

# HOUSE BILL REPORT

## HB 1729

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As Reported By House Committee On:  
Local Government

**Title:** An act relating to fire protection districts.

**Brief Description:** Changing funding for fire protection districts.

**Sponsors:** Representatives Springer, Orr, Chappell, Morris, H. Myers, Sheldon, Romero, Campbell and Hansen.

**Brief History:**

Reported by House Committee on:  
Local Government, March 2, 1993, DP.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 11 members: Representatives H. Myers, Chair; Bray, Vice Chair; Edmondson, Ranking Minority Member; Reams, Assistant Ranking Minority Member; Dunshee; R. Fisher; Rayburn; Romero; Springer; Van Luven; and Zellinsky.

**Minority Report:** Do not pass. Signed by 1 member: Representative Horn.

**Staff:** Steve Lundin (786-7127).

**Background:**

A. Property Taxes

Article VII, Section 2, of the state constitution, limits the cumulative rate of regular property taxes that may be imposed on any property in any year to an amount not exceeding 1 percent of the true and fair value of the property.

Excess property tax levies are property tax levies that are imposed above, or in excess of, the constitutional 1 percent limitation on cumulative regular property tax levies. Except for non-voter approved tax levies by port districts and public utility districts, all excess levies must be approved by voters. A ballot proposition authorizing excess levies must be approved by a 60 percent affirmative vote, with a 40 percent validation requirement. Most taxing

districts are authorized to impose both: (1) Single year excess property tax levies that may be used for any operating or capital purpose of the taxing district; and (2) multiple year excess levies used to retire general indebtedness issued for capital purposes.

Statutes have been enacted restricting the cumulative rate of regular property taxes that may be imposed on any property below the 1 percent constitutional limitation.

If the cumulative rate of regular property taxes on any property exceeds the maximum cumulative rate allowable, the regular property tax levies of the lowest status junior taxing districts are reduced or eliminated to keep the cumulative rate within the limitation. If necessary, the levies of the next lowest status level of junior taxing districts are reduced or eliminated to keep the cumulative rate within the limitation.

#### B. Fire Protection District Taxing Authority

Fire protection districts have been authorized to impose three separate regular property tax levies. Every fire protection district may impose two separate levies of 50 cents per \$1,000 of assessed valuation. A fire protection district with one or more employee may impose a third levy of 50 cents per \$1,000 of assessed valuation.

Fire protection districts may impose both single year excess property tax levies for any authorized district purpose and multiple year excess levies to retire general indebtedness issued for capital purposes.

#### C. Fire Protection District Annexation of Cities

Fire protection districts are authorized to annex entire cities or towns if the population of the city or town is under 100,000.

Whenever a fire protection district annexes a city or town, the fire protection district regular levies are imposed in the city or town, but the regular levy of the city or town is reduced to an amount equal to the lower of either \$3.60 per \$1,000 of assessed valuation, less the regular levy rate of the fire protection district, or the rate of regular taxes the city or town could have imposed if the fire protection district had not annexed the city or town.

#### **Summary of Bill:**

This is enabling legislation that becomes effective if a constitutional amendment is approved authorizing fire

protection districts to impose excess levies without voter approval.

Every fire protection district may impose excess levies without voter approval at a rate of up to \$1.00 per \$1,000 of assessed valuation. Provisions are retained for a fire protection district with one or more employee to impose a regular property tax levy of 50 cents per \$1,000 of assessed valuation.

If a fire protection district has annexed a city or town, the levy rate of the city or town becomes the lower of either \$3.60 per \$1,000 of assessed valuation, less the remaining regular levy of the fire protection district if it is levied, or whatever rate the city or town could have imposed if the fire protection district had not annexed the city or town.

In the first year that taxes are imposed after the legislation becomes law, a city or town that was annexed by a fire protection district may increase its regular levy without voter approval by the amount of regular property taxes that the fire protection district could have imposed if the constitutional amendment were not approved, other than the third levy of 50 cents per \$1,000 of assessed valuation.

The 106 percent limitation on a fire protection district's non-voter approved levies continues notwithstanding the approval of the constitutional amendment.

**Fiscal Note:** Not requested.

**Effective Date:** Immediately upon certification of a constitutional amendment that is approved by voters authorizing fire districts to impose nonvoter approved excess levies.

**Testimony For:** This will assist fire districts and smaller cities that have been annexed by fire districts.

**Testimony Against:** None.

**Witnesses:** Peter Spiller, Washington Fire Commissioners Association; Otto Jensen, State Fire Chiefs Association; and Stan Finkelstein, Association of Washington Cities.