

SENATE BILL REPORT

HB 2987

As Reported by Senate Committee On:
Ways & Means, February 27, 2010

Title: An act relating to the firefighters' pension fund.

Brief Description: Addressing the impact on the firefighters' pension fund when a city or town enters a regional fire protection service authority.

Sponsors: Representatives Simpson and Williams.

Brief History: Passed House: 2/13/10, 94-0.

Committee Activity: Ways & Means: 2/25/10, 2/27/10 [DP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Carrell, Hobbs, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Parlette, Pflug, Pridemore, Regala, Rockefeller and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Honeyford.

Staff: Erik Sund (786-7454)

Background: A Regional Fire Protection Service Authority (Authority) may be created for the purpose of conducting selected fire protection functions at a regional level. An Authority can be created by the merger of two or more adjacent fire protection jurisdictions, including fire protection districts, cities, port districts, and Indian tribes.

An Authority is governed by a board consisting of persons identified in the Authority's operating plan. Authority board members must all be elected officials. Among the powers of a Authority board in executing a voter-approved plan are to:

- enter into intergovernmental agreements;
- acquire, hold, or dispose of real property;
- exercise the powers of eminent domain; and
- enforce fire codes.

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.

All powers, duties, and functions of a participating fire protection jurisdiction may be transferred by resolution to the Authority. Such a transfer does not affect existing collective bargaining agreements.

Certain cities and fire districts receive a share of the 2 percent tax on fire insurance premiums. Forty-five percent of the revenue from the tax is distributed to eligible cities and fire districts with full-time firefighters. The tax revenue is distributed based upon the number of full-time firefighters currently employed by the employer. The revenue may be used to pay expenses incurred under the pre-1970 city firefighter retirement system and for retiree medical expenses incurred for firefighters retired under the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 1.

Some cities are still obligated to pay pensions under the pre-LEOFF system for firefighters who retired under that system prior to March 1970. Some cities are also responsible for some bridge payments for persons who started under the pre-LEOFF system and retired under LEOFF Plan 1. Cities are also responsible for certain medical benefits statutorily granted to LEOFF Plan 1 retirees.

Summary of Bill: Cities or towns that enter into an Authority must continue to certify to the State Treasurer the number of paid firefighters that were in the city or town immediately before entering into the Authority, and continue to receive a proportionate amount of the fire insurance premium tax for deposit into the Firefighters' Pension Fund of that city or town.

Appropriation: None.

Fiscal Note: Requested on February 5, 2010.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill will ensure that cities that join a Regional Fire Protection Service Authority continue to receive the revenues needed to pay for retired fire fighters' benefits. This won't have any fiscal impact on the state.

Persons Testifying: PRO: Doug Levy, City of Kent.