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**SUBSTITUTE HOUSE BILL 1368**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** House Local Government (originally sponsored by Representatives Reykdal, Stokesbary, Van De Wege, and Springer)

AN ACT Relating to removing disincentives to the voluntary formation of regional fire protection service authorities by equalizing certain provisions with existing laws governing fire protection districts and by clarifying the formation process; amending RCW 52.26.030, 52.26.220, 52.26.230, 84.52.043, 84.52.043, 84.52.125, and 84.55.092; and reenacting and amending RCW 52.26.020; creating a new section; providing an effective date; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 52.26.020 and 2011 c 141 s 1 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Board" means the governing body of a regional fire protection service authority.

(2) "Elected official" means an elected official of a participating fire protection jurisdiction or a regional fire protection district commissioner created under RCW 52.26.080.

(3) "Fire protection jurisdiction" means a fire district, regional fire protection service authority, city, town, port district, municipal airport, or Indian tribe.

(4) "Participating fire protection jurisdiction" means a fire protection jurisdiction participating in the formation or operation of a regional fire protection service authority.

(5) "Regional fire protection service authority" or "authority" means a municipal corporation, an independent taxing authority within the meaning of Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, whose boundaries are coextensive with two or more adjacent fire protection jurisdictions and that has been created by a vote of the people under this chapter to implement a regional fire protection service authority plan.

(6) "Regional fire protection service authority plan" or "plan" means a plan to develop and finance a regional fire protection service authority project or projects((~~,~~)) including, but not limited to, specific capital projects, fire operations and emergency service operations pursuant to RCW 52.26.040(3)(b), and preservation and maintenance of existing or future facilities.

(7) "Regional fire protection service authority planning committee" or "planning committee" means the advisory committee created under RCW 52.26.030 to create and propose to fire protection jurisdictions a regional fire protection service authority plan to design, finance, and develop fire protection and emergency service projects.

(8) "Regular property taxes" has the same meaning as in RCW 84.04.140.

**Sec.**  RCW 52.26.030 and 2004 c 129 s 3 are each amended to read as follows:

Regional fire protection service authority planning committees are advisory entities that are created, convened, and empowered as follows:

(1) Any two or more adjacent fire protection jurisdictions may create a regional fire protection service authority and convene a regional fire protection service authority planning committee. No fire protection jurisdiction may participate in more than one created authority.

(2) Each governing body of the fire protection jurisdictions participating in planning under this chapter shall appoint three elected officials to the authority planning committee. Members of the planning committee may receive compensation of seventy dollars per day, or portion thereof, not to exceed seven hundred dollars per year, for attendance at planning committee meetings and for performance of other services in behalf of the authority, and may be reimbursed for travel and incidental expenses at the discretion of their respective governing body.

(3) A regional fire protection service authority planning committee may receive state funding, as appropriated by the legislature, or county funding provided by the affected counties for start-up funding to pay for salaries, expenses, overhead, supplies, and similar expenses ordinarily and necessarily incurred. Upon creation of a regional fire protection service authority, the authority shall within one year reimburse the state or county for any sums advanced for these start-up costs from the state or county.

(4) The planning committee shall conduct its affairs and formulate a regional fire protection service authority plan as provided under RCW 52.26.040.

(5) At its first meeting, a regional fire protection service authority planning committee may elect officers and provide for the adoption of rules and other operating procedures.

(6) The planning committee may dissolve itself at any time by a majority vote of the total membership of the planning committee. Any participating fire protection jurisdiction may withdraw upon thirty calendar days' written notice to the other jurisdictions.

**Sec.**  RCW 52.26.220 and 2006 c 200 s 12 are each amended to read as follows:

(1) ((~~Notwithstanding any other provision in this chapter to the contrary, any~~)) (a) The initial imposition of a benefit charge authorized by this chapter ((~~is not effective unless a proposition to impose the benefit charge is approved by a~~)) must be approved by sixty percent ((~~majority~~)) of the voters of the regional fire protection service authority voting at a general election or at a special election called by the authority for that purpose((~~, held within the authority~~)). ((~~A~~)) Ballot ((~~measure that contains~~)) measures containing an authorization to impose benefit charges ((~~and~~)) that ((~~is~~)) are approved by the voters pursuant to RCW 52.26.060 ((~~meets~~)) satisfy the proposition approval requirement of this section.

(b) An election held ((~~under this section~~)) for the initial imposition of a benefit charge must be held not more than twelve months prior to the date on which the first charge is to be assessed.

(c) A benefit charge approved at an election expires in six ((~~years~~)) or fewer years as authorized by the voters, unless subsequently reapproved by the voters.

(2) ((~~The~~)) Ballot measures calling for the initial imposition of a benefit charge must be submitted so as to enable ((~~the~~)) voters favoring the authorization of ((~~a regional fire protection service authority~~)) benefit charges to vote "Yes" and those opposed to vote "No." The ballot question is as follows:

"Shall . . . . . . the regional fire protection service authority composed of (insert the participating fire protection jurisdictions) . . . . . be authorized to impose benefit charges each year for . . . . (insert number of years not to exceed six) years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW 52.26.140(1)(c)?

YES NO

□ □"

(3) ((~~Authorities renewing the benefit charge may elect to use the following alternative ballot~~)) (a) The continued imposition of benefit charges authorized by this chapter must be approved by a majority of the voters of the regional fire protection service authority voting at a general election or at a special election called by the authority for that purpose.

(b) Ballot measures calling for the continued imposition of benefit charges must be submitted so as to enable voters favoring the continued imposition of benefit charges to vote "Yes" and those opposed to vote "No." The ballot question must be substantially in the following form:

"Shall . . . . . the regional fire protection service authority composed of (insert the participating fire protection jurisdictions) . . . . . . be authorized to continue voter-authorized benefit charges each year for . . . . (insert number of years not to exceed six) years, not to exceed an amount equal to sixty percent of its operating budget, and be prohibited from imposing an additional property tax under RCW 52.26.140(1)(c)?

YES NO

□ □"

**Sec.**  RCW 52.26.230 and 2004 c 129 s 29 are each amended to read as follows:

(1) Not fewer than ten days nor more than six months before the election at which the proposition to impose the benefit charge is submitted as provided in this chapter, the governing board of the regional fire protection service authority, or the planning committee if the benefit charge is proposed as part of the initial formation of the authority, shall hold a public hearing specifically setting forth its proposal to impose benefit charges for the support of its legally authorized activities that will maintain or improve the services afforded in the authority. A report of the public hearing shall be filed with the county treasurer of each county in which the property is located and be available for public inspection.

(2) Prior to November 15th of each year the governing board of the authority shall hold a public hearing to review and establish the regional fire protection service authority benefit charges for the subsequent year.

(3) All resolutions imposing or changing the benefit charges must be filed with the county treasurer or treasurers of each county in which the property is located, together with the record of each public hearing, before November 30th immediately preceding the year in which the benefit charges are to be collected on behalf of the authority.

(4) After the benefit charges have been established, the owners of the property subject to the charge must be notified of the amount of the charge.

**Sec.**  RCW 84.52.043 and 2011 c 275 s 2 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

(1) Levies of the senior taxing districts are as follows: (a) The levy by the state may not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district may not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town may not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts and regional fire protection service authorities that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; and (k) the protected portion of the levies imposed under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county.

**Sec.**  RCW 84.52.043 and 2009 c 551 s 6 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named shall be as follows:

(1) Levies of the senior taxing districts shall be as follows: (a) The levy by the state shall not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county shall not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district shall not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town shall not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, shall not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection shall not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts and regional fire protection service authorities that are protected under RCW 84.52.125; and (j) levies by counties for transit-related purposes under RCW 84.52.140.

**Sec.**  RCW 84.52.125 and 2005 c 122 s 1 are each amended to read as follows:

A fire protection district or regional fire protection service authority may protect the district's or authority's tax levy from prorationing under RCW 84.52.010((~~(2)~~))(3)(b) by imposing up to a total of twenty-five cents per thousand dollars of assessed value of the tax levies authorized under RCW 52.16.140 and 52.16.160, or 52.26.140(1) (b) and (c) outside of the five dollars and ninety cents per thousand dollars of assessed valuation limitation established under RCW 84.52.043(2), if those taxes otherwise would be prorated under RCW 84.52.010((~~(2)(e)~~))(3)(b)(v).

**Sec.**  RCW 84.55.092 and 1998 c 16 s 3 are each amended to read as follows:

The regular property tax levy for each taxing district other than the state may be set at the amount which would be allowed otherwise under this chapter if the regular property tax levy for the district for taxes due in prior years beginning with 1986 had been set at the full amount allowed under this chapter including any levy authorized under RCW 52.16.160 or 52.26.140(1)(c) that would have been imposed but for the limitation in RCW 52.18.065 or 52.26.240, applicable upon imposition of the benefit charge under chapter 52.18 RCW or RCW 52.26.180.

The purpose of this section is to remove the incentive for a taxing district to maintain its tax levy at the maximum level permitted under this chapter, and to protect the future levy capacity of a taxing district that reduces its tax levy below the level that it otherwise could impose under this chapter, by removing the adverse consequences to future levy capacities resulting from such levy reductions.

NEW SECTION. **Sec.**  Sections 5 through 8 of this act apply to property taxes levied for collection in 2016 and thereafter.

NEW SECTION. **Sec.**  Section 5 of this act expires January 1, 2018.

NEW SECTION. **Sec.**  Section 6 of this act takes effect January 1, 2018.

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