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SECOND SUBSTITUTE HOUSE BILL 1605

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State of Washington

64th Legislature

2016 Regular Session

By House Finance (originally sponsored by Representatives Peterson, Van De Wege, Griffey, Riccelli, and Fitzgibbon)

READ FIRST TIME 02/09/16.

1 AN ACT Relating to benefit charges of fire protection districts  
2 and regional fire protection service authorities; amending RCW  
3 52.26.220, 52.26.230, 84.55.092, 52.18.050, 52.18.010, and 52.26.180;  
4 and creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 52.26.220 and 2006 c 200 s 12 are each amended to  
7 read as follows:

8 (1) (~~Notwithstanding any other provision in this chapter to the~~  
9 ~~contrary, any~~) (a) The initial imposition of a benefit charge  
10 authorized by this chapter (~~is not effective unless a proposition to~~  
11 ~~impose the benefit charge is approved by a~~) must be approved by not  
12 less than sixty percent (~~majority~~) of the voters of the regional  
13 fire protection service authority voting at a general election or at  
14 a special election called by the authority for that purpose(~~, held~~  
15 ~~within the authority~~). ((A)) Ballot (~~measure that contains~~)  
16 measures containing an authorization to impose benefit charges  
17 ((and)) that ((is)) are approved by the voters pursuant to RCW  
18 52.26.060 (~~meets~~) satisfy the proposition approval requirement of  
19 this subsection and subsection (2) of this section.



1 ((for . . . . (insert number of years not to exceed six)  
2 years)) for six consecutive years, not to exceed an amount  
3 equal to sixty percent of its operating budget, and be  
4 prohibited from imposing an additional property tax under RCW  
5 52.26.140(1)(c)?

6 YES

NO

7

8 **Sec. 2.** RCW 52.26.230 and 2004 c 129 s 29 are each amended to  
9 read as follows:

10 (1) Not fewer than ten days nor more than six months before the  
11 election at which the proposition to impose the benefit charge is  
12 submitted as provided in this chapter, the governing board of the  
13 regional fire protection service authority, or the planning committee  
14 if the benefit charge is proposed as part of the initial formation of  
15 the authority, shall hold a public hearing specifically setting forth  
16 its proposal to impose benefit charges for the support of its legally  
17 authorized activities that will maintain or improve the services  
18 afforded in the authority. A report of the public hearing shall be  
19 filed with the county treasurer of each county in which the property  
20 is located and be available for public inspection.

21 (2) Prior to November 15th of each year the governing board of  
22 the authority shall hold a public hearing to review and establish the  
23 regional fire protection service authority benefit charges for the  
24 subsequent year.

25 (3) All resolutions imposing or changing the benefit charges must  
26 be filed with the county treasurer or treasurers of each county in  
27 which the property is located, together with the record of each  
28 public hearing, before November 30th immediately preceding the year  
29 in which the benefit charges are to be collected on behalf of the  
30 authority.

31 (4) After the benefit charges have been established, the owners  
32 of the property subject to the charge must be notified of the amount  
33 of the charge.

34 **Sec. 3.** RCW 84.55.092 and 1998 c 16 s 3 are each amended to read  
35 as follows:

36 (1) The regular property tax levy for each taxing district other  
37 than the state may be set at the amount which would be allowed

1 otherwise under this chapter if the regular property tax levy for the  
2 district for taxes due in prior years beginning with 1986 had been  
3 set at the full amount allowed under this chapter including any levy  
4 authorized under RCW 52.16.160 or 52.26.140(1)(c) that would have  
5 been imposed but for the limitation in RCW 52.18.065 or 52.26.240,  
6 applicable upon imposition of the benefit charge under chapter 52.18  
7 or 52.26 RCW.

8 (2) The purpose of this section is to remove the incentive for a  
9 taxing district to maintain its tax levy at the maximum level  
10 permitted under this chapter, and to protect the future levy capacity  
11 of a taxing district that reduces its tax levy below the level that  
12 it otherwise could impose under this chapter, by removing the adverse  
13 consequences to future levy capacities resulting from such levy  
14 reductions.

15 **Sec. 4.** RCW 52.18.050 and 2013 c 49 s 1 are each amended to read  
16 as follows:

17 (1)(a) The initial imposition of a benefit charge authorized by  
18 this chapter must be approved by not less than sixty percent of the  
19 voters of the district voting at a general election or at a special  
20 election called by the district for that purpose.

21 (b) An election held for the initial imposition of a benefit  
22 charge must be held not more than twelve months prior to the date on  
23 which the first charge is to be assessed.

24 (c) A benefit charge approved at an election expires in six or  
25 fewer years as authorized by the voters unless subsequently  
26 reapproved by the voters.

27 (2) Ballot measures calling for the initial imposition of a  
28 benefit charge must be submitted so as to enable voters favoring the  
29 authorization of a benefit charge to vote "Yes" and those opposed to  
30 vote "No," and the ballot question must be as follows:

31 "Shall . . . . . county fire protection district  
32 No. . . . . be authorized to impose benefit charges each year  
33 for . . . . (insert number of years not to exceed six) years,  
34 not to exceed an amount equal to sixty percent of its  
35 operating budget, and be prohibited from imposing an  
36 additional property tax under RCW 52.16.160?

37 YES NO  
38

1 (3)(a) The continued imposition of a benefit charge authorized by  
2 this chapter (~~must be approved by a majority of the voters of the~~  
3 ~~district voting at a general election or at a special election called~~  
4 ~~by the district for that purpose~~) may be approved for six  
5 consecutive years.

6 (~~(b) Ballot measures calling for the continued imposition of a~~  
7 ~~benefit charge must be submitted so as to enable voters favoring the~~  
8 ~~continued imposition of the benefit charge to vote "Yes" and those~~  
9 ~~opposed to vote "No." The ballot question must be substantially in~~  
10 ~~the following form~~) A ballot measure calling for the continued  
11 imposition of a benefit charge for six consecutive years must be  
12 approved by a majority of the voters of the district voting at a  
13 general election or at a special election called by the district for  
14 that purpose.

15 (b) Ballot measures calling for the continued imposition of a  
16 benefit charge must be submitted so as to enable voters favoring the  
17 continued imposition of the benefit charge to vote "Yes" and those  
18 opposed to vote "No." The ballot question must be substantially in  
19 the following form:

20 "Shall . . . . . county fire protection district  
21 No. . . . . be authorized to continue voter-authorized  
22 benefit charges each year (~~for . . . . . (insert number of~~  
23 ~~years not to exceed six) years~~) for six consecutive years,  
24 not to exceed an amount equal to sixty percent of its  
25 operating budget, and be prohibited from imposing an  
26 additional property tax under RCW 52.16.160?

27 YES NO  
28

29 **Sec. 5.** RCW 52.18.010 and 1998 c 16 s 1 are each amended to read  
30 as follows:

31 (1) The board of fire commissioners of a fire protection district  
32 may by resolution, for fire protection district purposes authorized  
33 by law, fix and impose a benefit charge on personal property and  
34 improvements to real property which are located within the fire  
35 protection district on the date specified and which have or will  
36 receive the benefits provided by the fire protection district, to be  
37 paid by the owners of the properties(~~:- PROVIDED, That~~)).

1 (2) A benefit charge (~~shall~~) does not apply to:

2 (a) Personal property and improvements to real property owned or  
3 used by any recognized religious denomination or religious  
4 organization as, or including, a sanctuary or for purposes related to  
5 the bona fide religious ministries of the denomination or religious  
6 organization, including schools and educational facilities used for  
7 kindergarten, primary, or secondary educational purposes or for  
8 institutions of higher education and all grounds and buildings  
9 related thereto, but not including personal property and improvements  
10 to real property owned or used by any recognized religious  
11 denomination or religious organization for business operations,  
12 profit-making enterprises, or activities not including use of a  
13 sanctuary or related to kindergarten, primary, or secondary  
14 educational purposes or for institutions of higher education;

15 (b) Property of housing authorities that is exempt from property  
16 taxes under RCW 35.82.210;

17 (c) Property of nonprofit entities providing rental housing for  
18 very low-income households or providing space for the placement of a  
19 mobile home for a very low-income household that is exempt from  
20 property taxes under RCW 84.36.560;

21 (d) Property of nonprofit homes for the aging that is exempt from  
22 property taxes under RCW 84.36.041;

23 (e) Property of nonprofit organizations, corporations, or  
24 associations providing housing for eligible persons with  
25 developmental disabilities that is exempt from property taxes under  
26 RCW 84.36.042;

27 (f) Property of nonprofit organizations providing emergency or  
28 transitional housing for low-income homeless persons or victims of  
29 domestic violence who are homeless for personal safety reasons that  
30 is exempt from property taxes under RCW 84.36.043;

31 (g) Property of the state housing finance commission that is  
32 exempt from property taxes under RCW 84.36.135; and

33 (h) Property of nonprofit corporations operating sheltered  
34 workshops for persons with disabilities that is exempt from property  
35 taxes under RCW 84.36.350.

36 (3) The aggregate amount of such benefit charges in any one year  
37 shall not exceed an amount equal to sixty percent of the operating  
38 budget for the year in which the benefit charge is to be collected:  
39 PROVIDED, That it shall be the duty of the county legislative  
40 authority or authorities of the county or counties in which the fire

1 protection district is located to make any necessary adjustments to  
2 assure compliance with such limitation and to immediately notify the  
3 board of fire commissioners of any changes thereof.

4 (4) A benefit charge imposed shall be reasonably proportioned to  
5 the measurable benefits to property resulting from the services  
6 afforded by the district. It is acceptable to apportion the benefit  
7 charge to the values of the properties as found by the county  
8 assessor or assessors modified generally in the proportion that fire  
9 insurance rates are reduced or entitled to be reduced as the result  
10 of providing the services. Any other method that reasonably  
11 apportions the benefit charges to the actual benefits resulting from  
12 the degree of protection, which may include but is not limited to the  
13 distance from regularly maintained fire protection equipment, the  
14 level of fire prevention services provided to the properties, or the  
15 need of the properties for specialized services, may be specified in  
16 the resolution and shall be subject to contest on the ground of  
17 unreasonable or capricious action or action in excess of the  
18 measurable benefits to the property resulting from services afforded  
19 by the district. The board of fire commissioners may determine that  
20 certain properties or types or classes of properties are not  
21 receiving measurable benefits based on criteria they establish by  
22 resolution. A benefit charge authorized by this chapter shall not be  
23 applicable to the personal property or improvements to real property  
24 of any individual, corporation, partnership, firm, organization, or  
25 association maintaining a fire department and whose fire protection  
26 and training system has been accepted by a fire insurance underwriter  
27 maintaining a fire protection engineering and inspection service  
28 authorized by the state insurance commissioner to do business in this  
29 state, but such property may be protected by the fire protection  
30 district under a contractual agreement.

31 (5) For administrative purposes, the benefit charge imposed on  
32 any individual property may be compiled into a single charge,  
33 provided that the district, upon request of the property owner,  
34 provide an itemized list of charges for each measurable benefit  
35 included in the charge.

36 **Sec. 6.** RCW 52.26.180 and 2004 c 129 s 24 are each amended to  
37 read as follows:

38 (1) The governing board of a regional fire protection service  
39 authority may by resolution, as authorized in the plan and approved

1 by the voters, for authority purposes authorized by law, fix and  
2 impose a benefit charge on personal property and improvements to real  
3 property which are located within the authority on the date specified  
4 and which have received or will receive the benefits provided by the  
5 authority, to be paid by the owners of the properties.

6 (2) A benefit charge does not apply to:

7 (a) Personal property and improvements to real property owned or  
8 used by any recognized religious denomination or religious  
9 organization as, or including, a sanctuary or for purposes related to  
10 the bona fide religious ministries of the denomination or religious  
11 organization, including schools and educational facilities used for  
12 kindergarten, primary, or secondary educational purposes or for  
13 institutions of higher education and all grounds and buildings  
14 related thereto. However, a benefit charge does apply to personal  
15 property and improvements to real property owned or used by any  
16 recognized religious denomination or religious organization for  
17 business operations, profit-making enterprises, or activities not  
18 including use of a sanctuary or related to kindergarten, primary, or  
19 secondary educational purposes or for institutions of higher  
20 education;

21 (b) Property of housing authorities that is exempt from property  
22 taxes under RCW 35.82.210;

23 (c) Property of nonprofit entities providing rental housing for  
24 very low-income households or providing space for the placement of a  
25 mobile home for a very low-income household that is exempt from  
26 property taxes under RCW 84.36.560;

27 (d) Property of nonprofit homes for the aging that is exempt from  
28 property taxes under RCW 84.36.041;

29 (e) Property of nonprofit organizations, corporations, or  
30 associations providing housing for eligible persons with  
31 developmental disabilities that is exempt from property taxes under  
32 RCW 84.36.042;

33 (f) Property of nonprofit organizations providing emergency or  
34 transitional housing for low-income homeless persons or victims of  
35 domestic violence who are homeless for personal safety reasons that  
36 is exempt from property taxes under RCW 84.36.043;

37 (g) Property of the state housing finance commission that is  
38 exempt from property taxes under RCW 84.36.135; and



1        (h) Property of nonprofit corporations operating sheltered  
2 workshops for persons with disabilities that is exempt from property  
3 taxes under RCW 84.36.350.

4        (3) The aggregate amount of these benefit charges in any one year  
5 may not exceed an amount equal to sixty percent of the operating  
6 budget for the year in which the benefit charge is to be collected.  
7 It is the duty of the county legislative authority or authorities of  
8 the county or counties in which the regional fire protection service  
9 authority is located to make any necessary adjustments to assure  
10 compliance with this limitation and to immediately notify the  
11 governing board of an authority of any changes thereof.

12        ~~((+2))~~ (4) A benefit charge imposed must be reasonably  
13 proportioned to the measurable benefits to property resulting from  
14 the services afforded by the authority. It is acceptable to apportion  
15 the benefit charge to the values of the properties as found by the  
16 county assessor or assessors modified generally in the proportion  
17 that fire insurance rates are reduced or entitled to be reduced as  
18 the result of providing the services. Any other method that  
19 reasonably apportions the benefit charges to the actual benefits  
20 resulting from the degree of protection, which may include but is not  
21 limited to the distance from regularly maintained fire protection  
22 equipment, the level of fire prevention services provided to the  
23 properties, or the need of the properties for specialized services,  
24 may be specified in the resolution and is subject to contest on the  
25 grounds of unreasonable or capricious action or action in excess of  
26 the measurable benefits to the property resulting from services  
27 afforded by the authority. The governing board of an authority may  
28 determine that certain properties or types or classes of properties  
29 are not receiving measurable benefits based on criteria they  
30 establish by resolution. A benefit charge authorized by this chapter  
31 is not applicable to the personal property or improvements to real  
32 property of any individual, corporation, partnership, firm,  
33 organization, or association maintaining a fire department and whose  
34 fire protection and training system has been accepted by a fire  
35 insurance underwriter maintaining a fire protection engineering and  
36 inspection service authorized by the state insurance commissioner to  
37 do business in this state, but the property may be protected by the  
38 authority under a contractual agreement.

39        ~~((+3))~~ (5) For administrative purposes, the benefit charge  
40 imposed on any individual property may be compiled into a single

1 charge, provided that the authority, upon request of the property  
2 owner, provide an itemized list of charges for each measurable  
3 benefit included in the charge.

4 ~~((4))~~ (6) For the purposes of this section and RCW 52.26.190  
5 through 52.26.270, the following definitions apply:

6 (a)(i) "Personal property" includes every form of tangible  
7 personal property including, but not limited to, all goods, chattels,  
8 stock in trade, estates, or crops.

9 (ii) "Personal property" does not include any personal property  
10 used for farming, field crops, farm equipment, or livestock.

11 (b) "Improvements to real property" does not include permanent  
12 growing crops, field improvements installed for the purpose of aiding  
13 the growth of permanent crops, or other field improvements normally  
14 not subject to damage by fire.

15 NEW SECTION. **Sec. 7.** Sections 5 and 6 of this act apply to  
16 benefit charges approved after the effective date of this section.

--- END ---