

HOUSE BILL REPORT

HB 2602

As Reported by House Committee On:
Local Government

Title: An act relating to a joint select committee on junior taxing districts.

Brief Description: Establishing a joint select committee on junior taxing districts.

Sponsors: Representatives Eddy, Springer, Takko, Carlyle and Tharinger.

Brief History:

Committee Activity:

Local Government: 1/25/12, 1/27/12 [DP].

Brief Summary of Bill

- Establishes a joint select committee on junior taxing districts and establishes the membership and responsibilities of the committee.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 9 members: Representatives Takko, Chair; Fitzgibbon, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Rodne, Smith, Springer, Tharinger and Upthegrove.

Staff: Ann Koepke (786-7291) and Ethan Moreno (786-7386).

Background:

Special purpose districts are political subdivisions of the state and come into existence, acquire legal rights and duties, and are dissolved as provided for in statute. Special purpose districts are authorized by statute to provide a single function, or limited number of functions, separate from the general purpose local government. Junior taxing districts are a type of special purpose district and include, among others, fire districts, library districts, metropolitan park districts, and flood control districts. In terms of comparison, a senior taxing district means the state (as it relates to the support of common schools), a county, a county road district, a city, or a town.

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.

Summary of Bill:

House Bill 2602 establishes a joint select committee (committee) on junior taxing districts. The term "junior taxing district" includes all taxing districts other than the state, counties, road districts, cities, towns, and school districts. Provisions for the establishment and operation of the committee are specified as follows.

Membership.

- Each legislative leader of the two largest political parties of the Legislature will appoint one voting member.
- The Speaker of the House of Representatives and the President of the Senate will jointly appoint two nonvoting members.
- The Governor will appoint one voting member.

Appointments are to be made by July 1, 2012.

The committee will choose its chair from among its legislative membership. The initial meeting of the committee will be convened by the appointee from the majority caucus of the House of Representatives.

Purpose and Responsibilities.

The committee is responsible for reviewing junior taxing districts and evaluating their provided services in order to make recommendations regarding their appropriateness for consolidation into a general purpose local government, such as a city or county. As part of the committee's review and recommendation process, it is to seek relevant information and advice from the following entities and individuals:

- organizations representing counties, cities, and junior taxing districts;
- counties, cities, and junior taxing districts;
- the Department of Revenue;
- the State Auditor; and
- the Office of the Attorney General.

The committee is required to report their findings and recommendations, in the form of draft legislation, to the Governor and to the Ways and Means committees of the House of Representatives and Senate (or their successor committees). The committee must submit its findings and recommendations by December 31, 2014.

Operations.

The committee is to receive staff support from Senate Committee Services and the House of Representatives Office of Program Research. Legislative and non-legislative members of the committee, except those representing an employer or organization, are required to be reimbursed for travel expenses.

The expenses of the committee are to be paid jointly by the Senate and the House of Representatives and are subject to approval by the appropriate Senate or House committee.

Appropriation: None.

Fiscal Note: Not requested.

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) State government is faced with the challenge to show the public that it is capable of streamlining governance. One thing that is often cited, particularly by assessors, is that there are a large number of taxing districts in the state. While some of these taxing districts serve a very good purpose, others are merely historic and there may be an opportunity to fold some of these into the next upstream general government, whether it be a city or a county. In healthy economic times, this sort of review is not usually undertaken as it is difficult to move political turf, but with the support of local governments, there is an opportunity to make government simpler and more effective. It is likely that should this legislation move forward, every special district will request to be excluded from consideration, based on the claim that they are too important to eliminate, but it is time to get serious about saving the state money and this work needs to be undertaken.

(With concerns) While the committee's interest in junior taxing districts is appreciated, it is possible that the bill is not needed, as there have already been numerous studies on the topic. Since 1988 five studies on taxing districts have been conducted and the interworking relationships of junior taxing districts have been established, although the context in which they are operating has changed. This issue comes up every time the state is in a severe recession. While conducting further study would not necessarily be a waste of time, it might be wiser to look at previous studies as this issue is a Pandora's box.

In addition, it would be beneficial to include representatives from local government on the committee, such as a county executive, a city council member, or a mayor in order to benefit from a diversity of elected experiences. The committee should also recommend that any legislation come to the Legislature for an up or down vote. If there is an opportunity to tinker with the language, the legislation might never pass at all.

(Opposed) None.

Persons Testifying: (In support) Representative Eddy, prime sponsor; and Scott Merriman, Association of Counties.

(With concerns) Michael Crose, Washington Library Association.

Persons Signed In To Testify But Not Testifying: None.