

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.

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INITIATIVE 723

AN ACT Relating to reducing the state property tax; amending RCW 43.135.045, 84.52.043, and 84.52.065; adding a new section to chapter 84.55 RCW; and providing an expiration date.

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

Sec. 1. RCW 43.135.045 and 1994 c 2 s 3 are each amended to read as follows:

(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall deposit in the emergency reserve fund all general fund--state revenues in excess of the state expenditure limit for that fiscal year. Deposits shall be made at the end of each fiscal quarter based on projections of state revenues and the state expenditure limit.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of (({- biennial -})) {+ annual +} general fund--state revenues as projected by the official state revenue forecast. {+ Amounts in excess of five percent shall be transferred as follows:

(a) One-half of a +}ny balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer to the education construction fund hereby created in the treasury. (({- (4)(a) -})) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction. (({- (b) -})) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election.

{+ (b) One-half of any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer to the property tax reduction fund created in the treasury. The amount transferred into the property tax reduction fund must be used to reduce the state's portion of the property tax levy for the following year. The amount transferred into the property tax reduction fund for any four-quarter period ending September 30th may not exceed the amount of tax that

would otherwise be levied by the state for the support of the common schools for collection the following calendar year, as forecast by the economic and revenue forecast council. This unused taxing capacity may not be used to supplant the need to use other revenue sources.

(4) +} An appropriation approved by the people under (({- this -})) subsection {+ (3)(a) of this section +} shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

Sec. 2. RCW 84.52.043 and 1995 c 99 s 3 are each amended to read as follows:

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

(1) Levies of the senior taxing districts shall be as follows: (a) The levy by the state shall not exceed (({- three dollars and sixty cents -})) {+ two dollars and forty cents +} per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county shall not exceed (({- one dollar and eighty cents -})) {+ two dollars and seventy cents +} per thousand dollars of assessed value; (c) the levy by any road district shall not exceed two dollars and (({- twenty-five -})) {+ fifty-five +} cents per thousand dollars of assessed value; and (d) the levy by any city or town shall not exceed three dollars and (({- thirty-seven -})) {+ sixty-seven +} and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from (({- one dollar and eighty -})) {+ two dollars and seventy +} cents to a rate not to exceed (({- two dollars and forty-seven -})) {+ three dollars and sixty-seven +} and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed (({- four dollars and five -})) {+ five dollars and twenty-five +} cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, shall not exceed (({- five dollars and ninety -})) {+ seven dollars and ten +} cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection shall not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; and (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120.

Sec. 3. 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 -}))
{+ two dollars and forty +} cents 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. {+ An amount
equal to an additional one dollar and twenty cents 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,
shall be dedicated from other revenue paid into the general fund of the
state treasury for support of common schools of the state. +}

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. 4. A new section is added to chapter
84.55 RCW to read as follows:

(1) The limitation provided in RCW 84.55.010 does not apply to
chapter . . . , Laws of 2000 (this act).

(2) In the first year following the effective date of this act, the
county taxing district levy shall not be less than the prior year's
levy plus ninety cents.

(3) This section expires December 31, 2001.

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