
Local Government Committee

HB 1605

Brief Description: Modifying certain provisions governing benefit charges of fire protection districts and regional fire protection service authorities.

Sponsors: Representatives Peterson, Van De Wege, Griffey, Riccelli and Fitzgibbon.

Brief Summary of Bill

- Allows regional fire protection service authorities (RFAs) and fire protection districts (fire districts) to continue imposing benefit charges for either six or 10 consecutive years with a ballot measure approved by a majority of the voters voting in the election.
- Allows RFAs and fire districts to permanently impose benefit charges with a ballot measure approved by at least 60 percent of the voters voting in the election, provided a 40 percent turnout threshold is satisfied.
- Establishes financial protections for RFAs by extending future levy capacity protection provisions to RFAs that impose benefit charges.

Hearing Date: 1/19/16

Staff: Cassie Jones (786-7303).

Background:

Regional Fire Protection Service Authorities (RFAs).

Regional fire protection service authorities (RFAs) are 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, operation, and governance of an RFA that is subsequently approved by voters.

Fire Protection Districts (Fire Districts).

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.

Benefit Charges.

Regional fire protection service authorities (RFAs) and fire districts may impose benefit charges. Imposed benefit charges are on personal property and improvements to real property within the RFA or 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 RFA or fire district.

The governing body of an RFA or fire district must hold a public hearing on its proposal to impose benefit charges prior to the election at which the proposition to impose the benefit charges is to be decided. Benefit charges may be imposed for a maximum term of six years; however, voters may reauthorize the benefit charges for additional terms. An RFA or 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 dollars of assessed valuation that it may otherwise impose.

For an RFA, the initial imposition or reauthorization of benefit charges requires approval by 60 percent of the voters voting on the ballot measure. For a fire district, the initial imposition of benefit charges requires approval by 60 percent of the voters voting on the ballot measure, but the continued imposition of benefit charges need only be approved by a simple majority of the voters voting on the measure.

Property Tax Limits and Banked Levy Capacity.

The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value). In addition to the 1 percent levy limit, there is a 1 percent cap on the revenues a taxing district can receive each year based on the highest amount levied in the past three years. An individual taxing district with a regular property tax levy must adhere to both the statutory rate limits and the revenue limit.

A regular property tax district that chooses to levy an amount that is less than the highest lawful amount allowed may retain the unused levy capacity for future use. This is known as "banked levy capacity." As the result of banked levy capacity, the amount of tax that a district levies in any one year may be more or less than the amount that would otherwise be expected to be imposed by a district. The levy growth depends on whether the district is banking capacity for future use, tapping previously banked capacity, or neither. The purpose of authorizing a taxing district to maintain banked levy capacity is to remove the incentive for a taxing district to maintain its tax levy at the maximum level permitted under state law. Allowing the use of banked levy capacity also protects the future levy capacity of a taxing district that reduces its tax levy below the maximum level that it could otherwise impose under state law.

Summary of Bill:

Continued Imposition of Benefit Charges by Regional fire protection service authorities - Six Years, 10 Years, or Permanently.

Provisions requiring the continuation of a benefit charge by a regional fire protection service authority (RFA) to be approved, for a maximum of six years, by 60 percent of the voters voting on the ballot measure are deleted and replaced with an authorization allowing the continued imposition of a voter-approved benefit charge for six consecutive years, 10 consecutive years, or permanently.

A ballot measure calling for the continued imposition of a benefit charge by an RFA for six or 10 consecutive years must be approved by a majority of the voters of the RFA voting at a general or special election called by the RFA for that purpose.

A ballot measure calling for the continued and permanent imposition of an RFA benefit charge must be approved by not less than 60 percent of the voters of the RFA voting at a general or special election called by the RFA for that purpose. At the election, the total number of persons voting must constitute not less than 40 percent of the voters in the RFA who voted in the preceding general election.

Continued Imposition of Benefit Charges by Fire Districts - Six Years, 10 Years, or Permanently. Provisions allowing fire protection districts (fire districts) to continue imposing benefit charges for a maximum of six years with majority voter approval are modified to allow the continued imposition of a voter-approved benefit charge for six consecutive years, 10 consecutive years, or permanently.

A ballot measure calling for the continued imposition of a benefit charge by a fire district for six or 10 consecutive years must be approved by a majority of the voters of the fire district voting at a general or a special election called by the district for that purpose.

A ballot measure calling for the continued and permanent imposition of a benefit charge by a fire district must be approved by not less than 60 percent of the voters of the fire district voting at a general or special election called by the district for that purpose. At the election, the total number of persons voting must constitute not less than 40 percent of the voters in the fire district who voted in the preceding general election.

Banked Levy Capacity.

Unused levy capacity of an RFA that is "banked" may include the amount that would have been imposed but was not due to imposition of a benefit charge.

Public Hearing Provision.

The public hearing required before an election authorizing the imposition of benefit charges by an RFA may be conducted by an RFA planning committee, rather than only by the governing board of an RFA, if the benefit charge is proposed as part of the initial formation of the RFA.

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.