
Appropriations Committee

SSB 5894

Brief Description: Clarifying that the firefighters' pension levy may continue to be levied to fund benefits under the law enforcement officers' and firefighters' retirement system.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senator Braun).

<p style="text-align: center;">Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Allows the firefighters' pension levy to continue to be levied specifically for funding medical benefits under the Law Enforcement Officers' and Firefighters' Retirement System.
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Hearing Date: 3/18/19

Staff: David Pringle (786-7310).

Background:

Prior to creation of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 1) in 1970, cities that employed full-time paid fire fighters established Municipal Firemen's Pension Boards to administer the benefits of the city's Firemen's Pension Fund. Beginning in 1970, all full-time fire fighters became members of LEOFF 1. Under LEOFF 1 the employer is responsible for paying all necessary medical services for LEOFF 1 members and retirees not payable from some other source.

Cities and towns are authorized to levy a general fund property tax of up to \$3.375 per thousand dollars of assessed value. Approximately 44 cities and towns that have a firefighters' pension fund also levy an additional amount earmarked for this pension fund. The levy is 22.5 cents per thousand dollars of assessed value. The original version of this pension levy was enacted in 1909, pre-dating the first state administered retirement systems for law enforcement officers and firefighters by about 40 years. The pension levy is generally used to fund retirement benefits for firefighters employed prior to 1970. Current law also allows the pension levy to be used for any other municipal purpose if a report by a qualified actuary establishes all or any part of the levy is

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unnecessary to meet the estimated demands of the pension fund for the ensuing budget year. There is some disagreement as to whether the law allows cities and towns to continue imposing the tax if all beneficiaries are deceased.

Summary of Bill:

Cities and towns are authorized to continue imposing the pension levy to fund medical benefits under LEOFF 1.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 15, 2019.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.