

HOUSE BILL REPORT

HB 1486

As Passed House:
February 7, 2014

Title: An act relating to voter-approved benefit charges for regional fire protection service authorities.

Brief Description: Concerning voter-approved benefit charges for regional fire protection service authorities.

Sponsors: Representatives Fitzgibbon, Stanford, Bergquist, Roberts, Van De Wege, Ryu and Santos.

Brief History:

Committee Activity:

Local Government: 2/12/13, 2/21/13 [DP];

Finance: 2/26/13, 2/28/13 [DP].

Floor Activity:

Passed House: 3/9/13, 55-42.

Floor Activity:

Passed House: 2/7/14, 55-39.

Brief Summary of Bill

- Allows regional fire protection service authorities (RFAs) to continue imposing benefit charges with a ballot measure approved by a majority, rather than 60 percent, of the voters voting on the measure.
- Extends future levy capacity protections to the RFAs that impose benefit charges.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 5 members: Representatives Takko, Chair; Fitzgibbon, Liias, Springer and Upthegrove.

Minority Report: Do not pass. Signed by 4 members: Representatives Kochmar, Assistant Ranking Minority Member; Buys, Taylor and Crouse.

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.

Staff: Ethan Moreno (786-7386).

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 8 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Fitzgibbon, Hansen, Lytton, Pollet, Reykdal and Springer.

Minority Report: Do not pass. Signed by 5 members: Representatives Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Condotta, Vick and Wilcox.

Staff: Kelly Leonard (786-7147).

Background:

Regional Fire Protection Service Authorities.

In 2004 the Legislature authorized the creation of regional fire protection service authorities (RFAs) as separate taxing districts charged with providing regional fire protection and emergency services within their jurisdictional boundaries. An RFA is formed when elected officials from two or more adjacent fire protection jurisdictions develop a plan for the creation, financing, and operation of an RFA that is subsequently approved by voters within the proposed RFA. The governing body of an RFA is determined by provisions in the plan calling for its creation. Currently, seven RFAs operate in Washington.

An RFA may impose property taxes, benefit charges, or both. Imposed benefit charges are on personal property and improvements to real property within the RFA. The benefit charges must be paid by the property owners and must be reasonably proportioned to the measurable benefits to property resulting from the services afforded by the RFA. The initial imposition or reauthorization of benefit charges requires approval by 60 percent of the voters voting on the ballot measure.

Certain limitations and requirements associated with the imposition of benefit charges are specified in statute. For example, benefit charges may be imposed for a maximum term of six years, although consecutive terms are permitted. Also, the aggregate amount of benefit charges in any one year may not exceed an amount equaling 60 percent of the operating budget for the year in which the benefit charge is to be collected, and an RFA that imposes a benefit charge is barred from imposing 50 cents of the total property tax levy of \$1.50 per \$1,000 dollars of assessed valuation that an RFA may impose through resolutions of its governing body. Additionally, in accordance with specified requirements, the governing body of an RFA must hold a public hearing on its proposal to impose benefit charges. The public hearing must be held before the election at which the proposition to impose benefit charges is to be decided.

Protection of Future Levy Capacities.

The regular property tax levy for fire protection and other districts may be set at the amount which would be allowed otherwise if the property tax levy for the district had been set at the full amount authorized by law, including any fire protection district levy that would have been imposed but for provisions barring the imposition of the levy because of the imposition of a benefit charge.

The expressly stated purpose of these levy protection provisions is to: (1) remove the incentive for a taxing district to maintain its levy at the maximum level; and (2) protect the future levy capacity of a district that reduces its levy below the level that it otherwise could impose by removing the adverse consequences to future levy capacities resulting from levy reductions.

Summary of Bill:

The continued imposition of benefit charges by a regional fire protection service authority (RFA) must be approved by a majority, rather than 60 percent, of the voters of the RFA voting at a general election or special election called by the RFA for that purpose. Additionally, the public hearing that must be held before the election at which the proposition to impose benefit charges is to be decided may be conducted by an RFA planning committee if the benefit charge is proposed as part of the initial formation of the RFA.

Future levy capacity protections that apply to taxing districts and fire protection districts that impose benefit charges are extended to RFAs that impose benefit charges.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony (Local Government):

(In support) Regional fire protection service authorities (RFAs) are one of the strategies the Legislature created to share fire protection resources at the regional level. This bill makes a number of changes to RFA provisions, including provisions affecting an RFA planning committee. Last year the Legislature reduced the voter approval threshold for emergency services levies from 60 percent to majority approval. This bill is consistent with that change and allows benefit charges to be continued with majority voter approval. This bill is about keeping the public safe.

Benefit charges, for most RFAs that impose them, represent 20 to 40 percent of their annual budget. The 60 percent voter approval requirement of current law is a difficult threshold to achieve, and it can result in an RFA holding multiple elections and increased election costs. This bill will provide more certainty to RFAs. Efforts to establish an RFA in south Snohomish County have been negatively impacted due to difficulties associated with benefit charges.

(Opposed) None.

Staff Summary of Public Testimony (Finance):

(In support) Fire benefit charges are like a user fee and are a better financing tool than property taxes. Property owners have incentives to invest in fire safety measures and equipment. An initial benefit charge will need a 60 percent approval, but the continuation will be a simple majority.

(Opposed) None.

Persons Testifying (Local Government): Representative Fitzgibbon, prime sponsor; Geoff Simpson, Washington State Council of Fire Fighters; and Ed Widdis, Snohomish County Fire District 1.

Persons Testifying (Finance): Representative Fitzgibbon, prime sponsor; and Geoff Simpson, Washington State Council of Firefighters.

Persons Signed In To Testify But Not Testifying (Local Government): None.

Persons Signed In To Testify But Not Testifying (Finance): None.