

# SENATE BILL REPORT

## E2SHB 1605

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As of February 24, 2016

**Title:** An act relating to benefit charges of fire protection districts and regional fire protection service authorities.

**Brief Description:** Concerning benefit charges of fire protection districts and regional fire protection service authorities.

**Sponsors:** House Committee on Finance (originally sponsored by Representatives Peterson, Van De Wege, Griffey, Riccelli and Fitzgibbon).

**Brief History:** Passed House: 3/10/15, 56-42; 2/16/16, 61-36.

**Committee Activity:** Government Operations & Security: 3/23/15; 2/25/16.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

**Staff:** Alex Kearns (786-7416)

**Background:** Regional Fire Protection Service Authority (RFA). RFAs are charged with providing regional fire protection and emergency services within their jurisdictional boundaries. An RFA is formed when elected officials from adjacent fire protection jurisdictions develop a plan for the creation, financing, operation, and governance of an RFA that is subsequently approved by voters. If the plan does not authorize a benefit charge, the proposition must be approved by a simple majority. If the plan does authorize a benefit charge, the proposition must be approved by 60 percent of the voters.

Fire Protection Districts (Fire Districts). Fire protection 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 three-fifths voter approval. Fire Districts are governed by a board of three, five, or seven elected commissioners.

Benefit Charges. A benefit charge is a type of assessment imposed upon a property owner by RFAs and Fire Districts based upon the measurable benefits to be received by the property owner from services provided by the RFA or Fire District. RFAs and Fire Districts may use this funding as a means for apportioning the real costs of service to an individual property in a manner designed to reflect the actual benefits provided to that property. Before holding an

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election to determine if a benefit charge will be imposed, the governing authority of an RFA or Fire District must hold a public hearing at which it sets forth the benefit charge proposal.

Benefit charges may be imposed for a maximum term of six years, however voters may reauthorize the benefit charges for additional terms. 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.

Banked Levy Capacity. State law imposes a 1 percent cap on the revenues a taxing district may receive each year based on the highest amount levied in the past three years. A taxing district that chooses to levy an amount less than the maximum allowed under the law may retain the unused levy capacity for future use. This is known as "banked levy capacity." Allowing banked levy capacity removes the incentive for a taxing district to maintain its tax levy at the maximum amount allowed by law.

**Summary of Bill:** RFAs may now renew benefit charges with a simple majority of voter approval, for a fixed duration of six years. Fire District benefit charge renewals will also last for a fixed duration of six years.

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

If an RFA imposes a benefit charge, and therefore does not utilize the maximum levy amount allowed under the law, the RFA may still retain the unused levy capacity for future use.

The following properties are exempt from benefit charges from RFAs and fire protection districts:

- property of housing authorities;
- property of nonprofit entities providing rental housing or mobile home spaces for very low-income households;
- property of nonprofit homes for the aging;
- property of nonprofit organizations, corporations, or associations providing housing for people with developmental disabilities;
- property of nonprofit organizations providing emergency or transitional housing for low income homeless persons or victims of domestic violence who are homeless for personal safety reasons;
- property of the state housing finance commission; and
- property of nonprofit corporations operating sheltered workshops for people with disabilities.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.