

Benefit Service Charge (BSC) Information

District Funding

For the last few years, we have openly shared with the public our difficulties with sustainable funding. Legislation restricts tax collection increases to 101% of the previous year without voter approval. Inflation typically averages 2-3% so the district must place some type of initiative on the ballot every three or four years to keep up with costs. In some instances, voter approval may not secure funding as our tax is subject to displacement from other taxing districts that are "senior" to us in the funding structure. During the recession, you provided that needed funding by approving a maintenance and operations (M/O) special levy. It is our intent to eliminate the M/O levy while stabilizing our funding by utilizing the benefit service charge. The Board of Fire Commissioners has passed a resolution to place a benefit service charge initiative on the November ballot.

What is a Benefit Service Charge?

The 1987 Washington State Legislature passed RCW 52.18. This statute provides that fire districts, with the approval of the voters in the district, are authorized to collect a fire benefit charge from residential and business property owners. The assessment must be "reasonably proportioned to the measurable benefits to property resulting from the enhancement of services afforded by the city or town fire department." Simply stated, the charge is based on the forecasted cost of fire suppression. Factors such as building use (residential or commercial), square footage, and discounts for fire sprinklers are applied through a formula and the fee is determined. If enacted, the BSC replaces 1/3 of the District's regular taxing capacity and its collection is limited to 60% of the operational budget. This is not something new and departments in the state have been using it for years. In King County, the following fire departments are using a fire benefit charge; Northshore, Woodinville, Shoreline, King County Fire District 10 (KCFD 10, around Issaquah), Snoqualmie Pass, Kent Regional Fire Authority, KCFD 40 (east of Renton), North Highline, and Valley Regional Fire Authority (Auburn area).

Questions

Is the BSC only to staff the new station? No. While some of the funds will be used to staff the station, we cannot support our current service levels without it.

What will happen to my annual property tax? With a fire benefit charge in place, the maximum property tax levy authority drops from \$1.50, which is where we are currently, to \$1.00 per \$1,000 of assessed value. Currently, we are replacing the lost \$.50 of authority and the M/O levy with the fire benefit charge and receive approximately the same level of overall revenue. Due to the calculation of the fire benefit charge, and the apportioned risks, commercial business owners could see an increase in their overall payments. However, because of those increases, many homeowners could see an overall decrease in their annual cost of fire protection.

Does it require a super majority to pass? Yes, as a new funding measure it will require a 60% yes vote.

We will be adding educational materials to our website (www.duvallfire45.com) and scheduling community meetings leading up to the election. Please contact the office (425-788-1625) or Fire Chief David Burke directly (dburke@duvallfire45.com) for additional information.