

HOUSE BILL REPORT

SSB 5332

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 continue benefit charges for fire protection districts.

Sponsors: Senate Committee on Governmental Operations (originally sponsored by Senators Roach, Nelson, Rolfes, Conway, Fain and Delvin).

Brief History:

Committee Activity:

Local Government: 3/19/13, 3/26/13 [DP];

Finance: 4/1/13, 4/8/13 [DP].

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

Minority Report: Do not pass. Signed by 3 members: Representatives Taylor, Ranking Minority Member; Kochmar, Assistant Ranking Minority Member; Buys.

Staff: Ethan Moreno (786-7386).

Background:

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

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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 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.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) Local governments, including fire districts, are experiencing revenue challenges. The bill authorizes a majority approval for the reauthorization of benefit charges and creates a more stable source of revenue for fire districts.

(Opposed) None.

Persons Testifying: Michael White, Washington State Fire Fighters.

Persons Signed In To Testify But Not Testifying: None.

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: Jeff Olsen (786-7175).

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

No new changes recommended.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) The act allows voters that have already approved a benefit charge with a 60 percent majority to continue the benefit charge with a simple majority. Benefit charges have advantages over property taxes, incentivize homeowners, and more appropriately align costs with service. Fire districts are struggling with the decrease in property values, and this provides a more stable source of revenue.

(Opposed) None.

Persons Testifying: Geoff Simpson, Washington State Council of Firefighters.

Persons Signed In To Testify But Not Testifying: None.