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**SUBSTITUTE HOUSE BILL 1635**

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**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 as defined in RCW 18.73.030. However, the  
12 legislative authority of the city or town shall not provide for the  
13 establishment of an ambulance service that would compete with any  
14 existing private ambulance service, unless the legislative authority of  
15 the city or town determines that the city or town, or a substantial  
16 portion of the city or town, is not adequately served by an existing  
17 private ambulance service, and the existing private ambulance service  
18 cannot be encouraged to expand its service by contract entered into  
19 between the parties. In determining the adequacy of an existing  
20 private ambulance service, the legislative authority of the city or  
21 town shall take into consideration objective generally accepted medical  
22 standards and reasonable levels of service.

23 (3) The city or town legislative authority is authorized to set and  
24 collect rates and charges in an amount sufficient to regulate, operate,  
25 and maintain an ambulance utility. Prior to setting such rates and  
26 charges, the legislative authority must determine, through a cost-of-  
27 service study, the total cost necessary to regulate, operate, and  
28 maintain the ambulance utility. Total costs shall not include capital  
29 cost for the construction, major renovation, or major repair of the  
30 physical plant. For purposes of establishing and setting rates and  
31 charges under this section, total costs shall be reduced by any  
32 revenues collected and described in subsections (6), (7), and (8) of  
33 this section. Once the legislative authority determines the total  
34 costs, the legislative authority shall then identify that portion of  
35 the total costs that are attributable to the availability of the  
36 ambulance service and that portion of the total costs that are  
37 attributable to the demand placed on the ambulance utility.

1       (a) Availability costs may include costs for dispatch, labor,  
2 training of personnel, equipment, patient care supplies, and  
3 maintenance of equipment.

4       (b) Demand costs shall include costs related to the burden placed  
5 on the ambulance service by individual calls for ambulance service to  
6 include frequency of calls, distances from hospitals, and other factors  
7 identified in the cost-of-service study conducted to assess burdens  
8 imposed on the ambulance utility.

9       (4) Beginning on the effective date of this act, the rate charged  
10 for costs described under subsection (3)(a) of this section shall be  
11 uniform so that each physical property address located within the  
12 geographic boundaries of the city or town are billed the same amount.

13       (5) Beginning on the effective date of this act, the rate charged  
14 for costs described under subsection (3)(b) of this section shall be  
15 established and billed to the residence, business, and other ambulance  
16 service users that produce a burden on the ambulance utility. The  
17 rates charged shall reflect an exemption for designated classes  
18 consistent with Article VIII, section 7 of the state Constitution. The  
19 amounts exempted shall then be charged pursuant to subsection (4) of  
20 this section.

21       (6) The legislative authority must continue to allocate at least  
22 ninety percent of the total amount of general fund revenues expended,  
23 as of May 6, 2004, toward the total costs necessary to regulate,  
24 operate, and maintain the ambulance utility.

25       (7) The legislative authority must allocate available emergency  
26 medical service levy funds towards the total costs necessary to  
27 regulate, operate, and maintain the ambulance utility.

28       (8) The legislative authority must allocate all revenues received  
29 through direct billing to the individual user of the ambulance service  
30 to the demand-related costs under subsection (3)(b) of this section.

31       (9) The total revenue generated by the rates and charges shall not  
32 exceed the total costs necessary to regulate, operate, and maintain an  
33 ambulance utility.

34       (10) Revenues generated by the rates and charges must be deposited  
35 in a separate fund or funds and be used only for the purpose of paying  
36 for the cost of regulating, maintaining, and operating the ambulance  
37 utility.

1        (11) Ambulance service rates charged pursuant to this section do  
2 not constitute taxes or charges under RCW 82.02.050 through 82.02.090,  
3 or RCW 35.21.768, or charges otherwise prohibited by law.

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