



Metropolitan Park District (MPD) Taxing Authority

Introduction

This page provides information on taxing authority for metropolitan park districts in Washington State.

Levy Rate Limits on Property Tax

A metropolitan park district (MPD) is a junior taxing district that has two regular property tax levies available - one of 50 cents per thousand dollars assessed valuation (AV) and one of 25 cents. They are considered as one levy for the purposes of the levy limits in [chapter 84.55 RCW](http://app.leg.wa.gov/rcw/default.aspx?cite=84.55) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.55>), which sets limits on the amount by which a levy can be increased. [RCW 35.61.210](http://app.leg.wa.gov/rcw/default.aspx?cite=35.61.210) (<http://app.leg.wa.gov/rcw/default.aspx?cite=35.61.210>). (Note that the levy is the total dollar amount, not the tax rate.) However, they have different rankings in the prorationing statute, which will be discussed below.

The aggregate regular levy rates of senior taxing districts (counties and cities) and junior taxing districts (fire districts, metropolitan park districts, cemetery districts, library districts, park and recreation district, etc.) may not exceed \$5.90 per thousand dollars AV. If this limit is exceeded, the levy of at least one junior taxing district must be prorationed. (See discussion below.) Some property tax levies not subject to this limit include state levies; levies for public utility districts; excess property tax levies; special levies for local school districts; levies for acquiring conservation futures; emergency medical service levies; low income housing levies; ferry district levies; the county criminal justice levy; and, under certain restrictive conditions, the 25 cent metropolitan park district levy and 25 cents of the fire district levy under [RCW 52.16.140 or .160](http://app.leg.wa.gov/rcw/default.aspx?cite=52.16) (<http://app.leg.wa.gov/rcw/default.aspx?cite=52.16>). Some of these are, however, subject to the one percent constitutional limit. ([RCW 84.52.043](http://app.leg.wa.gov/rcw/default.aspx?cite=84.52.043) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.52.043>))

One-Percent Constitutional Property Tax Limit

In addition to the other levy rate limits, both statutory law and the state constitution limit regular property tax levies (including the state levy) to one percent of the true and fair value of the property. This limit does not apply to port or public utility districts. The limit may be exceeded when 60 percent of the voters approve excess or special levies for operations and maintenance (school levies fall in this category) or for the payment of debt service on general obligation bonds. Both kinds of levies have voter turnout requirements. (*Washington State Constitution, Art. 7, Sec. 2; RCW 84.52.050; RCW 84.52.052; RCW 84.52.056*)

Prorationing

If either the \$5.90 statutory limit or the one percent constitutional limit is exceeded, one or more of the levies involved are reduced according to a statutory formula. This reduction process is known as prorationing.

The county current expense levy, the county road fund levy, city general fund levies, and the state school levy are all protected from prorationing. Which levies are lowered in prorationing, by how much, and in what order depends upon whether the \$5.90 limit or the one percent limit has been exceeded.

\$5.90 Limit Exceeded

If the \$5.90 limit has been exceeded, levies are reduced or eliminated in the following order until the total tax rate is at \$5.90. Note that within each grouping, the levy rates of the districts are reduced on a pro rata basis. ([RCW 84.52.010](http://app.leg.wa.gov/rcw/default.aspx?cite=84.52.010) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.52.010>)(2))

1. Parks & Recreation Districts - RCW 36.68.525 (up to \$0.60)
 Parks & Recreation Service Areas - RCW 36.69.145 (up to \$0.60)
 Cultural Arts, Stadiums & Convention Districts - RCW 67.38.130 (up to \$0.25)
2. Flood Control Zone Districts - RCW 86.15.160 (up to \$0.50)
 - (*Up to \$0.25 may be protected from prorationing in a flood control zone district with a population of 775,000 or more that is coextensive with the county. It is subject, however, to the one percent constitutional limit. RCW 84.52.815*)
3. Hospital Districts - RCW 70.44.060 (up to \$0.25)
 Metropolitan Parks Districts - RCW 35.61.210 (up to \$0.25)
 - (*Up to \$0.25 may be protected from prorationing for six years with a vote of the people in a metropolitan park district with a population of 150,000 or more. It is subject, however, to the one percent constitutional limit. RCW 84.52.120*)
 - (Up to \$0.25 may be protected from prorationing for six years with a vote of the people in a metropolitan park district with a population of less than 150,000 in a county with a population of 1,500,000 or more. It is subject, however, to the one percent constitutional limit. Expires on December 31, 2017. RCW 84.52.120*)

All other districts not otherwise mentioned.

4. Metropolitan Park Districts formed on January 1, 2002 or after - RCW 35.61.210 (up to \$0.50)
5. Fire Districts - RCW 52.16.140 (up to \$0.50)
 Fire Districts - RCW 52.16.160 (up to \$0.50)
 - (*Up to \$0.25 of each of these levies may be protected from prorationing, but they are subject to the one percent constitutional limit. RCW 84.52.125*)
- Regional Fire Protection Service Authorities - RCW 52.26.140(1)(b) (up to \$0.50)
 Regional Fire Protection Service Authorities - RCW 52.26.140(1)(c) (up to \$0.50)
6. Fire Districts - RCW 52.16.130 (up to \$0.50)
 Regional Fire Protection Service Authorities - RCW 52.26.140(1)(a) (up to \$0.50)
 Library Districts - RCW 27.12.050 and RCW 27.12.150 (up to \$0.50)
 Hospital Districts - RCW 70.44.060(6) (up to \$0.50)
 Metropolitan Parks Districts formed before January 1, 2002 - RCW 35.61.210 (up to \$0.50)

One Percent Limit Exceeded

If levies are reduced to conform to the \$5.90 limit, and the total tax levy still exceeds one percent of fair market value, then reductions in other levies, which fall outside the \$5.90 limit, are made in the following order, up to the amounts in parentheses:

1. Metropolitan Park Districts - RCW 35.61.210 and RCW 84.52.120 (up to \$0.25) if protected from the \$5.90 proration when district's population is less than 150,000 and county population is 1,500,000 or more.
2. Flood Control Zone District - RCW 86.15.160 and RCW 84.52.815 (up to \$0.25) if protected from \$5.90 proration
3. County Transit Levy (King County) - RCW 84.52.140 (up to \$0.075)
4. Fire Districts - RCW 52.16.140 and RCW 84.52.125 (up to \$0.25), if protected from the \$5.90 proration, and RCW 52.16.160 and RCW 84.52.125 (up to \$.25), if protected from the \$5.90 proration
5. County Criminal Justice - RCW 84.52.135 (up to \$0.50)
6. Ferry Districts - RCW 36.54.130 (up to \$0.75, except a ferry district in a county with a population of one million five hundred thousand or more may not levy at a rate that exceeds seven and one-half cents)
7. Metropolitan Parks Districts with a population of 150,000 or more, which have voted to levy their \$0.25 levies outside the \$5.90 limit - RCW 35.61.210 and RCW 84.52.120 (up to \$0.25)
8. Conservation Futures - RCW 84.34.230 (up to \$0.0625)
Affordable Housing - RCW 84.52.105 (up to \$0.50)
Emergency Medical Services - RCW 84.52.069 (up to \$0.20)
9. Emergency Medical Services - RCW 84.52.069 (up to \$0.30)

The \$0.25 MPD levy listed directly above as item 1 is the same levy as that listed at level 3 in the discussion of the \$5.90 prorationing scheme. There are not two separate \$0.25 levies that a single district may make. RCW 84.52.120 allows a district with a population of 150,000 or more to ask the voters for permission to make the levy outside the \$5.90 limit, making it, of course, much less vulnerable to prorationing. If the voters approve, the legislative body may do so for a period of six years.

A group thinking of forming a metropolitan park district needs to check with its county assessor to find out what its maximum initial levy can be to see whether it makes financial sense and to try to estimate what the levy might be in the future if the levy is prorationed or is on the margin for prorationing. The state constitution requires that taxes be uniform throughout a district. If the proposed park district boundaries contain overlapping tax districts it is possible that a levy of, say, 50 cents may be possible the first few years. But, in a future year, if a fire district raises its levy by some amount, say 35 cents, the park district's levy will fall to 15 cents even if only a small portion of the fire district is in the park district and even though the assessed valuation of the fire district piece is just a small portion of the park district.

Levy Growth Limits

In November 1997, voters in the state passed Referendum 47. This law limited the property tax levy for the coming year to be the highest regular property tax levy for the last three years multiplied by a "limit factor," plus any additional taxes attributable to new construction and changes in the value of state-assessed utilities. ([RCW 84.55.010](http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.010) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.010>))

With the passage of Initiative 747 in November 2001, for taxing jurisdictions with a population under 10,000, the limit factor is now 101 percent. For jurisdictions with a population of 10,000 and over, the limit factor is one hundred percent plus the lesser of one percent or inflation. (Before the passage of Initiative 747, the statutes read - 106

percent" rather than - 101 percent.") "Inflation" is defined as the percentage change in the implicit price deflator (IPD) for personal consumption expenditures for the twelve-month period ending in July as published by the Bureau of Economic Analysis in the September issue of the Survey of Current Business. ([RCW 84.55.005](http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.005) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.005>))

Jurisdictions with a population of 10,000 or more may levy an amount up to 101 percent of the previous levy, if the legislative authority of a taxing district makes a finding of - substantial need" by a supermajority vote in a separate resolution or ordinance. ([RCW 84.55.0101](http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.0101) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.0101>)) Obviously, it is less likely that the percentage increase in the IPD will be less than one percent than the former six percent, so this option may be meaningless.

Excess Levies for General Government Purposes

Levy Lid Lift. RCW 84.55.050

Any taxing jurisdiction, including a metropolitan park district, that is levying property taxes at a rate lower than the statutory maximum can ask the voters to lift the levy lid by more than one percent. A simple majority vote is required. If a district's levy is subject to prorationing, it may not be able to take advantage of this statute. ([RCW 84.55.050](http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.050) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.55.050>))

For cities and counties, it is pretty easy to determine the maximum amount of lid lift possible because they are senior taxing districts and just need to look at the difference between their maximum rate and their current rate. Other taxing districts, such as MPDs, need to consult with their assessor to see what is possible. Even though an MPD has a maximum rate of \$0.75, some of the difference between that amount and its current tax rate may not be available for a levy lid lift because of prorationing.

For more information on levy lid lifts, see MRSC's article on [Levy Lid Lifts](/Corporate/media/MediaLibrary/SampleDocuments/ArtDocMisc/levylidlift.pdf) (</Corporate/media/MediaLibrary/SampleDocuments/ArtDocMisc/levylidlift.pdf>)

One-Year Excess Levy. RCW 84.52.052

Subject to other rate limits, even jurisdictions that are currently levying their statutory maximum rate can ask the voters to raise the rate for one year. Many cities and counties refer to this levy as an "O & M" (operations and maintenance) levy. There are two different scenarios for voter approval. If at least 60 percent of the voters vote "yes" with a voter turnout of more than 40 percent of the number of people voting in the last general election, the measure is passed. However, if the voter turnout is 40 percent or less of the number voting in the last general election, all is not lost. In that case, as long as the number of "yes" votes is equal to at least 60 percent times 40 percent of the number of people voting in the last general election, the measure will pass. If, for example, 1,000 people voted in the last general election, as long as at least 240 ($1,000 \times .4 = 400$; $400 \times .6 = 240$) people vote "yes" on the O & M levy, it will pass, even if the number voting is less than 400 (40 percent of those voting in the last general election). ([RCW 84.52.052](http://app.leg.wa.gov/rcw/default.aspx?cite=84.52.052) (<http://app.leg.wa.gov/rcw/default.aspx?cite=84.52.052>). Art.7, Sec. 2(a))

As with the levy lid lift, the purpose for which the money will be used does not need to be specified. However, it is not fiscally prudent to build an annual budget that assumes that the voters will renew the levy authority each year. A good use of these funds would be for a one-time expenditure.

Note that the language in the second paragraph of RCW 35.61.210, authorizing the board - to call a special election for the purpose of submitting to the qualified voters of the park district a proposition to levy a tax in excess of the seventy-five cents” is the same authority for an O& M levy as is found in RCW 84.52.052. RCW 35.61.210 does not make any reference to the fact that it is a one-year levy, but the constitution does. (*Washington State Constitution, Art. 7, Sec. 2(a).*)

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