

SENATE BILL REPORT

ESB 6287

As Passed Senate, February 15, 2010

Title: An act relating to the disposition of existing voter-approved indebtedness at the time of annexation of a city, partial city, or town to a fire protection district.

Brief Description: Concerning annexation of a city, partial city, or town to a fire protection district.

Sponsors: Senators Fraser and Fairley.

Brief History:

Committee Activity: Government Operations & Elections: 1/25/10, 1/28/10 [DP].
Passed Senate: 2/15/10, 48-0.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; McDermott, Pridemore and Swecker.

Staff: Karen Epps (786-7424)

Background: A fire protection district (district) is created to provide fire prevention, fire suppression, and emergency medical services within a district's boundaries. A district is governed by a board of commissioners consisting of either three or five members. The district finances their activities and facilities by imposing regular property taxes, excess voter-approved property tax levies, and benefit charges. Generally, a district serves residents outside of cities or towns, except when cities and towns have been annexed into a district or when the district continues to provide service to a newly incorporated area.

A city or town adjacent to a district may be annexed to such a district provided the population of the city or town does not exceed 100,000. Such annexation is initiated through the adoption of an ordinance by the legislative authority of the city, or town approving annexation into the district, and stating a finding that the public interest is served by such annexation. The annexation must then be authorized through the concurrence of the district's board of fire commissioners. Following such approval of the annexation, notification must be sent to the governing body of the county or counties in which both the district and city/town are located. The pertinent county legislative authorities must then call a special

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election in the city or town to be annexed, as well as the district, so as to allow the voters in each jurisdiction to determine the annexation issue. The annexation is complete if a majority of voters in each jurisdiction vote in favor of annexation.

A city or town located in two counties that have at least 80 percent of the population residing in one county may annex to a fire protection district if, at the time of the initiation of annexation, the proposed area lies adjacent to a fire protection district and the population of the proposed area is greater than 5,000 but less than 10,000. The governing bodies of the city and the district, as well as the qualified voters within the boundaries of the fire protection district, must approve of the annexation prior to its existence.

In accordance with specified limitations, both the district and the city are authorized to levy taxes related to district fire protection services.

Summary of Engrossed Bill: All property located within the boundaries of a city, partial, or town annexing into a fire protection district which is subject to an excess levy by the city or town for the repayment of debt incurred for fire protection related capital improvements that incurred prior to the annexation is exempt from voter-approved property taxes levied by the annexing fire protection district for the repayment of indebtedness issued prior to the effective date of the annexation.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill is urgent. The City of Lacey and Fire District No. 3 plan to annex at the April election. Lacey contracts with Fire District No. 3 for fire protection services within the city. In 2002, Lacey and the Fire District both passed bond measures. The City has an interest in the equipment used by the Fire District. This bill is designed to address the issue of the debt that the city has for capital improvements for fire protection services and the debt that the fire district has for capital improvements for fire protection services. In annexations under current law, the debt of the district is uniformly spread over the entire district, including the annexed area. This problem could negatively impact the election. This bill corrects the problem and allows fire districts to determine whether to spread the debt to the annexed area or to have the city debt remain with the city residents and the fire district debt remain with the district residents.

Persons Testifying: PRO: Senator Karen Fraser; Greg Cuoio, City of Lacey; Jim Broman, Lacey Fire District.