

FINAL BILL REPORT

SB 5628

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Synopsis as Enacted

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

Sponsors: Senators Fain, Eide, Roach and Litzow.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: All real and personal property in Washington is subject to a property tax each year, based on its value, unless a specific exemption is provided by law. The tax is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

Regular and Excess Property Tax Levies. The sum of property-tax rates is limited by the state Constitution to a maximum of 1 percent of true and fair value, or \$10 per \$1,000 of value. The Constitution provides a procedure for voter approval for tax rates that exceed the 1 percent limit. These taxes are called excess levies. Excess levies require not only voter approval, but most also require a 60 percent super majority to be approved. Taxes imposed under the 1 percent limit are called regular taxes. The Constitution does not require voter approval of regular taxes. However, some regular taxes are limited in time duration and require voter approval.

EMS Levies. An emergency medical service (EMS) levy is a regular voter-approved levy which is used to provide emergency medical care or emergency medical services, including related personnel costs, training for such personnel and related equipment, supplies, vehicles, and structures needed to provide this care or service.

An EMS levy must be approved by a super majority of registered voters at a general or special election and may be six years, ten years, or permanent. If approved, a taxing district can impose a regular property-tax 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.

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.

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 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 construed the provisions of the EMS levy statute, which requires a city's levy to be reduced if a county has first imposed the levy to require that Milton's levy be reduced, such that the combined levies of King County and Milton would not exceed \$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 the city located in King County would have an EMS levy of \$0.80 per \$1,000 of assessed value, while the remainder of the city would have an EMS levy of \$0.50 per \$1,000 of assessed value.

Summary: All real and personal property is exempt from a county EMS 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 county described under subsection (1) of this section is less than \$125 million.

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

Votes on Final Passage:

Senate	47	0	
House	92	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 22, 2011.