

WAC 458-19-090 Fire protection district formation—Cities and towns—Highest lawful levy. (1) **Introduction.** RCW 52.02.160 allows a city or town to establish a fire protection district, subject to voter approval, within the same corporate boundaries of the city or town, for the provision of fire prevention services, fire suppression services, emergency medical services, and for the protection of life and property within the city or town. This rule explains how to calculate the highest amount of regular property taxes that can be lawfully levied (highest lawful levy) by a city or town that creates this type of fire protection district.

(2) **Definitions.** The definitions found in WAC 458-19-005 apply to this rule.

(3) **Example.** This rule includes an example that identifies a number of facts and then states a conclusion. This example should only be used as a general guide. The tax results of other situations must be determined after a review of all the facts and circumstances.

(4) **Highest lawful levy limit calculation.**

(a) **First year.** A city or town that establishes a fire protection district under RCW 52.02.160 must reduce its highest lawful levy by the total amount initially levied in the first year by the newly established fire protection district. This reduced amount will become the new highest lawful levy for the city or town, and will be used for subsequent levy limit calculations under chapter 84.55 RCW. This reduction in the highest lawful levy for the city or town must occur in the first year the newly established fire protection district imposes its property tax levy.

(b) **Second and subsequent years.** The city or town must further reduce its highest lawful levy in subsequent years if the fire protection district initially imposes any additional regular property tax levies as allowed under RCW 52.16.140 and 52.16.160 in those subsequent years.

(c) **Maximum rate.** The maximum statutory dollar rate for fire protection districts is one dollar and fifty cents per one thousand dollars of assessed value. This rate consists of three regular property tax levies as follows: RCW 52.16.130 (up to \$0.50), 52.16.140 (up to \$0.50), and 52.16.160 (up to \$0.50).

Example. City A establishes a fire protection district under RCW 52.02.160. Prior to the formation, City A annually levied an amount of \$200,390, which is equal to its highest lawful levy. In this example, the maximum statutory dollar rate of the city is \$3.375 per \$1,000 of assessed value.

First year levy. In its first year, the newly established fire protection district determines it will need to levy \$57,000 and its total assessed value is \$59,375,000 (the same total assessed value as City A). This levy amount is the equivalent to a levy rate for the fire protection district of \$0.96 per \$1,000 of assessed value ($\$57,000/\$59,375,000(1,000)$), thus the district is initially imposing regular property tax levies under RCW 52.16.130 (\$0.50) and 52.16.140 (\$0.46) in the first year. Therefore, City A must reduce its highest lawful levy by \$57,000. City A's reduced highest lawful levy amount is the amount it will use when calculating the following year's levy calculations.

Second year levy. One year later, the fire protection district requests an increased levy amount of \$74,000 and its total assessed value, along with the total assessed value of City A, has increased to \$60,655,738. The increased levy amount is the equivalent to a levy

rate for the fire protection district of \$1.22 per \$1,000 of assessed value ($\$74,000/\$60,655,738(1,000)$), thus the district is imposing regular levies under RCW 52.16.130, 52.16.140, and is initially imposing the third regular levy under RCW 52.16.160 (\$0.22). Therefore, City A must further reduce its highest lawful levy by the amount resulting from the fire district initially imposing the third regular levy under RCW 52.16.160. The additional amount resulting from the initial imposition of the fire protection district's third regular levy under RCW 52.16.160 is \$13,344 ($\0.22 per \$1,000 of assessed value multiplied by the total assessed value of \$60,655,738). City A must make a reduction of \$13,344 to its highest lawful levy. City A's newly reduced highest lawful levy is the amount it will use when calculating the following year's levy calculations.

Subsequent year levies. In subsequent years, if the fire protection district's levy rate increases beyond \$1.22 per \$1,000 of assessed value, City A is not required to further reduce its highest lawful levy because the fire protection district had already initially imposed all three regular levies under RCW 52.16.130, 52.16.140, and 52.16.160.

(5) Constitutional one percent limit and five dollars and ninety cents aggregate dollar limit. Fire protection district levies are subject to the constitutional one percent limit for regular property taxes and the statutory aggregate dollar rate limit of five dollars and ninety cents per thousand dollars of assessed value. If a reduction in a fire protection district levy is required because it exceeds these limits, it is reduced in the manner described in RCW 84.52.010, 84.52.043, and 84.52.125.

[Statutory Authority: RCW 84.08.010, 84.08.070 and 84.55.060. WSR 19-04-003, § 458-19-090, filed 1/23/19, effective 2/23/19.]