

(4) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.

(5) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules and regulations adopted by the higher education coordinating board and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the board may require.

Passed the House March 18, 1987.

Passed the Senate April 7, 1987.

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CHAPTER 138

[Engrossed Substitute House Bill No. 298]

LOCAL GOVERNMENT JUNIOR TAXING DISTRICTS—WITHDRAWAL AND REANNEXATION OF AREAS—TEMPORARY VOTER-APPROVED INCREASE IN REGULAR PROPERTY TAX AUTHORIZED—COUNTY ASSESSORS TO REPORT TO REVENUE DEPARTMENT ON STANDARDIZED FORMS

AN ACT Relating to local government; adding a new section to chapter 27.12 RCW; adding a new section to chapter 35.61 RCW; adding a new section to chapter 36.21 RCW; adding a new section to chapter 52.04 RCW; adding a new section to chapter 70.44 RCW; adding a new section to chapter 84.09 RCW; adding a new section to chapter 84.52 RCW; adding a new section to chapter 84.55 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 27.12 RCW to read as follows:

(1) As provided in this section, a rural county library district, island library district, or intercounty rural library district may withdraw areas from its boundaries, or reannex areas into the library district that previously had been withdrawn from the library district under this section.

(2) The withdrawal of an area shall be authorized upon: (a) Adoption of a resolution by the board of trustees requesting the withdrawal and finding that, in the opinion of the board, inclusion of this area within the library district will result in a reduction of the district's tax levy rate under the provisions of RCW 84.52.010; and (b) adoption of a resolution by the city or town council approving the withdrawal, if the area is located within the

city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the withdrawal, if the area is located outside of a city or town. A withdrawal shall be effective at the end of the day on the thirty-first day of December in the year in which the resolutions are adopted, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution.

The authority of an area to be withdrawn from a library district as provided under this section is in addition, and not subject, to the provisions of RCW 27.12.380.

The withdrawal of an area from the boundaries of a library district shall not exempt any property therein from taxation for the purpose of paying the costs of redeeming any indebtedness of the library district existing at the time of the withdrawal.

(3) An area that has been withdrawn from the boundaries of a library district under this section may be reannexed into the library district upon: (a) Adoption of a resolution by the board of trustees proposing the reannexation; and (b) adoption of a resolution by the city or town council approving the reannexation, if the area is located within the city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the reannexation, if the area is located outside of a city or town. The reannexation shall be effective at the end of the day on the thirty-first day of December in the year in which the adoption of the second resolution occurs, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution. Referendum action on the proposed reannexation may be taken by the voters of the area proposed to be reannexed if a petition calling for a referendum is filed with the city or town council, or county legislative authority, within a thirty-day period after the adoption of the second resolution, which petition has been signed by registered voters of the area proposed to be reannexed equal in number to ten percent of the total number of the registered voters residing in that area.

If a valid petition signed by the requisite number of registered voters has been so filed, the effect of the resolutions shall be held in abeyance and a ballot proposition to authorize the reannexation shall be submitted to the voters of the area at the next special election date specified in RCW 29.13-.030 that occurs forty-five or more days after the petitions have been validated. Approval of the ballot proposition authorizing the reannexation by a simple majority vote shall authorize the reannexation.

NEW SECTION. Sec. 2. A new section is added to chapter 35.61 RCW to read as follows:

(1) As provided in this section, a metropolitan park district may withdraw areas from its boundaries, or reannex areas into the metropolitan park

district that previously had been withdrawn from the metropolitan park district under this section.

(2) The withdrawal of an area shall be authorized upon: (a) Adoption of a resolution by the park district commissioners requesting the withdrawal and finding that, in the opinion of the commissioners, inclusion of this area within the metropolitan park district will result in a reduction of the district's tax levy rate under the provisions of RCW 84.52.010; and (b) adoption of a resolution by the city or town council approving the withdrawal, if the area is located within the city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the withdrawal, if the area is located outside of a city or town. A withdrawal shall be effective at the end of the day on the thirty-first day of December in the year in which the resolutions are adopted, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution.

The withdrawal of an area from the boundaries of a metropolitan park district shall not exempt any property therein from taxation for the purpose of paying the costs of redeeming any indebtedness of the metropolitan park district existing at the time of the withdrawal.

(3) An area that has been withdrawn from the boundaries of a metropolitan park district under this section may be reannexed into the metropolitan park district upon: (a) Adoption of a resolution by the park district commissioners proposing the re annexation; and (b) adoption of a resolution by the city or town council approving the re annexation, if the area is located within the city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the re annexation, if the area is located outside of a city or town. The re annexation shall be effective at the end of the day on the thirty-first day of December in the year in which the adoption of the second resolution occurs, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution. Referendum action on the proposed re annexation may be taken by the voters of the area proposed to be re annexed if a petition calling for a referendum is filed with the city or town council, or county legislative authority, within a thirty-day period after the adoption of the second resolution, which petition has been signed by registered voters of the area proposed to be re annexed equal in number to ten percent of the total number of the registered voters residing in that area.

If a valid petition signed by the requisite number of registered voters has been so filed, the effect of the resolutions shall be held in abeyance and a ballot proposition to authorize the re annexation shall be submitted to the

voters of the area at the next special election date specified in RCW 29.13-.030 that occurs forty-five or more days after the petitions have been validated. Approval of the ballot proposition authorizing the reannexation by a simple majority vote shall authorize the reannexation.

NEW SECTION. Sec. 3. A new section is added to chapter 52.04 RCW to read as follows:

(1) As provided in this section, a fire protection district may withdraw areas from its boundaries, or reannex areas into the fire protection district that previously had been withdrawn from the fire protection district under this section.

(2) The withdrawal of an area shall be authorized upon: (a) Adoption of a resolution by the board of fire commissioners requesting the withdrawal and finding that, in the opinion of the board, inclusion of this area within the fire protection district will result in a reduction of the district's tax levy rate under the provisions of RCW 84.52.010; and (b) adoption of a resolution by the city or town council approving the withdrawal, if the area is located within the city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the withdrawal, if the area is located outside of a city or town. A withdrawal shall be effective at the end of the day on the thirty-first day of December in the year in which the resolutions are adopted, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution.

The authority of an area to be withdrawn from a fire protection district as provided under this section is in addition, and not subject, to the provisions of RCW 52.04.101.

The withdrawal of an area from the boundaries of a fire protection district shall not exempt any property therein from taxation for the purpose of paying the costs of redeeming any indebtedness of the fire protection district existing at the time of the withdrawal.

(3) An area that has been withdrawn from the boundaries of a fire protection district under this section may be reannexed into the fire protection district upon: (a) Adoption of a resolution by the board of fire commissioners proposing the reannexation; and (b) adoption of a resolution by the city or town council approving the reannexation, if the area is located within the city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the reannexation, if the area is located outside of a city or town. The reannexation shall be effective at the end of the day on the thirty-first day of December in the year in which the adoption of the second resolution occurs, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution. Referendum action on the proposed reannexation may be taken by the voters of the area proposed to be reannexed if a petition calling

for a referendum is filed with the city or town council, or county legislative authority, within a thirty-day period after the adoption of the second resolution, which petition has been signed by registered voters of the area proposed to be reannexed equal in number to ten percent of the total number of the registered voters residing in that area.

If a valid petition signed by the requisite number of registered voters has been so filed, the effect of the resolutions shall be held in abeyance and a ballot proposition to authorize the reannexation shall be submitted to the voters of the area at the next special election date specified in RCW 29.13-030 that occurs forty-five or more days after the petitions have been validated. Approval of the ballot proposition authorizing the reannexation by a simple majority vote shall authorize the reannexation.

NEW SECTION. Sec. 4. A new section is added to chapter 70.44 RCW to read as follows:

(1) As provided in this section, a public hospital district may withdraw areas from its boundaries, or reannex areas into the public hospital district that previously had been withdrawn from the public hospital district under this section.

(2) The withdrawal of an area shall be authorized upon: (a) Adoption of a resolution by the hospital district commissioners requesting the withdrawal and finding that, in the opinion of the commissioners, inclusion of this area within the public hospital district will result in a reduction of the district's tax levy rate under the provisions of RCW 84.52.010; and (b) adoption of a resolution by the city or town council approving the withdrawal, if the area is located within the city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the withdrawal, if the area is located outside of a city or town. A withdrawal shall be effective at the end of the day on the thirty-first day of December in the year in which the resolutions are adopted, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution.

The withdrawal of an area from the boundaries of a public hospital district shall not exempt any property therein from taxation for the purpose of paying the costs of redeeming any indebtedness of the public hospital district existing at the time of the withdrawal.

(3) An area that has been withdrawn from the boundaries of a public hospital district under this section may be reannexed into the public hospital district upon: (a) Adoption of a resolution by the hospital district commissioners proposing the reannexation; and (b) adoption of a resolution by the city or town council approving the reannexation, if the area is located within the city or town, or adoption of a resolution by the county legislative authority of the county within which the area is located approving the reannexation, if the area is located outside of a city or town. The

reannexation shall be effective at the end of the day on the thirty-first day of December in the year in which the adoption of the second resolution occurs, but for purposes of establishing boundaries for property tax purposes, the boundaries shall be established immediately upon the adoption of the second resolution. Referendum action on the proposed reannexation may be taken by the voters of the area proposed to be reannexed if a petition calling for a referendum is filed with the city or town council, or county legislative authority, within a thirty-day period after the adoption of the second resolution, which petition has been signed by registered voters of the area proposed to be reannexed equal in number to ten percent of the total number of the registered voters residing in that area.

If a valid petition signed by the requisite number of registered voters has been so filed, the effect of the resolutions shall be held in abeyance and a ballot proposition to authorize the reannexation shall be submitted to the voters of the area at the next special election date specified in RCW 29.13-.030 that occurs forty-five or more days after the petitions have been validated. Approval of the ballot proposition authorizing the reannexation by a simple majority vote shall authorize the reannexation.

NEW SECTION. Sec. 5. A new section is added to chapter 84.09 RCW to read as follows:

Notwithstanding the provisions of RCW 84.09.030, the boundaries of a library district, metropolitan park district, fire protection district, or public hospital district that withdraws an area from its boundaries pursuant to section 1, 2, 3, or 4 of this act, which area has boundaries that are coterminous with the boundaries of a taxing district, shall be established as of the first day of October in the year in which the area is withdrawn.

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

Whenever a withdrawal occurs under section 1, 2, 3, or 4 of this act, restrictions under chapter 84.55 RCW on the taxes due for the library district, metropolitan park district, fire protection district, or public hospital district, and restrictions under chapter 84.55 RCW on the taxes due for the city or town if an entire city or town area is withdrawn from a library district or fire protection district, shall be calculated as if the withdrawn area had not been part of the library district, metropolitan park district, fire protection district, or public hospital district, and as if the library district or fire protection district had not been part of the city or town.

NEW SECTION. Sec. 7. A new section is added to chapter 84.52 RCW to read as follows:

(1) The governing body of any library district, public hospital district, metropolitan park district, or fire protection district may provide for the submission of a ballot proposition to the voters of the taxing district authorizing the taxing district to maintain its otherwise authorized tax levy

rate, and authorizing an increase in the cumulative regular property tax limitation of nine dollars and fifteen cents per thousand dollars of assessed valuation within the taxing district, as provided in this section. A fire protection district may use this authority to increase its regular property tax levy up to fifty cents per thousand dollars of assessed valuation.

(2) A resolution by a governing body, requesting that a special election be called to submit such a ballot proposition to the voters, must be transmitted to the county legislative authority of the county, or county legislative authorities of the counties, within which the taxing district is located, at least forty-five days before the special election date at which the ballot proposition is submitted. The ballot proposition shall be worded substantially as follows:

"Shall the cumulative limitation on most regular property tax rates be increased by an amount not exceeding thirty-five cents per thousand dollars of assessed valuation for a five consecutive year period allowing (insert the name of the taxing district) to maintain its otherwise authorized property tax rate?"

The ballot proposition for a fire protection district shall be worded substantially as follows:

"Shall the cumulative limitation on most regular property tax rates be increased by an amount not exceeding thirty-five cents per thousand dollars of assessed valuation for a five consecutive year period allowing (insert the name of the taxing district) to permit the fire protection district to impose its property tax at a value up to fifty cents per thousand dollars of assessed valuation?"

Approval of this ballot proposition by a simple majority vote shall authorize the following for the succeeding five consecutive year period: (a) Property tax rates of junior taxing districts are calculated first as if this proposition had not been approved; (b) subject to the one hundred six percent limitation, the regular property tax rate of the taxing district receiving such authorization is increased to a level not exceeding the lesser of its maximum authorized regular property tax rate or whatever tax rate it otherwise would have been able to impose plus an additional thirty-five cents per thousand dollars of assessed valuation; and (c) the cumulative property tax rate limitation is increased within the boundaries of the taxing district receiving this authorization to an amount equal to nine dollars and fifteen cents per thousand dollars of assessed valuation plus the increased amount of the regular levy rate of this taxing district, but not to exceed nine dollars and fifty cents per thousand dollars of assessed valuation.

(3) If two or more taxing districts that occupy a portion of the same territory receive such approval, the additional authorized taxing capacity above nine dollars and fifteen cents per thousand dollars of assessed valuation shall be distributed among these taxing districts by adjusting their levy rate requests in the same manner and under the same conditions as if they

were the only taxing districts in the area subject to adjustment of their property tax rates and the levy rate adjustments were being made with the cumulative limitation of nine dollars and fifteen cents per thousand dollars of assessed valuation.

(4) Levies authorized under RCW 84.52.069 are not subject to the rate adjustments and the nine dollar and fifty cent per thousand dollar of assessed valuation cumulative limitation on regular property tax rates established by this section.

NEW SECTION. Sec. 8. A new section is added to chapter 36.21 RCW to read as follows:

Every county assessor shall report to the department of revenue on the property tax levies and related matters within the county annually at a date and in a form prescribed by the department of revenue.

NEW SECTION. Sec. 9. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 19, 1987.

Passed the Senate April 9, 1987.

Approved by the Governor April 22, 1987.

Filed in Office of Secretary of State April 22, 1987.

CHAPTER 139

[House Bill No. 66]

PEARL BARLEY PROCESSING—BUSINESS AND OCCUPATION TAX RATE REDUCED

AN ACT Relating to the business and occupation taxation of the manufacture of barley into pearl barley; and reenacting and amending RCW 82.04.260.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 5, chapter 3, Laws of 1983 2nd ex. sess. as amended by section 2, chapter 135, Laws of 1985 and by section 1, chapter 471, Laws of 1985 and RCW 82.04.260 are each reenacted and amended to read as follows:

(1) Upon every person engaging within this state in the business of buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye and barley, but not including any manufactured or processed products thereof, and selling the same at wholesale; the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of one one-hundredth of one percent.

(2) Upon every person engaging within this state in the business of manufacturing wheat into flour, barley into pearl barley, soybeans into soybean oil, or sunflower seeds into sunflower oil; as to such persons the