

FINAL BILL REPORT

SSB 5894

C 320 L 19
Synopsis as Enacted

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).

Senate Committee on Ways & Means
House Committee on Appropriations

Background: Prior to the Law Enforcement Officers and Fire Fighters Retirement System (LEOFF 1) created 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 \$3.375 per thousand dollars of assessed value. Approximately 44 cities and towns that have a firefighter's 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 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: Cities and towns are authorized to continue imposing the pension levy to fund medical benefits under LEOFF 1 and other municipal purposes until the municipality no longer has any LEOFF 1 retirees receiving medical benefits. The proceeds of the pension levy must first be expended for payment of medical benefits under LEOFF 1 prior to being used for any other municipal purpose.

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.

Votes on Final Passage:

Senate	48	0	
House	96	0	(House amended)
Senate			(Senate refused to concur)
House	98	0	(House receded/amended)
Senate	48	0	(Senate concurred)

Effective: July 28, 2019