter on levy increases
36 occurring after the expiration of the period; or

37 (f) Include any combination of the conditions in this subsection.

38 (4) Except as otherwise provided in an approved ballot measure
39 under this section, after the expiration of a limited period or the

1 satisfaction of a limited purpose, whichever comes first, subsequent
2 levies shall be computed as if:

3 (a) The limited proposition under subsection (3) of this section
4 had not been approved; and

5 (b) The taxing district had made levies at the maximum rates which
6 would otherwise have been allowed under this chapter during the years
7 levies were made under the limited proposition.

8 **Sec. 4.** RCW 84.55.092 and 1998 c 16 s 3 are each amended to read
9 as follows:

10 The regular property tax levy for each taxing district other than
11 the state may be set at the amount which would be allowed otherwise
12 under this chapter if the regular property tax levy for the district
13 for taxes due in prior years beginning with 1986 had been set at the
14 full amount allowed under this chapter including any levy authorized
15 under RCW 52.16.160 that would have been imposed but for the limitation
16 in RCW 52.18.065, applicable upon imposition of the benefit charge
17 under chapter 52.18 RCW, and only if the taxing district receives a
18 majority vote of the people voting at a general election to use excess
19 capacity to increase property taxes.

20 The purpose of this section is to remove the incentive for a taxing
21 district to maintain its tax levy at the maximum level permitted under
22 this chapter, and to protect the future levy capacity of a taxing
23 district that reduces its tax levy below the level that it otherwise
24 could impose under this chapter, by removing the adverse consequences
25 to future levy capacities resulting from such levy reductions.

26 **Sec. 5.** RCW 36.54.130 and 2006 c 332 s 9 are each amended to read
27 as follows:

28 (1) To carry out the purposes for which ferry districts are
29 created, the governing body of a ferry district may levy each year an
30 ad valorem tax on all taxable property located in the district not to
31 exceed seventy-five cents per thousand dollars of assessed value. The
32 tax levy must receive approval by a majority of voters voting in the
33 district at a general election before the levy may be imposed. The
34 levy must be sufficient for the provision of ferry services as shown to
35 be required by the budget prepared by the governing body of the ferry
36 district.

1 (2) A tax imposed under this section may be used only for providing
2 ferry services, including the purchase, lease, or rental of ferry
3 vessels and dock facilities, the operation and maintenance of ferry
4 vessels and dock facilities, and related personnel costs.

5 **CONSTRUCTION CLAUSE**

6 NEW SECTION. **Sec. 6.** The provisions of this act are to be
7 liberally construed to effectuate the policies, purposes, and intent of
8 this act.

9 **SEVERABILITY CLAUSE**

10 NEW SECTION. **Sec. 7.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

14 NEW SECTION. **Sec. 8.** Subheadings used in this act are not any
15 part of the law.

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