

SENATE BILL REPORT

SHB 2937

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 5, 1992

Brief Description: Modifying requirements for fire protection contracts.

SPONSORS: House Committee on Appropriations (originally sponsored by Representatives Belcher and Bowman; by request of Department of Community Development)

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Amondson, Bauer, Bluechel, Gaspard, Hayner, M. Kreidler, Matson, Metcalf, Murray, and Owen.

Staff: Mary Poole (786-7715)

Hearing Dates: February 26, 1992; February 27, 1992; March 2, 1992; March 4, 1992; March 5, 1992

BACKGROUND:

Under current law, the state is required to enter into a contract for the provision of fire protection with any local jurisdiction which has a state owned facility within its territorial boundaries, unless fire protection is provided by the state institution. The Department of Community Development is responsible for negotiating contracts with local governments on behalf of the state, and distributing grants in lieu of taxes.

Prior to the 1991-93 biennium the department maintained 89 separate contracts totaling \$436,693 per year, with grants ranging from \$188,570 for the City of Seattle to \$100 for many cities and towns. Funds were allocated on a square footage basis, with the state paying \$.01/sq. ft. The 1991-93 budget provided \$250,000 per year, and specified that the funding be distributed only to the five cities which have 15 percent or more of assessed property valuation in state owned facilities. These five cities are Olympia, Bellingham, Walla Walla, Ellensburg, and Electric City.

State institutions are not prohibited from entering into a separate contract for fire protection with a city or town if the compensation provided through the Department of Community Development is mutually found to be inadequate. Many state institutions have negotiated separate contracts for fire protection, paying a range of funding per square foot.

In 1989 the City of Ellensburg sued the state for failing to provide a sufficient amount for necessary fire protection services. The trial court found in favor of Ellensburg, and ruled that the city should receive \$1.1 million in past compensation, and an annual allocation of \$318,000. The state has appealed the ruling; a decision is expected within three to nine months.

SUMMARY:

State agencies or institutions with facilities located in cities or towns where the value of state owned facilities is 10 percent or more of the total assessed valuation shall contract with the city or town for the provision of fire protection. The amount negotiated shall be paid directly by the state agency.

For the purpose of these contracts, the Department of Community Development will adopt valuation procedures in consultation with the Department of General Administration and the Association of Washington Counties, and will review notifications submitted by these cities and towns interested in negotiating a contract for fire protection.

In the event that an agreement cannot be reached directly between an agency and city or town, the director of the department will recommend a resolution. If the resolution is rejected, the parties will agree on neutral arbitration, and will consider the decision of the arbitrator final and binding.

State agencies or institutions with facilities located in all other cities and towns, with less than 10 percent of total valuation owned by the state, may enter into contracts for fire protection. Contract negotiations regarding these facilities are not subject to the arbitration process described above.

This act does not abrogate existing contracts between cities or towns and state agencies, nor does it authorize additional contracts to be negotiated until the existing contracts have expired.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR:

The department's budget has been reduced in anticipation of the passage of this bill. The state has an obligation to provide some compensation for fire protection. A disproportionate burden is placed on certain jurisdictions

with state institutions. This bill will protect the state against further lawsuits.

TESTIMONY AGAINST:

This bill should not be enacted until the state's appeal of the City of Ellensburg lawsuit has been concluded. The total cost of the bill will be significantly higher than the current budget for fire protection contracts.

TESTIFIED: Meg Van Schoorl, Department of Community Development (pro); Stan Finkelstein, Association of Washington Cities (pro); Courtney Jones, Central Washington University (con)