

## **Graham Fire & Rescue Fire Benefit Charge (FBC) FAQs**

### **1. What is the Benefit Charge?**

The Benefit Charge (BC) is a voter-approved funding option available to Fire Districts to pay for fire and emergency service operations. A BC replaces a portion of the property tax that a Fire District otherwise collects. Unlike property taxes, a BC is a fee, not a tax.

The BC is calculated based on required firefighting resources, the size of the building(s) on a property and the hazards associated with those building(s). In contrast, a property tax is based on the assessed value of buildings and land, and does not take into account needed resources, building sizes or associated hazards.

Because a BC is based on the resources required in a fire response, larger, more complex structures pay more. This means that residential and mobile home properties generally pay less and multi-family and commercial businesses generally pay more than they do under a funding structure that relies solely on property taxes.

Standard property tax exemptions and discounts also apply to a BC: low-income seniors, low-income persons and person with disabilities, religious institutions, public schools, publicly owned properties, housing authority properties and vacant land and/or parcels with structures under 400 square feet.

### **2. How is the Benefit Charge Assessed?**

The Benefit Charge (BC) is based on a mathematical formula applied to each property. The formula is commonly used by Fire Districts in Washington State where voters have approved a BC.

The key factors of the formula are square footage of built structures on the property (both residential and commercial), and for commercial properties, any additional specific hazards on site.

Each property is placed into one of four categories (each with different risk profiles):

- Mobile homes in a park, located on a pad
- Single family residential
- Commercial properties
- Multi-Family properties

The specific formula to calculate the BC is:

*Benefit Charge =  $\sqrt{\text{of total square feet} \times (18)^* \times (\text{category factor}) \times (\text{response factor}) \times (\text{risk factor}) \times (\text{fire flow factor}) \times (\text{discount})}$*

\*18 is a coefficient value based on empirical tests by the Insurance Service Organization

(ISO) beginning in the 1950's and continuing to be updated.

\* $\sqrt{\text{of total square feet}}$  is the gross square footage (measuring the outside of the building) for all structures over 400 sq. ft. located on your property. This includes garages, basements (both finished and unfinished), mezzanines, and any other structure that meets the 400 sq. ft. size.

[The 2024 Factor Formula sheet can be viewed here.](#)

**Each property will be assessed a little differently due to size, risk, response, etc. To learn the exact impact for your property, please email [BenefitCharge@GrahamFire.org](mailto:BenefitCharge@GrahamFire.org).**

The total amount a property owner will pay for fire and EMS each year in the combination of BC and property tax will depend on:

- 1.) the value of their land and buildings subject to property tax,
- 2.) the type of improvements on the property, and
- 3.) whether/how those improvements are subject to the BC.

The combined tax and BC cost for any property owner will depend on the value of their property and the nature of the improvements on the property. Generally, residential and mobile home properties pay less and multi-family and commercial businesses pay more than they do under a funding structure that relies solely on property taxes.

### **3. How long will the Benefit Charge be collected?**

The Benefit Charge will be in place for six years (2021-2026), at which point voters must again decide whether to extend it. A six-or 10-year extension requires simple majority voter approval; a permanent extension requires 60% voter approval.

### **4. Is there a limit to the amount of revenue that can be collected through the Benefit Charge?**

Yes. State law caps the total amount of revenue that can be collected through a Benefit Charge (BC) to no more than 60 percent of the Fire District's total operating budget. The remaining operating budget must be secured through other means such as property taxes, fees, grants, etc.

Typically, fire agencies do not come close to the 60% threshold for a BC. For the more than 20 years Central Pierce Fire & Rescue has had a BC, it has consistently covered around 25% of their budgeted revenues. Similarly, Graham Fire & Rescue's BC has not exceeded 25% of its budgeted revenues since it was first collected in 2021.

Each year, Graham Fire & Rescue will establish the amount of revenue to be recovered under the BC and notice all property owners of their specific BC for the upcoming year. An appeals process is provided allowing any property owner to challenge their individual BC.

## **5. How is the Benefit Charge collected?**

Each property owner subject to the Benefit Charge (BC) pays this fee the same way they pay property tax—through mortgage payment or Pierce County Assessor bill.

## **6. What if I have concerns with the Benefit Charge allocated to my property?**

Property owners have the opportunity to appeal their individual Benefit Charge assessment.

Appeals can be submitted in person or over the phone. Once the Benefit Charge (BC) is set and written annual notification is provided to each property owner, an annual appeals process is required. Graham Fire & Rescue will establish a review board to hear and rule on any written complaints submitted. The appeals process will begin in January of each year. Appeals can be submitted in person or over the phone. A review board will hear and rule on any written complaints submitted.

## **7. How can I learn more?**

For more information, please email [BenefitCharge@GrahamFire.org](mailto:BenefitCharge@GrahamFire.org). *(Our response email may be routed to your junk/spam folder. Please add us as a “safe sender” in your junk/spam folder settings in order to receive our emails)*