

FINAL BILL REPORT

HB 1166

C 107 L 17
Synopsis as Enacted

Brief Description: Concerning fire protection district tax levies.

Sponsors: Representatives Griffey and Springer.

House Committee on Local Government
House Committee on Finance
Senate Committee on Local Government
Senate Committee on Ways & Means

Background:

Regular Property Taxes.

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 [AV]). Individual district rate maximums and aggregate rate maximums are established to keep the total tax rate for regular property taxes within the constitutional limit. The state, counties, and cities are referred to as "senior" districts. Junior districts such as fire, library, hospital, and metropolitan park districts each have specific rate limits as well. The tax rates for the city, county, and junior districts must fit within an overall rate limit of \$5.90 per \$1,000 AV. State statutes contain schedules specifying the order the various junior taxing district levies are prorated in the event that the \$5.90 limit is exceeded. Under this prorating system, senior districts are given preference over junior districts.

Fire Protection Districts.

A fire protection district is a type of special purpose district with responsibility to provide fire prevention and suppression services and emergency medical response services. A fire district has the powers and authorities of a municipal corporation and is generally managed by a board of commissioners.

Fire districts have statutory authority to levy three individual regular property tax levies, each with a maximum rate of \$0.50 per \$1,000 AV. The levy limit calculation treats the three separate levies as one levy, with a maximum rate of \$1.50 per \$1,000 AV, when calculating the levy limit and for prorating purposes. The fire district levies are subject to the \$5.90 aggregate limit; however, they can protect up to \$0.25 per \$1,000 AV from prorating.

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.

The board of fire commissioners of a fire district may authorize one of the three \$0.50 per \$1,000 AV levies, provided the following criteria are met:

- The levy will not affect the rates of other taxing districts or cause the combined levies to exceed the constitutional \$10 per \$1,000 AV limit or the statutory \$5.90 per \$1,000 AV limit.
- The fire district has at least one full-time paid employee or contracts with another fire district for the services of at least one full-time paid employee.

Summary:

The statutory provision requiring a fire district to have one full-time paid employee or contract with another entity that has one full time paid employee, in order to levy an additional property tax, is eliminated. This allows a fire district without a full-time paid employee or contracted employee to impose the third regular property tax levy of up to \$0.50 per \$1,000 AV.

Votes on Final Passage:

House	86	11
Senate	49	0

Effective: July 23, 2017