

HOUSE BILL REPORT

SHB 1854

As Passed Legislature

Title: An act relating to annexation of territory by regional fire protection service authorities.

Brief Description: Concerning the annexation of territory by regional fire protection service authorities.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Uptegrove, Rolfes, Finn, Hunt, Hope, Fitzgibbon, Stanford, Kenney and Ormsby).

Brief History:

Committee Activity:

Local Government: 2/16/11 [DP];

Ways & Means: 2/23/11, 2/24/11 [DPS].

Floor Activity:

Passed House: 3/5/11, 88-9.

Passed Senate: 4/9/11, 47-2.

Passed Legislature.

Brief Summary of Substitute Bill

- Establishes a process through which a fire protection jurisdiction may be annexed by a fire service protection authority (authority).
- Authorizes the transfer of powers, duties, functions, written materials, real and personal property, and employees relating to fire protection and emergency services from an annexed fire protection jurisdiction to the annexing regional authority.
- The property tax levy authority of a fire protection district, city, town, or port district that is annexed into an authority is reduced by any levy imposed by the authority.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 7 members: Representatives Takko, Chair; Tharinger, Vice Chair; Angel, Ranking Minority Member; Asay, Assistant Ranking Minority Member; Fitzgibbon, Springer and Uptegrove.

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.

Minority Report: Do not pass. Signed by 2 members: Representatives Rodne and Smith.

Staff: Heather Emery (786-7136).

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Bailey, Assistant Ranking Minority Member; Carlyle, Cody, Dickerson, Haigh, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 9 members: Representatives Alexander, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Parker, Ross, Schmick and Wilcox.

Staff: Jeff Olsen (786-7175).

Background:

A fire service protection authority (authority) may be created for the purpose of conducting specified fire protection functions at a regional level. An authority may be created by the merger of two or more adjacent fire protection jurisdictions, including fire protection districts, cities, port districts, and Indian tribes.

The fire protection jurisdictions proposing to create an authority must convene a planning committee to develop and adopt a service plan (plan) for the authority. The plan must provide for the design, financing, and development of fire protection and emergency services. The planning committee must also recommend statutorily authorized sources of revenue and a financing plan for funding selected fire protection and emergency services and projects.

Once adopted by the planning committee, the plan must be forwarded to the participating jurisdictions' governing bodies to initiate an election process. The voters may approve or reject a single ballot measure that both approves the formation of the authority and the plan. The required margin for voter approval depends on the revenue sources proposed by the plan. If the plan does not authorize benefit charges or 60 percent voter-approved taxes, the ballot measure must be approved by a simple majority. If, however, the plan authorizes the authority to impose benefit charges or 60 percent voter-approved taxes, the ballot measure must be approved by 60 percent of the voters.

Except as otherwise provided in the plan, the following are transferred to an authority on its creation date:

- all powers, duties, and functions of a participating jurisdiction pertaining to fire protection and emergency services;
- all written material of a participating jurisdiction pertaining to fire protection and emergency services;
- all real, personal, and tangible property employed by the participating jurisdiction in carrying out fire protection and emergency services; and

- all funds, credits, and other assets held by the participating jurisdiction in connection with police services.

Additionally, except as provided otherwise in the plan, any appropriations made to a participating jurisdiction for carrying out fire protection and emergency services are transferred and credited to the authority.

Also as of the date of an authority's creation, all employees of a participating jurisdiction are transferred to the authority. A transferred employee is entitled to the same rights, benefits, and privileges he or she enjoyed while employed by the participating jurisdiction. Collective bargaining agreements remain effective, and if any or all of the participating jurisdictions provide for civil service in their police departments, the collective bargaining representatives of the transferring employees and the participating jurisdictions must negotiate regarding the establishment of a civil service system within the authority.

Limitations on Property Tax Levies.

A "participating fire protection jurisdiction" is a fire protection district, city, town, Indian tribe, or port district that is represented on the governing board of an authority. State law authorizes each of these jurisdictions, other than a tribe, to levy property taxes. However, the levies of a participating fire protection jurisdiction are limited so that statutorily designated amounts, less the amount of a levy imposed by the authority, are not exceeded.

Summary of Substitute Bill:

A process through which an authority may annex an adjacent fire protection jurisdiction is established. The annexation is initiated when the governing body of a fire protection jurisdiction adopts a resolution requesting annexation and files it with the governing board (board) of an adjacent authority. Except as otherwise provided in its service plan, the board may adopt a resolution amending its plan to establish terms and conditions of the requested annexation, and submit the resolution and the plan amendment to the requesting jurisdiction.

An election to authorize the annexation and the related plan amendment may be held if the governing body of the requesting jurisdiction adopts a resolution approving the annexation and the related plan amendment. Only voters in the fire protection jurisdiction proposed to be annexed are eligible to vote on the single ballot measure approving the annexation and the plan amendment.

Unlike a ballot measure pertaining to the creation of an authority, the required margin for voter approval of a ballot measure pertaining to annexation of a fire protection jurisdiction does not depend on the revenue sources authorized by the plan. Regardless of whether the plan authorizes imposition of benefit charges or 60 percent voter-approved property taxes, the annexation is authorized if a simple majority approves the ballot measure.

As of the effective date that a fire protection jurisdiction is annexed into an authority, its powers, duties, and functions, written materials, and employees relating to fire protection and emergency services transfer from the annexed fire protection jurisdiction to the authority. Generally, the annexation is effective on the date specified in the ballot measure.

For purposes of calculating permissible property tax levy rates, a fire protection district, city, town, or port district that is annexed into an authority is a "participating fire protection jurisdiction," and its property tax levy authority is therefore subject to the same limitations as a fire protection jurisdiction that is represented on the governing board of an authority.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Local Government):

(In support) This is a housekeeping amendment to correct an omission from the legislation enabling the creation of regional authorities. Ongoing financial challenges are impeding the City of Tukwila's ability to provide fire and life-saving services. Next year, decreases in service are certainly possible. Annexing into a neighboring authority could lead to increased service with a dedicated funding source. Authorizing an annexation process would broaden fire and life-saving service consolidation opportunities throughout the region.

(With concerns) The Department of Revenue notes that a problem may exist with allowing simple majority approval of an annexation that results in imposition of benefit charges and 60 percent voter-approved taxes.

(Opposed) None.

Staff Summary of Public Testimony (Ways & Means):

(In support) The purpose of the bill is to create a method for annexation into regional fire authorities. Many local governments are struggling to provide fire services and would like to annex into existing regional fire authorities. It was not intended to have local fiscal impacts with the annexation. Currently, fire district annexations occur with a simple majority.

(Opposed) None.

Persons Testifying (Local Government): (In support) Representative Upthegrove, prime sponsor; Kimberly Matej, City of Tukwila; and Bud Sizemore, Washington State Council of Firefighters.

(With concerns) Kathy Beith, Department of Revenue.

Persons Testifying (Ways & Means): Bud Sizemore, Washington State Council of Fire Fighters.

Persons Signed In To Testify But Not Testifying (Local Government): None.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.