

August 27, 2008

2008 Legislation Updates – Levy Lid Lift, Establishing Taxing Districts Boundaries, Beach Management Districts, Binding Site Plans

ESB 6641 – RCW 84.55.050 – Levy Lid Lifts

Question: What changes were made in ESB 6641?

Answer: This bill makes single year and multiple year lid lifts temporary unless the ballot proposition approved by voters make them permanent. After the lid lift ends, subsequent levies will be computed as if the lid lift had never occurred and the district had levied at the maximum rates allowed, unless the ballot proposition states otherwise.

Question: What are the common factors between a single year and multiple year levy lid lifts?

Answer: The common factors include:

- A taxing district may increase its levy by more than 1 percent over its highest lawful levy since 1986.
- All lid lifts must be approved by a simple majority of voters in the district.
- The measure must be approved not more than 12 months prior to when the lid lift will be imposed.
- The ballot proposition must contain the proposed levy rate for the first year of the lid lift and any applicable conditions.
- The lid lift is temporary unless the ballot proposition specifically states the resulting levy will be used as a basis for calculating all subsequent levies.
- The ballot proposition may include language to limit the levy increase for a specific timeframe and/or specific purpose.

Question: What are the differences between a single year and a multiple year levy lid lift?

Answer:

Single Year Lid Lift:

- Must be voted at a special or general election.

Multi Year Lid Lift:

- Must be voted at a primary or general election.
- Allows a district to increase its levy by more than 1 percent over its highest lawful levy since 1986 in each of up to six consecutive years.
- The ballot proposition must contain the levy rate proposed for the first year of this period and a limit factor or specific index that will be used to determine the limit factor.
- The ballot title must contain the limited purpose for which the increased levy will be used during the specified period.
- Funds raised under the levy lid lift cannot supplant existing funds used for the specified purposes.

Question: When did this bill become effective?

Answer: The bill was effective April 1, 2008, and applies prospectively to lid lifts approved on or after April 1, 2008.

ESB 6663 – Establishing Taxing District Boundaries

Question: What are the effects of ESB 6663?

Property Tax Special Notice

2008 Legislation Updates – Levy Lid Lift, Establishing Taxing Districts Boundaries, Beach Management Districts, Binding Site Plans

Answer: ESB 6663 improves tax program administration by correcting, clarifying, eliminating, repealing, and decodifying statutes related to the Department of Revenue. This Special Notice addresses only section 501 regarding taxing district boundaries.

Question: What changes were made to RCW 84.09.030 concerning taxing district boundaries?

Answer: With the exception of newly incorporated port districts, regional fire protection service authority districts, and mosquito districts, all taxing district boundaries must now be established by August 1 in order to collect property tax in the following year.

Question: What are the dates that boundaries must be established for newly incorporated port districts, regional fire protection service authority districts, and mosquito districts?

Answer: RCW 84.09.030 requires newly incorporated port districts and regional fire protection service authority districts to have their boundaries established by October 1st if their boundaries are coterminous with the boundaries of another taxing district or districts as they existed the first day of August. If the boundaries for the newly incorporated port district and regional fire protection service authority district are not coterminous with another taxing district, then the boundaries must be established by August 1. RCW 17.28.253 requires mosquito districts to have their boundaries established by September 1st.

Question: When did ESB 6663 take effect?

Answer: June 12, 2008.

SB 6950 – RCW 84.56.020 – Extension of Due Dates During a State of Emergency

Question: What are the effects of SB 6950?

Answer: This Special Notice addresses only section 510 in which the bill provides an extension of tax deadlines during a state of emergency declared by the governor under RCW 43.06.010 (12).

Question: What are the reasons a state of emergency can be declared under RCW 43.06.010 (12)?

Answer: The governor may, after finding that a public disorder, disaster, energy emergency, or riot exists within this state or any part thereof which affects life, health, property, or the public peace, proclaim a state of emergency in the area affected. The powers granted the governor during a state of emergency is effective only within the area described in the proclamation.

Question: What due dates may be extended by the county treasurer?

Answer: Section 510 of SB 6950 gives the county treasurers authority to grant an extension for the due dates of any property tax payable under RCW 84.56.020, for taxes extended upon the tax rolls of the county, when a state of emergency has been declared by the governor.

Question: When did this bill take effect?

Answer: June 12, 2008.

E2SHB 3186 – Beach Management District

Question: What are the effects of E2SHB 3186?

Property Tax Special Notice

2008 Legislation Updates – Levy Lid Lift, Establishing Taxing Districts Boundaries, Beach Management Districts, Binding Site Plans

Answer: E2SHB 3186 authorizes the creation of beach management districts that are similar to lake management districts. Beach management districts may be created by a county, city, or town for the purpose of controlling and removing aquatic plants or vegetation.

Question: How are beach management districts funded?

Answer: Special assessments or rates and charges may be imposed annually on property within the district. A property owner has the choice of paying the entire special assessment or charge in one payment or installments.

Question: Who is responsible for setting the special assessment, and how are special assessments measured for beach management districts?

Answer: The county or city legislative authority is responsible for preparing a roll of rates and charges. The special assessment may be measured by front footage, acreage, the extent of improvements on the property, or any other factors that are deemed to fairly reflect special benefits, including those under RCW 35.51.030.

Question: What roles do the county treasurer and assessor play in beach management districts?

Answer: The county treasurer collects payments for the special assessments or rates and charges. While special assessments are not property taxes, special assessments can be billed on property tax statements. Special assessments and charges are not ad valorem taxes; therefore the assessor is not involved in levying this assessment or establishing the rate or charge.

Question: When did this bill take effect?

Answer: June 12, 2008.

HB 1149 – Binding Site Plan

Question: What are the effects of HB 1149?

Answer: HB 1149 removed the requirement for an advance tax to be paid prior to the recording of a binding site plan with the county auditor.

Question: When did this bill take effect?

Answer: June 12, 2008.

If you have any questions or need additional information, please contact Diann Locke at (360) 570-5885 or diannl@dor.wa.gov.