

# *Central Pierce Fire and Rescue*



## *Fire Benefit Charge*

*2010*

### *Citizens' Guide*

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### **Where does the money come from?**

Fire Protection Districts in the State of Washington are authorized by laws referred to as RCW's (the Revised Code of Washington). Title 52 RCW allows for the creation of Fire Protection Districts. Pierce County Fire Protection District No. 6 (now known as Central Pierce Fire & Rescue) was created in 1947 and is governed by those laws.

**RCW 52.16 Finance.** This RCW allows the fire district to collect up to \$1.50 per thousand of assessed valuation for providing fire protection.

**RCW 52.18 Benefit Charge.** This RCW details the method of implementing and administrating the Benefit Charge once passed by the voters. Once the voters authorize the Benefit Charge the normal tax collection drops from \$1.50 per thousand to \$1.00 per thousand of assessed valuation.

**Background:** Before the fire district began using the fire benefit program, we used two-year excess levies to raise additional funding. Unfortunately, due to the growing population, we need excess funding over and above what we collect through regular property taxes. We need the funding in order to provide a safe level of service to the citizens and businesses in our fire district. **Two-year excess levies** were used for many years. The funds were collected in one year and spent over a two-year period. Unfortunately, it's hard to do any long-range planning with funding of this kind because you have the uncertainty of not knowing if you'll have funding two years down the road. It's a real "roller-coaster" type of funding. In May of 1990, we put the Fire Benefit program up for vote before the citizens. It was voted in, to run for six (6) years, from 1991 through 1996. It was passed by the voters on May 21, 1996, again in September 2001 and in September 2006 to be renewed for another six (6) years. The money raised by the Fire Benefit program goes for day-to-day operations. It isn't used for any specific piece of equipment or a new station. The Fire Benefit Charge now applies to properties within the City of Puyallup.

**Fire Benefit Program Highlights/Advantages:** We feel there are some real advantages to this method of raising necessary additional funding. The main difference between the excess levies and the fire benefit program is that the **fire benefit charge doesn't deal with assessed values at all**. The excess levies were figured like your property taxes, i.e. "so much per thousand" of assessed value. When your assessed value increased, so did the amount you'd owe for an excess levy.

The fire benefit program is **based on two main factors, 1) the use of the property, and 2) the square footage above 120 square feet of any improvements to commercial property and 400 square feet for residential property**. With the excess levies, the owner of a bare lot would still pay based on the assessed value. With the fire benefit program, only owners of property with improvements pay a fire benefit charge. There are **five main uses** which determine how your charge is figured: **1) residential, 2) mobile home, 3) apartment buildings, 4) two story 4-plex's, and 5) commercial**. Basically, the formulas are figured so that the owner of a commercial building of like-square footage would pay more than a residential homeowner. It takes specialized equipment, training, and so on to fight a commercial structure fire. This is an

advantage over the excess levy, where the commercial building owner and residential building owner would pay at the same rate.

In addition, a real cost savings is seen from the lowered election costs associated with the Fire Benefit Program. With the two-year excess levies, costs could range from \$60,000 to \$300,000 to put the levy on the ballot every two years. With the Fire Benefit Program running for six years, these costs are significantly lowered.

**Residential:**

The residential rate factor is .44. A typical 2,000 square foot house would be approximately \$134.24 per year. The old District 9 (Summit/So.Hill) FBC rate was .50 in 1994, then in 1995 dropped to .38, then in 1996 it was reduced to .32. The old District 6 (Midland/Parkland) rate was .30 in 1994-1995 and increased to .32 in 1996. District 7 (Spanaway) didn't begin the FBC until 1997 and it started out at the .32 rate.

**Multi-Story 4-Plex's:**

This affects only 4-Plex's that are two or more stories high with a separate unit (dwelling) above another unit. The rate factor for this category is 1.12, which is in between the apartment and residential rate factors. A townhouse\* would not be considered multi-story and would receive the residential rate factor.

\*Description: A dwelling that has more than one level, but occupied by the same family. Typically the second floor of a town house has bedrooms and bathroom(s); the first floor would have a living room, kitchen, etc. with an interior staircase allowing access from one level to the other.

**Commercial:**

The commercial category has been divided up into 10 (ten) different rate levels depending upon the total square footage. In the past, the single rate factor for commercial was 1.75. We will now have a variable rate from 1.25 to 7. This was implemented to make the commercial benefit charge more equitable for the level of service required.

**“How is this amount figured?”**

The amount you owe is figured by using one of five formulas, depending upon the use of your property. We have formulas for:

**Residential .44** (includes Duplexes, up to 4-Plexes under two stories and Condos)

**Apartments .45**

**Mobile Homes .33**

**Commercial 1.25 to 7**

**Multi-Story 4-Plex's 1.12**

Once we decide which formula to use for you, there is one main factor that helps decide how much you owe. That's the square footage of all the improvements to your property.

**For the Residential and Mobile Home Owners:** The total square feet includes not only your living square footage, but also your garage, barns, and so on. We get this square foot figure from the Pierce County Assessor Treasurer's Office. This brings up an important point. Many times owners will compare post cards or tax statements with neighbors. They both may have the same size house, but Owner A has a huge 2-car garage and an outbuilding that Owner B does not have. This makes a big difference! **Commercial and Apartment owners** will generally know their square footage. Not always!

**Senior Citizen:** Another reason that Owner A and Owner B may have the same size of house, but different amounts owed is that one owner may qualify for a bigger **senior citizen discount**. Unless you also compare income levels, you cannot compare FBC amounts! **How do they qualify for a discount?** You must call the County each year and re-apply. Just because you have a discount one year, doesn't mean you will automatically receive one the next year. You must call and re-apply every year. **Who do you call?** Call the Senior Discount office at **253-798-7105**. Depending upon your income level, you may qualify for the following discounts:

25% discount (Code 3, on the computer screen)

50% discount (Code 2)

75% discount (Code 1)

You have to think backwards when plugging in the discount- if they have a 75% discount, you'd multiply by .25 (as you're only charging them 1/4 of what they'd owe).

**Fire Sprinkler Systems** save the owner money on the Fire Benefit Charge. Buildings that are equipped with fire sprinkler systems qualify for a **20% discount**. This includes residential sprinkler systems, which are being used more and more. When calculating the fire sprinkler discount, you would multiply by .80 (as you're only charging them 80% of what a non-fire sprinkler equipped building would be charged).

**Calculate the Fire Benefit Charge:** We have provided a **Fire Benefit Charge worksheet calculator on our Web Site, just follow the easy to use instructions.**

**“I want to know the formula!”**

The formula is based on one used by the Insurance Services Office (ISO) which determines the necessary fire flow (amount of water) to put out a fire. We modified it to take into consideration the type of occupancy (i.e. residential, apartment, commercial, mobile home), rather than the type of construction.

Okay, get out your calculators with those square root functions!!!

**Mobile Home Factor is .33:**

$$\sqrt{\text{Square feet}} \quad \times \quad 18 \text{ (an ISO-assigned coefficient)} \quad \times \quad .33 \text{ (this is the Mobile Home Factor, = Fire Flow which is an assigned factor)}$$

$$\text{Fire Flow} \times .379 \text{ (cost per gallon- see below)} \times \text{Sr. Citizen Disc. or Sprinkler Disc.} = \text{Fire Benefit Charge} \quad \text{(If applicable)}$$

There’s a big difference between mobiles and residences.

**Here is an example!** Mrs. Anderson lives in a mobile home that measures 12 feet wide by 50 feet long. Her total square foot measurement would be 600 square feet. She has a 75% senior citizen discount through the County. Now, you plug numbers into the formula:

$$\begin{aligned} \sqrt{600} &= 24.494897 \\ 24.494897 \times 18 &= \text{Fire flow of } 145.49968 \\ 145.49968 \times .379 &= \$55.14 \text{ FBC w/o discounts} \\ \text{Senior Discount} \times .25 &= \$13.78 \text{ Final FBC} \end{aligned}$$

**Residential Factor is .44:**

$$\sqrt{\text{Square feet}} \quad \times \quad 18 \text{ (an ISO-assigned coefficient)} \quad \times \quad .44 \text{ (this is the Residential Factor, = Fire Flow which is an assigned factor)}$$

$$\text{Fire Flow} \times .379 \text{ (cost per gallon- see below)} \times \text{Sr. Citizen Disc. or Sprinkler Disc.} = \text{Fire Benefit Charge} \quad \text{(If applicable)}$$

Cost per gallon is figured by dividing the Total Fire Flow of the District into the Operating funds needed by the District.

Here's one important thing to know- if a residential owner's **total square footage is 400 square feet or over**, you will pay a fire benefit charge. If, though, the **total square footage is under 400**, there will be no fire benefit charge.

### **Multi-Story 4-Plexes Factor is 1.12**

This applies to 4-plex's that are two stories or higher, where one family is living above another. A townhouse type two story (where the second floor is the up-stairs bedroom, bathroom etc.) are still classified as residential and receive the residential rate.

$\sqrt{\text{Square feet}} \times 18$  (an ISO-assigned coefficient)  $\times 1.12$  (this is the 4-Plex Factor, = **Fire Flow** which is an assigned factor)

**Fire Flow  $\times .379$**  (cost per gallon- see below)  **$\times$  Sprinkler Disc. = Fire Benefit Charge**  
(If applicable)

Example #1. 4,000 Sq ft. 4-Plex

$$\sqrt{4000} = 63.245553 \times 18 \times 1.12 \times .379 = \$483.23$$

Example #2. 4,000 Sq ft. 4-Plex with a Fire Sprinkler System

$$\sqrt{4000} = 63.245553 \times 18 \times 1.12 \times .379 \times .80 = \$386.59$$

**Apartments Factor is .45**

This applies to complexes with greater than **four units**. Buildings with less than four units will be rated as **residential**. This is the formula:

**Divide the Total Square Footage of the complex by the Number of Apartment Units , this established as average square foot per unit.**

**$\sqrt{\text{The average Square Feet}} \times 18$  (the ISO-assigned coefficient)  $\times .45$  (this is the assigned apartment factor) = **Fire Flow****

**Fire Flow  $\times .379$  (cost per gallon) = Charge Per Unit.**

**Multiply the Number of Units  $\times$  Charge Per Unit = Fire Benefit Charge**

**Sprinkler Discount of 20%, if eligible = Fire Benefit Charge**

Example: Apartment complex that has 200 Units and a total square footage of 212,240.

212,240 Divided by 200 = 1061 (Sq Ft per unit)

$\sqrt{1061} = 32.572994$

32.572994  $\times 18$  (ISO Factor) = 586.31389

586.31389  $\times .379$  (Fire Flow Factor) = 222.23

214.37656  $\times .45$  (Apt. Factor) = \$100.00 (per unit)

\$89.18  $\times 200$  (number units) = \$20,000.00

## Commercial Building

**Note: Only Churches and schools are exempt from paying a fire benefit charge. We also have many fire protection contracts with Pierce County and some miscellaneous properties (Sprinker Rec. Center, for example) that are exempt as well.**

The factor varies depending upon the total square footage described in the chart below:

<b>Square Feet</b>	<b>Formula</b>
120 to 1,500.....	1.00
1,501 to 3,000.....	1.55
3,001 to 12,000.....	1.75
12,001 to 40,000.....	2.00
40,0001to 70,000.....	2.50
70,001 to 100,000.....	3.50
100,001 to 200,000.....	4.50
200,001 to 300,000.....	5.00
300,001 to 400,000.....	6.00
400,001 and above.....	7.00

$\sqrt{\text{Square Feet}} \times 18$  (ISO-assigned coefficient)  $\times$  variable factor (the commercial factor) = **Fire Flow**

**Fire Flow**  $\times$  .379 (cost per gallon)  $\times$  **Sprinkler Discount of 20%, if eligible** = **Fire Benefit Charge**

### “Do I owe this money now?”

No, the tax statement is simply a notification of the amount you owe for the upcoming tax year’s fire benefit charge. We are required, by law, to let you know the amount. You’ll find the actual charge on your tax statements. They come out approximately Valentines Day. It’ll be listed down near the bottom of the tax statement.

Are your taxes paid by your mortgage company? If so, then you won’t actually get your tax statement. It’ll go straight to your mortgage company.

### “When do I pay?”

Your tax statement has perforated sections, which let you pay in two halves. The first half is due by the end of April, and

the second half is due by the end of October.

**“Where do I pay?”**

You mail your payment to Pierce County, not the fire department. The fire benefit program is run by the fire department, but the collection of funds is handled by Pierce County. There are usually envelopes included with the property tax statements. There may be a different mailing address for FBC payments, but here is the physical address, should callers need to go to the office:

The physical address of the PC Assessor/Treasurer’s Office is: 2401 So. 35th Street  
Tacoma, WA 98409

Phone number is **798-6111**

**“What if I don’t pay it?”**

Unfortunately, because collection of the fire benefit charge is handled through Pierce County, if you don’t pay, Pierce County can put a lien on your property.

**“Is the Fire Benefit Charge the same as the charge for Fire and/or EMS on my property tax statement?”**

No. The amount listed as **Fire and/or EMS** is the normal charge all taxpayers within a fire district pay to help support the fire department- the same as you pay for roads, schools, and so on. That charge is calculated in the same way as your normal property taxes. It’s a certain amount per thousand of your assessed value, usually \$1.00 per thousand, plus any special EMS levy that might be in place.

The Fire Benefit Charge is not calculated using assessed value. It uses the type (or use) of the building, and the square footage as the main factors in figuring out how much is owed.

**“My neighbor has a bigger house than I do, but I saw her tax statement and she pays a lot less than I do!”**

This can be called the **“Apples to Apples Theory!”**

It's important to know that you can't compare your fire benefit charges with your neighbors, unless every factor that goes into figuring the fire benefit charge is the same. What are the factors that will make amounts different?

1. **Square footage** will obviously make a big difference in charges. Remember, the FBC uses total square footage. The small house may have a larger FBC because of the additional square footage from garages, porches, out buildings, etc.
2. **Senior Citizen discount** will really make a difference in neighbors' charges! Citizens can apply for this through Pierce County (798-7105). Depending upon income levels, they can qualify for either a 25%, 50%, or 75% discount for all their property taxes.
3. **Sprinklers** are becoming more and more popular. If more people realized the discount that they get on their fire benefit charge (20%) for having one, more people might put them in!
4. **Type of building** will matter. One neighbor may have a building that qualifies as a mobile home while the other may have an in-home business which the County has classified as a commercial property.

**People may ask why the charge is called a Fire Benefit Charge...**

The formulas are weighted so that the owners of residential homes and mobile homes pay at a lower rate than the owners of commercial properties or apartment buildings. Why is this? Basically, because it costs more for the fire department to fight a fire in a commercial or apartment building (specialized equipment and training is needed, for example). The owners of these types of properties “benefit” more from our equipment and training than the owners of homes and mobile homes. Therefore, they pay at a higher rate!

**“I just bought my house. How come no one told me about the Fire Benefit Charge?”**

Unfortunately, that’s a problem that we encounter a lot. The mortgage companies and escrow companies should notify you of the charge, in the same way that they show you the rest of the charges that you’ll owe on a new property. We’re attempting to educate the mortgage companies, real estate agents, and escrow agents about the fire benefit program, so there won’t be any confusion.

**“My mortgage company says that they don’t have to pay the Fire Benefit Charge. What do I do?”**

Unfortunately, there is no legal ruling that forces mortgage companies to handle the Fire Benefit Charge in the same way as your property taxes. But, because the program has been in place for several years now, there are very few companies who refuse to handle it.

If your company won’t pay it for you, you are still responsible for paying the charge by the due dates. Where the problem will lie is in the fact that your mortgage company will still get your property tax statement. The only way you’ll know the amount of the Fire Benefit Charge is by the tax statement. You can also request an informational copy of your property taxes by calling the County.

If you’re not sure if your company will pay or not, you need to contact them!