

Appendix B: Fire Benefit Charge

The Fire Benefit Charge (FBC) funding method is a voter approved, two part funding system authorized by State Law in 1987 that balances general purpose taxes with a user fee charged. Under this system, the Fire Department is funded by:

- a. A property tax of up to \$1.00 per \$1,000 assessed values of property to support day to day operations and capital needs of the fire department; and
- b. A Fire Benefit Charge (FBC) of up to 60% of the operating budget and can be used only for day to day operational expenses such as salaries, equipment, fuel and utilities.

I. Fire Benefit Charge - (FBC) Formula

FBC is only imposed on improvements to real property and personal property, and must be reasonably apportioned based on the services afforded to these properties. The primary factor of the formula is based upon the amount of "required fire flow" or water needed to extinguish a fire, the number of firefighters and equipment needed to effectively deliver the required fire flow and their associated cost for fighting a fire in the type and size of structure being assessed. As structure size or fire loading within a structure increases, the need for required fire flow, firefighters, and equipment also increases. The following formula is adopted for calculating the FBC for Renton Regional Fire Authority. The formula is based on the Insurance Services Office (ISO) required fire flow, fire risk, and firefighting effort factors.

$$FBC = \sqrt{Area} * 18 * \text{Category Factor (CF)} * \text{Fire Flow Factor/Cost per Gallon (CPG)} * \text{Effective Response Factor (ERF)} * \text{Hazard Factor (HF)} * \text{Discount(s)}$$

A matrix showing initial values of these factors is attached herein as Exhibit 1. The initial values, factors, discounts and exemptions are subject to change as necessary to comply with the statutory requirements of RCW 52.26.180.

II. Definitions:

1. **\sqrt{Area}** . The square root of the total gross square feet of the buildings/structures located upon the property. FBC will not be applied to parcels with a total improvement square footage less than 400 sq. ft.
2. **Category Factor (CF)**. The category factor is based upon building use and size. This information is obtained from the King County Assessor data base for each building subject to the FBC.

Building Use Categories:

- Residential Use: including one and two family buildings and condominium when unit ownership information is available in the King County Assessor's database.
- Mobile Homes/Manufactured Homes: Each mobile home unit whether it is located on a single land parcel or in a mobile home park.
- Apartments: other attached residential building structures.
- Commercial Buildings: all other uses including storage facilities, warehouses, offices, and commercial businesses.

3. **Fire Flow Factor/Cost per Gallon (CPG).** The relative cost of providing the required fire flow per gallon during a fire incident. CPG is a balancing factor used as an adjustable multiplier to finely tune the FBC calculation across all properties to reach the desired target FBC amount.
4. **Effective Response Force (ERF).** The effective response force factor is relational to the size of force in firefighters and equipment required to deliver the required fire flow.
5. **Hazard Factor (HF).** The hazard factor represents the degree of risk caused by the use, processing, or storage of hazard materials with a building. The hazard factor reflects the need for larger and/or more specialized effective response forces. Hazard factors are determined from use and risk classifications found in the National Fire Protection Association (NFPA) Standard 13 (Standards for the Installation of Sprinkler Systems), and are applicable to commercial properties only.

The initial extra hazard charges are as follows:

- a. A 30% increase when products or uses with high combustibility or high rates of heat release are present.
 - b. A 40% increase when products or uses with high quantities of flammable, combustible or hazardous materials are present.
- No surcharge will be assessed on light and ordinary hazards.

6. Discounts.

- a. Low Income Senior and Disabled Discount: Low income senior or disabled person that qualify for property tax discount under RCW 84.36.381 through 84.36.389 will receive the same discount on FBC. If you think you qualify, please contact King County Exemption Unit at 206-296-3920 or visit their website - King County Assessor - Taxpayer Assistance.
- b. Sprinkler System Discount: Commercial and apartment buildings with full-coverage sprinkler system are eligible for sprinkler system discount.
- c. Alarm Discount: Commercial and apartment buildings with certified functioning alarm systems are eligible for alarm discount based on the type of alarm on premises.
- d. Agricultural Use: A discount for auxiliary structures, such as barns and/or storage sheds, used in conjunction to dairy, farming, and other agricultural operations. For the

purpose of FBC, properties used for marijuana growth, production, or processing are not considered agriculture use.

7. Exemptions to the Fire Benefit Charge.

- a. Religious Use: Personal property or improvements to real property owned or used by recognized religious denomination or religious organization, including sanctuary, schools and educational facilities. RCW 52.26.180(1).
- b. Property not Assessed. Personal Property not assessed and subject to ad valorem taxation under RCW title 84.
- c. Public Schools: Public schools who pay a per student stipend are exempt from the Fire Benefit Charge.
- d. Entities with Contract for Service: Entities who contract for service with the RFA are exempt from the Fire Benefit Charge.

Non-profits, governmental entities and school districts are not automatically exempt from FBC.

III. Implementation Process:

The initial implementation of FBC requires 60% voter approval for a period up to six years. Every six years, voters have the opportunity to reauthorize, also with 60% voter approval, the Fire Benefit Charge. In addition, the state law requires annual public hearings prior to the next year's rates being adopted. Hearings are held prior to November 15 each year, by the Renton Regional Fire Authority Governance Board to establish the FBC. After the FBC has been established, property owners subject to the charge will be notified of the amount of the charge.

The Governing Board will form a Review Board for at least a two-week period to review written complaints from property owners. The final Benefit Charge will be added to the property tax bill.

Exhibit 1

Initial Fire Benefit Charge Formula and Factor Matrix

Square root of total square footage X 18 X Category Factor X Fire Flow Factor X Response Factor X Risk Factor X Applicable Discount = FBC

Total square footage of structure(s)																					
Category Factors:	400 - 1,799	1,800 - 2,699	2,700 - 3,599	3,600 - 3,999	4,000 - 4,999	5,000 - 7,999	8,000 - 9,999	10,000 - 14,999	15,000 - 19,999	20,000 - 29,999	30,000 - 49,999	50,000 - 99,999	100,000 - 139,999	140,000 - 199,999	200,000 - 299,999	300,000 - 399,999	400,000-499,999	500,000-599,999	600,000-699,999	700,000-999,999	1,000,000 and >
Residential	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80												
Mobile Homes	0.75	0.75	0.75	0.75	0.75	0.75															
Apartments	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	3.25	3.25	3.25	6.70	6.70	8.60	11.10	14.25	14.25	14.25	14.25	14.25	14.25
Commercial	1.00	1.00	1.00	1.00	1.30	1.30	1.30	1.40	1.40	1.40	1.50	1.50	2.05	2.05	3.05	3.35	3.50	3.75	4.00	4.15	5.15
Fire Flow Factor (Cost Per Gallon):*	0.355124																				
Effective Response Factor:**																					
Residential	1.00	1.10	1.35	1.65	1.65	2.25	2.25	2.25	2.25												
Manufactured Homes	1.00	1.00	1.00	1.00	1.00	1.00															
Apartments	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Commercial	1.18	1.18	1.18	1.18	1.18	1.18	1.75	1.75	1.75	2.65	4.10	4.10	4.10	4.10	4.30	4.30	4.40	4.50	4.50	4.50	4.50
Hazard Factor:***																					
Light/Ordinary Hazard	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ordinary Hazard - 1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ordinary Hazard - 2	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Extra Hazard - 1	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Extra Hazard -2	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Discounts:																					
Automatic Fire Sprinklers	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900
Manual Local Alarm	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980
Manual Central Alarm	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950
Automatic Local Alarm	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970
Automatic Central Alarm	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925
Agricultural	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

* Fireflow factor is the number needed to generate the required fire benefit charge to support the Governing Board approved service level. The number is preliminary until final property tax and property data are certified by the King County Assessor.

**Response factor is based upon the number of firefighters needed to deliver the required fire flow

*** Risk factors apply to commercial property, are defined by the NFPA and are assigned by inspection performed by the Fire Authority.