
ENGROSSED SUBSTITUTE HOUSE BILL 1635

State of Washington

59th Legislature

2005 Regular Session

By House Committee on Local Government (originally sponsored by Representatives Kessler, Haler, Clibborn, Jarrett, O'Brien, Hankins, Ericks, Grant, Buck, Chase and Kenney)

READ FIRST TIME 03/04/05.

1 AN ACT Relating to ambulance and emergency medical service funding;
2 amending RCW 35.21.766; and creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that ambulance and
5 emergency medical services are essential services and the availability
6 of these services is vital to preserving and promoting the health,
7 safety, and welfare of people in local communities throughout the
8 state. All persons, businesses, and industries benefit from the
9 availability of ambulance and emergency medical services, and survival
10 rates can be increased when these services are available, adequately
11 funded, and appropriately regulated. It is the legislature's intent to
12 explicitly recognize local jurisdictions' ability and authority to
13 collect utility service charges to fund ambulance and emergency medical
14 service systems that are based, at least in some part, upon a charge
15 for the availability of these services.

16 **Sec. 2.** RCW 35.21.766 and 2004 c 129 s 34 are each amended to read
17 as follows:

18 (1) Whenever a regional fire protection service authority (~~or the~~

1 ~~legislative authority of any city or town))~~ determines that the fire
2 protection jurisdictions that are members of the authority (~~(or the~~
3 ~~city or town or a substantial portion of the city or town is))~~ are not
4 adequately served by existing private ambulance service, the governing
5 board of the authority may by resolution(~~(, or the legislative~~
6 ~~authority of the city or town may by appropriate legislation,))~~ provide
7 for the establishment of a system of ambulance service to be operated
8 by the authority as a public utility (~~(of the city or town, or))~~
9 operated by contract after a call for bids.

10 (2) The legislative authority of any city or town may establish an
11 ambulance service to be operated as a public utility. However, the
12 legislative authority of the city or town shall not provide for the
13 establishment of an ambulance service utility that would compete with
14 any existing private ambulance service, unless the legislative
15 authority of the city or town determines that the city or town, or a
16 substantial portion of the city or town, is not adequately served by an
17 existing private ambulance service. In determining the adequacy of an
18 existing private ambulance service, the legislative authority of the
19 city or town shall take into consideration objective generally accepted
20 medical standards and reasonable levels of service which shall be
21 published by the city or town legislative authority. When it is
22 preliminarily concluded that the private ambulance service is
23 inadequate, before issuing a call for bids or before the city or town
24 establishes an ambulance service utility, the legislative authority of
25 the city or town shall allow a minimum of sixty days for the private
26 ambulance service to meet the generally accepted medical standards and
27 reasonable levels of service.

28 (3) The city or town legislative authority is authorized to set and
29 collect rates and charges in an amount sufficient to regulate, operate,
30 and maintain an ambulance utility. Prior to setting such rates and
31 charges, the legislative authority must determine, through a cost-of-
32 service study, the total cost necessary to regulate, operate, and
33 maintain the ambulance utility. Total costs shall not include capital
34 cost for the construction, major renovation, or major repair of the
35 physical plant. For purposes of establishing and setting rates and
36 charges under this section, costs shall be reduced by any revenues
37 collected and described in subsection (5)(a) through (c) of this
38 section. Once the legislative authority determines the total costs,

1 the legislative authority shall then identify that portion of the total
2 costs that are attributable to the availability of the ambulance
3 service and that portion of the total costs that are attributable to
4 the demand placed on the ambulance utility.

5 (a) Availability costs are those costs attributable to the basic
6 infrastructure needed to respond to a single call for service within
7 the utility's response criteria. Availability costs may include costs
8 for dispatch, labor, training of personnel, equipment, patient care
9 supplies, and maintenance of equipment.

10 (b) Demand costs are those costs that are attributable to the
11 burden placed on the ambulance service by individual calls for
12 ambulance service. Demand costs shall include costs related to
13 frequency of calls, distances from hospitals, and other factors
14 identified in the cost-of-service study conducted to assess burdens
15 imposed on the ambulance utility.

16 (c) Beginning on the effective date of this act, the rate
17 attributable to costs for availability described under (a) of this
18 subsection shall be uniformly applied across user classifications
19 within the utility.

20 (d) Beginning on the effective date of this act, the rate
21 attributable to costs for demand, described under (b) of this
22 subsection, shall be established and billed to each utility user
23 classification based on each user classification's burden on the
24 ambulance utility.

25 (e) The fee charged by the utility shall reflect a combination of
26 the availability cost and the demand cost.

27 (4) The combined rates charged shall reflect an exemption for
28 persons who are medicaid eligible and reside in a nursing facility,
29 boarding home, or adult family home, and shall reflect an exemption or
30 reduction for designated classes consistent with Article VIII, section
31 7 of the state Constitution. The amounts of exemption or reduction
32 shall be a general expense of the utility, and designated as an
33 availability cost, to be spread uniformly across the utility user
34 classifications.

35 (5) In each city or town operating an ambulance utility pursuant to
36 this section:

37 (a) The legislative authority must continue to allocate at least

1 ninety percent of the total amount of general fund revenues expended,
2 as of May 6, 2004, toward the total costs necessary to regulate,
3 operate, and maintain the ambulance utility.

4 However, cities or towns that operated an ambulance service as a
5 public utility as of May 6, 2004, and commingled general fund dollars
6 and ambulance service utility dollars, may reasonably estimate that
7 portion of general fund dollars that were, as of that date, applied
8 toward the operation of the ambulance service utility, and at least
9 ninety percent of such estimated amount must then continue to be
10 applied toward the total cost necessary to regulate, operate, and
11 maintain the ambulance utility.

12 (b) The legislative authority must allocate available emergency
13 medical service levy funds towards the total costs necessary to
14 regulate, operate, and maintain the ambulance utility.

15 (c) The legislative authority must allocate all revenues received
16 through direct billing to the individual user of the ambulance service
17 to the demand-related costs under subsection (3)(b) of this section.

18 (d) The total revenue generated by the rates and charges shall not
19 exceed the total costs necessary to regulate, operate, and maintain an
20 ambulance utility.

21 (e) Revenues generated by the rates and charges must be deposited
22 in a separate fund or funds and be used only for the purpose of paying
23 for the cost of regulating, maintaining, and operating the ambulance
24 utility.

25 (6) Ambulance service rates charged pursuant to this section do not
26 constitute taxes or charges under RCW 82.02.050 through 82.02.090, or
27 RCW 35.21.768, or charges otherwise prohibited by law.

--- END ---