

SENATE BILL REPORT

ESSB 6470

As Passed Senate, February 14, 2012

Title: An act relating to benefit charges for the enhancement of fire protection services.

Brief Description: Authorizing benefit charges for the enhancement of fire protection services.

Sponsors: Senate Committee on Government Operations, Tribal Relations & Elections (originally sponsored by Senators McAuliffe and Chase).

Brief History:

Committee Activity: Government Operations, Tribal Relations & Elections: 2/02/12 [DPS].
Ways & Means: 2/06/12, 2/07/12 [DPS(GO), DNP].
Passed Senate: 2/14/12, 34-15.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 6470 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Benton, Chase and Nelson.

Staff: Karen Epps (786-7424)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6470 as recommended by Committee on Government Operations, Tribal Relations & Elections be substituted therefor, and the substitute bill do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Brown, Conway, Fraser, Harper, Hatfield, Hewitt, Kastama, Keiser, Kohl-Welles, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senators Holmquist Newbry, Honeyford, Padden and Schoesler.

Staff: Dean Carlson (786-7305)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: Fire protection districts are created to provide fire prevention, fire suppression, and emergency services within a district's boundaries. A fire protection district may be established through voter approval and financed by imposing regular property taxes, excess voter-approved property tax levies, and benefit charges. Currently, firefighters are not required to engage in fire suppression efforts if the fire occurs outside the boundaries of their fire protection district.

Cities are authorized to annex unincorporated areas through several alternative processes, including a resolution/election method, a petition/election method, and a direct petition method. Each method of annexation must follow specified processes set forth in statute. An annexation by a city or town that is proposing to annex territory served by one or more fire protection districts may be accomplished by ordinance after entering into an interlocal agreement with the county and the fire protection district or districts that have jurisdiction over the territory proposed for annexation. The interlocal agreement must describe the boundaries of the territory proposed for annexation. Additionally, the interlocal agreement must include a statement of the goals of the agreement.

A benefit charge is a type of assessment imposed upon a property owner based upon the measurable benefits to be received by the property owner by fire protection districts and fire protection authorities. A district or authority may use this funding approach as a means for apportioning the real costs of service to an individual property in a manner that reflects the actual benefits provided to that property. The imposition of a benefit charge is subject to voter approval by a 60 percent majority of the voters living within the jurisdiction of the district or authority. Subject to such voter approval, a district or authority has the option of imposing benefit charges in lieu of a portion of the property tax it is otherwise authorized to impose. Cities and towns are not currently authorized to impose benefit charges as a method for financing fire protection services.

Summary of Engrossed Substitute Bill: For the purposes of enhancing fire protection services, a city or town may fix and impose a benefit charge on personal property and improvements to real property located in the city or town if the city or town is conducting an annexation of, or has annexed since 2006, all or part of a fire protection district.

A benefit charge must be reasonably proportioned to the measurable benefits to property resulting from the enhancement of services afforded by the city or town. A benefit charge is linked to certain factors, including insurance savings and the actual benefits resulting from the degree of protection, including the distance from fire service facilities, the level of fire prevention services provided to the property, or the need for specialized services. The resolution establishing the benefit charge must specify, by legal geographical area or other specific designations, the charge to apply to each property by location, type, or other designation in order to properly calculate the charge to each property owner.

The imposition of a benefit charge is subject to voter approval by a 60 percent majority of the voters living within the jurisdiction of the city or town. The amount of a benefit charge is limited to a percentage of the fire department's operating budget, not to exceed 60 percent, which is specified in the ballot measure put before the voters. The election must be held not more than one year prior to the date on which the first charge is to be assessed. A benefit charge may not remain in effect for a period of more than six years or more than the number

of years authorized by the voters, if fewer than six years, unless subsequently reapproved by the voters.

Procedures and deadlines for notice of and public hearings on a proposed benefit charge are established. Procedures and deadlines for annual review of benefit charges are also established.

Exemptions from the benefit charge are set forth, which include:

- property used for religious purposes by a recognized religious organization, including educational facilities;
- property that is owned by a nonprofit organization or association engaged in character building for boys and girls under the age of 18;
- property used by housing authorities and other nonprofit organizations that provide rental housing to very low-income households; and
- property which maintains its own fire department.

Additionally, certain persons receiving tax exemptions and persons with income limitations are exempt from a percentage of the benefit charge.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Government Operations, Tribal Relations & Elections): PRO: Kirkland recently annexed a large area which includes areas previously served by a fire protection district. By annexing that territory, the city did not receive any of the designated fire revenues and Kirkland cannot find a way to replace these revenues through reorganizing. This bill allows Kirkland to generate revenue for fire protection purposes by asking the voters to pay a benefit charge. The benefit charge is voter-approved, and it expires in six years, though it can be renewed. This bill authorizes benefit charges for fire protection services in cities that have recently annexed. Kirkland annexed 31,000 people on January 1, 2012, that had previously received services from fire protection districts. When a city annexes territory, the city loses the fire protection revenues. This bill gives cities that annex the same benefit charge tool that fire protection districts already have, to ask voters if they want to pay for more services. The benefit charge allowed in this bill can only be used to enhance fire protections services.

Persons Testifying (Government Operations, Tribal Relations & Elections): PRO: Senator McAuliffe, prime sponsor; Doreen Marchione, Council Member, City of Kirkland.

Staff Summary of Public Testimony (Ways & Means): PRO: This is a helpful tool for cities that will let our citizens decide if they want more fire service.

Persons Testifying (Ways & Means): PRO: Dave Asher, Kirkland City Council.