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HOUSE BILL 1703

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State of Washington

68th Legislature

2023 Regular Session

By Representative Orcutt

1 AN ACT Relating to imposing local property tax levies wholly  
2 credited against the state property tax to provide support and  
3 services for veterans' assistance and for persons with developmental  
4 disabilities or mental health needs; amending RCW 71.20.110 and  
5 73.08.080; providing an effective date; and declaring an emergency.

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

7 **Sec. 1.** RCW 71.20.110 and 2013 c 123 s 1 are each amended to  
8 read as follows:

9 (1) In order to provide additional funds for the coordination and  
10 provision of community services for persons with developmental  
11 disabilities or mental health services, the county governing  
12 authority of each county in the state must budget and levy annually a  
13 tax in a sum equal to the amount which would be raised by a levy of  
14 ~~((two and one-half))~~ 2.5 cents per ~~((thousand dollars))~~ \$1,000 of  
15 assessed value against the taxable property in the county ~~((, or as~~  
16 ~~such amount is modified pursuant to subsection (2) or (3) of this~~  
17 ~~section,))~~ to be used for such purposes. ~~((However, all))~~ The levy  
18 must be deducted from the amount of tax otherwise required to be  
19 collected or paid to the department of revenue for the state levy  
20 under RCW 84.36.005 at no cost to the county.

1       (2) All or part of the funds collected from the tax levied for  
2 the purposes of this section may be transferred to the state of  
3 Washington, department of social and health services, for the purpose  
4 of obtaining federal matching funds to provide and coordinate  
5 community services for persons with developmental disabilities and  
6 mental health services. In the event a county elects to transfer such  
7 tax funds to the state for this purpose, the state must grant these  
8 moneys and the additional funds received as matching funds to  
9 service-providing community agencies or community boards in the  
10 county which has made such transfer, pursuant to the plan approved by  
11 the county, as provided by chapters 71.24 and 71.28 RCW and by  
12 chapter 71A.14 RCW, all as now or hereafter amended.

13       ~~((2) The amount of a levy allocated to the purposes specified in~~  
14 ~~this section may be reduced in the same proportion as the regular~~  
15 ~~property tax levy of the county is reduced by chapter 84.55 RCW.~~

16       ~~(3) (a) The amount of a levy allocated to the purposes specified~~  
17 ~~in this section may be modified from the amount required by~~  
18 ~~subsection (1) of this section as follows:~~

19       ~~(i) If the certified levy is reduced from the preceding year's~~  
20 ~~certified levy, the amount of the levy allocated to the purposes~~  
21 ~~specified in this section may be reduced by no more than the same~~  
22 ~~percentage as the certified levy is reduced from the preceding year's~~  
23 ~~certified levy;~~

24       ~~(ii) If the certified levy is increased from the preceding year's~~  
25 ~~certified levy, the amount of the levy allocated to the purposes~~  
26 ~~specified in this section must be increased from the amount of the~~  
27 ~~levy so allocated in the previous year by at least the same~~  
28 ~~percentage as the certified levy is increased from the preceding~~  
29 ~~year's certified levy. However, the amount of the levy allocated to~~  
30 ~~the purposes specified in this section does not have to be increased~~  
31 ~~under this subsection (3) (a) (ii) for the portion of a certified levy~~  
32 ~~increase resulting from a voter-approved increase under RCW 84.55.050~~  
33 ~~that is dedicated to a specific purpose; or~~

34       ~~(iii) If the certified levy is unchanged from the preceding~~  
35 ~~year's certified levy, the amount of the levy allocated to the~~  
36 ~~purposes specified in this section must be equal to or greater than~~  
37 ~~the amount of the levy so allocated in the preceding year.~~

38       ~~(b) For purposes of this subsection, "certified levy" means the~~  
39 ~~property tax levy for general county purposes certified to the county~~

1 ~~assessor as required by RCW 84.52.070, excluding any amounts~~  
2 ~~certified under chapters 84.69 and 84.68 RCW.~~

3 ~~(4) Subsections (2) and (3) of this section do not preclude a~~  
4 ~~county from increasing the levy amount in subsection (1) of this~~  
5 ~~section to an amount that is greater than the change in the regular~~  
6 ~~county levy.)~~

7 **Sec. 2.** RCW 73.08.080 and 2019 c 432 s 35 are each amended to  
8 read as follows:

9 (1) The legislative authority in each county must levy, in  
10 addition to the taxes now levied by law, a tax in a sum equal to the  
11 amount that would be raised by not less than ~~((one and one-eighth))~~  
12 1.8 cents per ~~((thousand dollars))~~ \$1,000 of assessed value, and not  
13 greater than ~~((twenty-seven))~~ 27 cents per ~~((thousand dollars))~~  
14 \$1,000 of assessed value against the taxable property of their  
15 respective counties, to be levied and collected as now prescribed by  
16 law for the assessment and collection of taxes, for the purpose of  
17 creating a veterans' assistance fund.

18 (2) The levy must be deducted from the amount of tax otherwise  
19 required to be collected or paid to the department of revenue for the  
20 state levy under RCW 84.36.005 at no cost to the county.

21 (3) Expenditures from the veterans' assistance fund, and interest  
22 earned on balances from the fund, may be used only for:

23 (a) The veterans' assistance programs authorized by RCW  
24 73.08.010;

25 (b) The lawful disposition of the remains as defined in RCW  
26 68.04.020 of a deceased indigent veteran or deceased family member of  
27 an indigent veteran as authorized by RCW 73.08.070; and

28 (c) The direct and indirect costs incurred in the administration  
29 of the fund ~~((as authorized by subsection (2) of this section))~~.

30 ~~((2) If the funds on deposit in the veterans' assistance fund,~~  
31 ~~less outstanding warrants, on the first Tuesday in September exceed~~  
32 ~~the lesser of the expected yield of one and one-eighth cents per~~  
33 ~~thousand dollars of assessed value against the taxable property of~~  
34 ~~the county or the expected yield of a levy determined as set forth in~~  
35 ~~subsection (5) of this section, the county legislative authority may~~  
36 ~~levy a lesser amount than would otherwise be required under~~  
37 ~~subsection (1) or (5) of this section.~~

38 ~~(3) The direct and indirect costs incurred in the administration~~  
39 ~~of the veterans' assistance fund must be computed by the county~~

1 auditor, or the chief financial officer in a county operating under a  
2 charter, not less than annually. Following the computation of these  
3 direct and indirect costs, an amount equal to these costs may then be  
4 transferred from the veterans' assistance fund to the county current  
5 expense fund.

6 (4) The amount of a levy allocated to the purposes specified in  
7 this section may be reduced in the same proportion as the regular  
8 property tax levy of the county is reduced by chapter 84.55 RCW.

9 (5) (a) The amount of a levy allocated to the purposes specified  
10 in this section may be modified from the amount required by  
11 subsection (1) of this section as follows:

12 (i) If the certified levy is reduced from the preceding year's  
13 certified levy, the amount of the levy allocated to the purposes  
14 specified in this section may be reduced by no more than the same  
15 percentage as the certified levy is reduced from the preceding year's  
16 certified levy;

17 (ii) If the certified levy is increased from the preceding year's  
18 certified levy, the amount of the levy allocated to the purposes  
19 specified in this section may not be less than the base allocation  
20 increased by the same percentage as the certified levy is increased  
21 from the preceding year's certified levy. However, the amount of the  
22 levy allocated to the purposes specified in this section does not  
23 have to be increased under this subsection (5) (a) (ii) for the portion  
24 of a certified levy increase resulting from a voter-approved increase  
25 under RCW 84.55.050 that is dedicated to a specific purpose; or

26 (iii) If the certified levy is unchanged from the preceding  
27 year's certified levy, the amount of the levy allocated to the  
28 purposes specified in this section must be equal to or greater than  
29 the base allocation.

30 (b) For purposes of this subsection, the following definitions  
31 apply:

32 (i) "Base allocation" means the most recent allocation that was  
33 not reduced under subsection (2) of this section.

34 (ii) "Certified levy" means the property tax levy for general  
35 county purposes certified to the county assessor as required by RCW  
36 84.52.070, excluding any amounts certified under chapters 84.69 and  
37 84.68 RCW.

38 (6) Subsections (2), (4), and (5) of this section do not preclude  
39 a county from increasing the levy amount in subsection (1) of this

1 ~~section to an amount that is greater than the change in the regular~~  
2 ~~county levy.))~~

3 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of  
5 the state government and its existing public institutions, and takes  
6 effect July 1, 2023.

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