

HOUSE BILL REPORT

SB 5628

As Passed House - Amended:
April 7, 2011

Title: An act relating to a limited property tax exemption from the emergency medical services levy.

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

Sponsors: Senators Fain, Eide, Roach and Litzow.

Brief History:

Committee Activity:

Ways & Means: 3/9/11, 3/30/11 [DPA].

Floor Activity:

Passed House - Amended: 4/7/11, 92-0.

**Brief Summary of Bill
(As Amended by House)**

- Excludes, with respect to a county with a population of 1.5 million or more, the entire area located in a city included within two counties and meeting other criteria, from the boundary of the county's emergency medical services property tax levy.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended. Signed by 26 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Seaquist, Springer, Sullivan and Wilcox.

Staff: Jeffrey Mitchell (786-7139).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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.

Emergency Medical Service 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 supermajority of registered voters at a general or special election and may be six years, 10 years, or permanent. If approved, a taxing district can impose a regular property tax levy in an amount that cannot exceed 50 cents per \$1,000 of assessed value of the property of the taxing district.

Only a county, EMS 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 50 cents 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 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 50 cents.

EMS Levies in the City of Milton.

King County currently imposes a countywide EMS levy of 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 50 cents 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 20 cents per \$1,000 of assessed valuation pursuant to its city levy, and not the full 50 cents 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 50 cents per \$1,000 of assessed valuation. An Attorney General Opinion, AGO 2010 No. 8, concluded that a city divided between two counties may impose an EMS levy of up to 50 cents 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 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 80 cents per \$1,000 of assessed value, while the remainder of Milton would have an EMS levy of 50 cents per \$1,000 of assessed value.

Summary of Amended Bill:

A county with a population of more than 1.5 million may not include within its boundary, for the purposes of its emergency medical services (EMS) levy, the entire area of a city within the county if the city is included within two counties and the locally assessed value of the property in the area is less than \$250 million.

A clarifying change is made that specifies that a fire protection district annexing the entire area of a city described above may impose the full amount of its EMS levy throughout the city.

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

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on April 4, 2011.

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

Staff Summary of Public Testimony:

(In support) We think of this bill not as a tax exemption but as a way to ensure that taxes are going to the appropriate jurisdiction providing the emergency medical services (EMS). The main purpose of the bill is to provide EMS to the City of Milton (Milton). Because of the continual merger of fire districts, private ambulances, which used to be located in Milton, are now 20 minutes away. This is not in the best interests of the citizens of Milton. The ultimate goal of Milton is to annex into East Pierce Fire and Rescue. Right now, under current law, the fire district would not be able to impose its full levy if it annexed Milton because of the King County EMS levy imposed in the King County portion of Milton. The city just wants to provide its citizens with the emergency medical services that are expected and required. This is an issue that impacts several legislative districts. It corrects an oversight in the law. The goal is to equalize the EMS levy for all of our residents. A large percentage of citizens in the King County portion of the city are senior citizens. This is a complicated issue that can be difficult to explain to our citizens, but it is important for them to have ambulance service. Having just one tax will make it easier to explain. Merging fire districts allows for better service at a reduced cost. Right now, under current law, if Milton were annexed into the fire district, the district's entire levy could be at risk.

(Opposed) None.

Persons Testifying: Senator Fain, prime sponsor; Representative Asay; Representative Zeiger; Subir Mukerjee and Mayor Debra Perry, City of Milton; and Jerry Thorson, East Pierce Fire and Rescue.

Persons Signed In To Testify But Not Testifying: None.