

HOUSE BILL REPORT

HB 1154

As Amended by the Senate

Title: An act relating to eliminating the time limit on regular tax levies for medical care and services.

Brief Description: Eliminating the time limit on regular tax levies for medical care and services.

Sponsors: Representatives Cooper, Delvin, Edmonds, Conway, Wood, Dunshee, Gombosky, Doumit, Hatfield, Kenney and Cody.

Brief History:

Committee Activity:

Finance: 2/2/99, 3/4/99 [DP].

Floor Activity:

Passed House: 3/16/99, 79-17.

Senate Amended.

Passed Senate: 4/13/99, 45-0.

Brief Summary of Bill

· Eliminates the six year time limit on emergency medical service property taxes.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 12 members: Representatives Dunshee, Democratic Co-Chair; Thomas, Republican Co-Chair; Carrell, Republican Vice Chair; Reardon, Democratic Vice Chair; Cairnes; Conway; Cox; Dickerson; Pennington; Santos; Van Luven and Veloria.

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 called "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 Bill:

The six year time limit on property taxes for emergency medical purposes is eliminated. This change is effective for taxes approved by voters in the future.

EFFECT OF SENATE AMENDMENT(S): The senate amendment allows voters to approve emergency medical service property taxes for a period of six years, ten years, or permanently. Voters must approve any rate increase above the original rate authorized by the voters. Separate accounting is required for expenditures for revenue raised from a permanent tax. The ordinance or resolution imposing a permanent tax is subject to a referendum process. Referendum petitioners have 30 days to gather signatures from 15 percent of registered voters.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Washington has one of the finest Medic 1 services in the U.S. The bill continues these outstanding services. The voters have said they want these services, they expect them to be permanent. The Emergency Medical Services (EMS) system needs the stability that this bill provides. Emergency medical services are part of the public safety net - every 6 years the public safety net is in jeopardy. The bill will reduce the election costs associated with the renewal of the EMS levy.

Testimony Against: None.

Testified: Representative Cooper, prime sponsor; Jim Broman, Washington State Association of Fire Chiefs; John Sinclair, Central Pierce Fire and Rescue; and Brian Hurley, Washington State Association of Fire Fighters.