

HOUSE BILL REPORT

HB 1488

As Reported by House Committee On:
Local Government
Finance

Title: An act relating to voter-approved benefit charges for fire protection districts.

Brief Description: Modifying the percentage of votes required to approve benefit charges for fire protection districts.

Sponsors: Representatives Liias, Sawyer, Cody, Farrell, Roberts, Fey, Stanford, Pollet, Fitzgibbon, Ryu, Van De Wege, Tarleton, Santos and Bergquist.

Brief History:

Committee Activity:

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

Finance: 2/26/13, 2/28/13 [DPS(LG)].

Brief Summary of Substitute Bill

- Allows fire protection districts to continue imposing benefit charges with a ballot measure approved by a majority, rather than 60 percent, of the voters voting on the measure.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Takko, Chair; Fitzgibbon, Vice Chair; Liias, Springer and Upthegrove.

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

Staff: Ethan Moreno (786-7386).

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.

Fire protection districts (fire districts) are created to provide fire and emergency services to protect life and property in locations outside of cities and towns. A fire district may be established through a process involving a petition by the residents of a proposed district, a public hearing, and voter approval. Fire districts are governed by a board of three or five elected commissioners.

Fire districts are authorized to impose property taxes, benefit charges, or both. Imposed benefit charges are on personal property and improvements to real property within the fire district. 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 fire district. The initial imposition or reauthorization of benefit charges requires approval by 60 percent of the voters voting on the ballot measure.

Certain limitations 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. Additionally, a fire district that imposes a benefit charge is barred from imposing 50 cents of the total property tax levy of \$1.50 per \$1,000 of assessed valuation that a fire district may impose without voter approval.

Summary of Substitute Bill:

The continued imposition of a benefit charge by a fire protection district must be approved by a majority, rather than 60 percent, of the voters of the district voting at a general election or special election called by the district for that purpose.

Substitute Bill Compared to Original Bill:

The substitute bill removes language in the underlying bill authorizing benefit charges of a fire protection district to be imposed or reapproved following approval by a majority of the voters voting at an election called for that purpose, and inserts new provisions authorizing only the continued imposition of benefit charges to be imposed through a majority-approval vote.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute 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) A prime sponsor supported amendment to the bill will lower the benefit charge reauthorization threshold to a majority approval vote. Unlike regional fire protection service authorities, the regular levy of a fire protection district requires a simple majority, but a benefit charge authorization proposal requires 60 percent approval. Benefit charges are not directly linked to property values and are a fairer funding method for the local district to select.

Benefit charges are somewhat recession proof and are not subject to prorationing changes. Housing values have dropped in recent years; this has lowered property tax revenues, reduced firefighter staffing levels, and created a devastating loss for public safety.

(Opposed) None.

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

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill by Committee on Local Government be substituted therefor and the substitute bill 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: Jeff Olsen (786-7175).

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Local Government:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute 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) Benefit charges are a better method for funding fire services than property taxes. However, benefit charges require a 60 percent approval.

(Opposed) None.

Persons Testifying: Geoff Simpson, Washington State Council of Firefighters

Persons Signed In To Testify But Not Testifying: None.