

HOUSE BILL REPORT

HB 2428

As Reported by House Committee On: Finance

Title: An act relating to authorizations of proposals for emergency medical care and service levies.

Brief Description: Concerning authorizations of proposals for emergency medical care and service levies.

Sponsors: Representatives S. Hunt, Ryu and Fitzgibbon.

Brief History:

Committee Activity:

Finance: 1/28/14, 2/11/14 [DPS].

Brief Summary of Substitute Bill

- Allows an Emergency Medical Service levy to be reauthorized at a lower rate than the immediately prior levy rate.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill 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: Kelly Leonard (786-7147).

Background:

Property taxes are imposed by state and local governments. The county assessor determines the 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

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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.

With voter approval, a county, Emergency Medical Service (EMS) district, city, town, public hospital district, urban emergency medical service district, or fire protection district is authorized to impose an EMS levy. The tax rate may not exceed 50 cents per \$1,000 of assessed value of the property of the taxing district.

An initial EMS levy must be approved by at least 60 percent of registered voters at a general or special election and may be six years, 10 years, or permanent. In 2012 the law was amended to allow a six-year or 10-year EMS levy to be reauthorized with approval by a simple majority of the voters, as opposed to the 60 percent approval required for the initial EMS levy, as long as the levy is an "uninterrupted continuation" of the existing levy. There has been confusion as to whether the 2012 changes allow simple-majority approval to continue an EMS levy at a rate other than the tax rate that would be allowed under current law with no interruption. A recent Attorney General Opinion held that the plain language of the statute "allows a simple-majority vote only where the proposed levy is an "uninterrupted continuation" of a six-year or ten-year EMS levy. An increase in the levy rate is not an "uninterrupted continuation" and, thus, the 60 percent requirement applies to EMS levies that propose increased levy rates." AGO 2013 No. 4.

With a number of exceptions, the general rule is that if a county imposes an EMS levy, no other taxing district within the county may impose an EMS levy. A county may not place a countywide EMS levy proposal on the ballot without approval of the legislative authority of each city exceeding 50,000 in population within the county.

Summary of Substitute Bill:

The bill clarifies that an Emergency Medical Service (EMS) levy can be reauthorized at a rate lower than the rate in effect immediately prior to the levy's reauthorization.

Substitute Bill Compared to Original Bill:

The substitute bill restores current law requiring a county to obtain approval from the legislative authority of each city with a population in excess of 50,000 within the county prior to placing an EMS levy on the ballot (rather than allowing a county to proceed with a majority approval of the taxing districts with a population in excess of 50,000 within the county).

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) In 2012 legislation was passed allowing the reauthorization of an EMS levy by a simple majority approval of voters, as long as the reauthorized levy has the same rate as the existing levy. However, the legislation did not extend the same simple majority rule for the reauthorization of an EMS levy at a lower rate. The different approaches for these two scenarios does not make sense, and it is likely the result of an omission or error in the 2012 legislation. The bill adds language clarifying that a simple majority is also permitted for the reauthorization of an EMS levy at a lower rate.

The bill also addresses issues affecting counties imposing EMS levies, which are currently comprised of Thurston, King, and Whatcom counties. Current law requires those counties to obtain approval of all cities with a population of 50,000 or greater prior to placing an EMS levy on the ballot. This applies regardless of whether or not those cities provide emergency medical services. It does not make sense to allow one city to veto a ballot measure for the entire county. A fair approach would be to allow a ballot measure to proceed with a simple majority approval of cities with a population of 50,000 or greater.

(Opposed) None.

Persons Testifying: Geoff Simpson, Washington State Council of Fire Fighters.

Persons Signed In To Testify But Not Testifying: None.