

HOUSE BILL REPORT

HB 2904

As Reported By House Committee On:
Finance

Title: An act relating to property tax levies for emergency medical care and services.

Brief Description: Prescribing requirements for emergency medical care and services levies.

Sponsors: Representatives Cooper, Costa, Poulsen, Constantine, Cody, Chopp, B. Thomas, O'Brien, Hatfield, Conway, Appelwick, Gombosky and Mason.

Brief History:

Committee Activity:

Finance: 2/2/98, 2/9/98 [DPS].

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives B. Thomas, Chairman; Carrell, Vice Chairman; Dunshee, Ranking Minority Member; Dickerson, Assistant Ranking Minority Member; Conway; Kastama; Mason; Morris; Pennington; Thompson and Van Luven.

Minority Report: Do not pass. Signed by 3 members: Representatives Mulliken, Vice Chairman; Boldt and Schoesler.

Staff: Rick Peterson (786-7150).

Background: All real and personal property in this state is subject to the property tax each year based on its value unless a specific exemption is provided by law. The tax bill is determined by multiplying the assessed value by the tax rate for each taxing district in which the property is located.

The sum of property tax rates is limited by the State Constitution to a maximum of 1 percent of true and fair value, or \$10 per \$1,000 of value. The Constitution provides a procedure for voter approval for tax rates that exceed the 1 percent limit. These taxes are called "excess" levies. The most common excess levies are maintenance and operation levies for school districts and bond retirement levies. Excess levies must obtain a 60 percent majority vote plus meet a minimum voter turnout requirement.

Taxes imposed under the 1 percent limit are termed "regular" taxes. The Constitution does not require voter approval of regular taxes. However, some regular taxes are limited in time duration and require voter approval. For example, emergency medical service taxes, park and recreation district taxes, and taxes for affordable housing are regular taxes but must have voter approval.

The time limits and voting requirements for these taxes are:

Emergency Medical Taxes:

Time limit: six years;

Voting requirement: When the voter turnout exceeds 40 percent of voter turnout at last general election - 60 percent "yes" vote; when the voter turnout is less than 40 percent - the "yes" votes must exceed 24 percent of the votes in the last general election.

Park and Recreation District Taxes:

Time limit: six years;

Voting requirement: When the voter turnout exceeds 40 percent of voter turnout at last general election - 60 percent "yes" vote; when the voter turnout is less than 40 percent - the "yes" votes must exceed 24 percent of the votes in the last general election.

Affordable Housing Taxes:

Time limit: 10 years

Voting requirement: Simple majority.

Summary of Substitute Bill: Property taxes for emergency medical purposes may be imposed for up to 10 years. The voting requirement is changed to a simple majority. This bill is effective for taxes levied for collection in 1999 and thereafter.

Substitute Bill Compared to Original Bill: The substitute bill more clearly expresses the change to approval by a simple majority of the votes cast.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which the bill is passed.

Testimony For: The bill will allow districts providing emergency medical services to pass a levy with a simple majority vote. This is consistent with the voting requirement for affordable housing. This bill will apply statewide. A 10-year levy will allow those providing emergency medical services to do long term planning. Fire districts were

initially funded for fire protection but now everyone, even those in rural areas, expect emergency medical services. Seventy to 80 percent of fire district activity is related to emergency medical services.

Testimony Against: None.

Testified: Representative Cooper, sponsor; John Sinclair, Central Pierce Fire and Rescue (pro); and Mike Pretz, Snohomish County Medic 7 (pro).