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**Ways & Means Committee**

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**SB 5628**

**Brief Description:** Concerning a limited property tax exemption from the emergency medical services levy.

**Sponsors:** Senators Fain, Eide, Roach and Litzow.

**Brief Summary of Bill**

- Exempts real and personal property from the county emergency medical service levy if the property is located in a city included within two counties and meets other criteria.

**Hearing Date:** 3/9/11

**Staff:** Jeff Olsen (786-7175).

**Background:**

Property Taxes.

Property taxes are imposed by state and local governments. The county assessor determines assessed value for each property. The county assessor also calculates the tax rate necessary to raise the correct amount of property taxes for each taxing district. The assessor calculates the rate so the individual district rate limit, the district revenue limit, and the aggregate rate limits are all satisfied. The property tax bill for an individual property is determined by multiplying the assessed value of the property by the tax rate for each taxing district in which the property is located.

EMS Levies.

An emergency medical service (EMS) levy is a regular voter approved property tax levy which is used to provide emergency medical care or emergency medical services. An EMS levy must be approved by a super majority of registered voters at a general or special election and may be six years, 10 years, or permanently. If approved, a taxing district can impose a regular property tax

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levy in an amount that cannot exceed \$0.50 per \$1,000 of assessed value of the property of the taxing district.

Only a county, emergency medical service district, city, town, public hospital district, urban emergency medical service district, or fire protection district is authorized to impose an EMS levy. If a county is the first taxing district to impose the \$0.50 per \$1,000 of assessed value EMS levy, no other taxing district within the county may subsequently impose the EMS levy. However, if a county levies less than \$0.50 cents per \$1,000 of assessed value of property, other taxing districts within the county may levy a tax equal to the difference between the county rate and \$0.50 cents.

#### EMS Levies in the City of Milton.

King County currently imposes a countywide EMS levy of \$0.30 cents per \$1,000 of assessed value. Pierce County does not impose an EMS levy. The City of Milton (Milton) is located partially in King County and partially in Pierce County.

The voters of Milton have authorized the city to impose the levy at its maximum rate of \$0.50 per \$1,000 of assessed valuation. Through an interlocal agreement, King County remits to Milton the funds that it receives from its county levy from property located within Milton. Milton has, however, collected only \$0.20 per \$1,000 of assessed valuation pursuant to its city levy, and not the full \$0.50 authorized by the city's voters.

The Department of Revenue interpreted the EMS levy statute to limit the combined levies of King County and Milton to \$0.50 per \$1,000 of assessed valuation. An Attorney General Opinion was issued, AGO 2010 No. 8, concluding that a city divided between two counties may impose an EMS levy of up to \$0.50 per \$1,000 of assessed valuation throughout the city, without regard to any EMS levy imposed by a county in which some of the city's territory is located. Therefore, if the City of Milton imposed an EMS levy up to the maximum tax rate in the future, the portion of Milton located in King County would have an EMS levy of \$0.80 per \$1,000 of assessed value, while the remainder of Milton would have an EMS levy of \$0.50 per \$1,000 of assessed value.

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

All real and personal property is exempt from a county emergency medical services levy if the following requirements are met:

1. the property is located in a county with a population of more than 1.5 million;
2. the property is located in a city included within two counties; and
3. the locally assessed value of the property in the portion of the city included within the qualifying county is less than \$125 million.

This act applies to taxes levied for collection in 2012 and thereafter.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.