

SENATE BILL REPORT

SB 5097

AS OF JANUARY 25, 1993

Brief Description: Requiring a proportionate share of liabilities to be transferred when a city or town annexes a portion of a fire protection district.

SPONSORS: Senators McCaslin and Deccio

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Staff: Rod McAulay (786-7754)

Hearing Dates: January 27, 1993

BACKGROUND:

When a city annexes all of a fire protection district, all of the assets and liabilities of the fire protection district transfer to the city.

When a city annexes at least 60 percent, but less than all, of the assessed valuation of a fire protection district, all of the assets of the district vest in the annexing city. Although it may be implicit, it is not clear that any of the liabilities of the fire protection district are transferred to the city. Liabilities of a fire protection district may include portions of pension programs not covered by the state.

SUMMARY:

When a city or town annexes at least 60 percent, but less than all, of the assessed valuation of a fire protection district, a proportionate share of the liabilities of the district, equal to the percentage of the total assessed valuation of the real estate of the district that has been annexed, shall be transferred to the annexing city or town.

Appropriation: none

Revenue: none

Fiscal Note: none requested