

HOUSE BILL REPORT

HB 1166

As Reported by House Committee On:
Local Government

Title: An act relating to fire protection district tax levies.

Brief Description: Concerning fire protection district tax levies.

Sponsors: Representatives Griffey and Springer.

Brief History:

Committee Activity:

Local Government: 1/19/17, 1/26/17 [DP].

Brief Summary of Bill

- Eliminates the requirement that a fire district must have, or contract with another entity that has, at least one paid full-time employee in order to levy an additional regular property tax levy.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 6 members: Representatives Appleton, Chair; McBride, Vice Chair; Griffey, Assistant Ranking Minority Member; Gregerson, Peterson and Pike.

Minority Report: Do not pass. Signed by 1 member: Representative Taylor, Ranking Minority Member.

Staff: Yvonne Walker (786-7841).

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]). The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. The state, counties, and cities are

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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 in which the various junior taxing district levies will be 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. Fire districts are 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 treat 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 prorationing 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 prorationing.

One of the three \$0.50 per \$1,000 AV levies can be authorized by the board of fire commissioners of a fire district, 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 must have at least one full-time paid employee or contract with another fire district for the services of at least one full-time paid employee.

Summary of Bill:

The statutory provision that requires a fire district to have one full-time paid employee or contact with another entity that has one full time paid employee, in order to levy an additional property tax, is eliminated.

Appropriation: None.

Fiscal Note: Requested on January 27, 2017.

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) This is an efficiency bill. Current law incentivizes districts to hire an employee even if they are an all-volunteer entity. This bill eliminates the provision that states there

must be one paid firefighter on staff in order to levy the 50 cents. This is important for those fire districts that are comprised of all volunteers. The provisions of this bill will help smaller districts, especially rural districts in eastern Washington.

(Opposed) None.

Persons Testifying: Representative Griffey, prime sponsor; and Ryan Spiller, Washington Fire Commissioners Association.

Persons Signed In To Testify But Not Testifying: None.