

1 AN ACT relating to fire protection and making an appropriation therefor.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 95A.520 is amended to read as follows:

- 4 (1) ***For volunteer fire departments merging prior to the effective date of this Act,*** the
5 Commission on Fire Protection Personnel Standards and Education shall pay to the
6 merged district, for the first, second, and third years after the merger, the number of
7 qualified shares of volunteer fire department aid allotted under KRS 95A.262(2)
8 equal to the total number of qualified shares that each department would have
9 received previous to merger;
- 10 (2) The Commission on Fire Protection Personnel Standards and Education shall pay to
11 the merged district, for the fourth, fifth, and sixth years after the merger, the number
12 of qualified shares of volunteer fire department aid allotted under KRS 95A.262(2)
13 equal to fifty percent (50%) of the total number of qualified shares that each
14 department would have received previous to merger, plus one (1) yearly disbursement of
15 four thousand dollars (\$4,000) as a merger incentive; and
- 16 (3) The Commission on Fire Protection Personnel Standards and Education shall pay to
17 the merged district, for the seventh year after the merger and thereafter, one (1)
18 qualified share of volunteer fire department aid allotted under KRS 95A.262(2).

19 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO
20 READ AS FOLLOWS:

- 21 ***(1) For volunteer fire departments merging on or after the effective date of this Act,***
22 ***the Commission on Fire Protection Personnel Standards and Education shall pay***
23 ***to the resulting merged district the number of qualified shares of volunteer fire***
24 ***department aid allotted under KRS 95A.262(2) equal to the total number of***
25 ***qualified shares that each merging department would have received prior to***
26 ***merger for a period of twenty (20) years after the date of the merger. Upon the***
27 ***expiration of the twenty (20) year period, the merged district shall be entitled to***

1 one (1) share.

2 (2) If the resulting merged district does not remain qualified to receive the volunteer
3 fire department aid under subsection (1) of this section, then the Commission on
4 Fire Protection Personnel Standards and Education shall suspend all payments
5 calculated under subsection (1) of this section. The merged district shall have
6 ninety (90) days to come into compliance with the requirements for qualification.
7 If the merged district does so, then the commission shall resume payments as
8 calculated under subsection (1) of this section. If the merged district does not
9 come into compliance within ninety (90) days of the loss of qualification, then the
10 commission shall not resume payments as calculated under subsection (1) of this
11 section. Should the merged district come into compliance after ninety (90) days, it
12 shall receive only one (1) qualified share of the volunteer fire department aid
13 under KRS 95A.262(2).

14 ➔Section 3. KRS 95A.540 is amended to read as follows:

15 For volunteer fire departments merging prior to the effective date of this Act, if a new
16 volunteer fire department is created from territory in an existing fire department merged
17 under the provisions of KRS 95A.500 to 95A.560, the newly created volunteer fire
18 district shall be able to receive one (1) share at the next regular disbursement date, if
19 qualified. The parent fire department shall have aid allotted under KRS 95A.262(2)
20 reduced by one (1) qualified share for calculations of aid, for the first, second, third,
21 fourth, fifth, and sixth years after merger.

22 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO
23 READ AS FOLLOWS:

24 For volunteer fire departments merging on or after the effective date of this Act, if a
25 new volunteer fire department is created from territory in an existing fire department
26 merged under the provisions of KRS 95A.500 to 95A.560, the newly created volunteer
27 fire department shall be able to receive one (1) share at the next regular disbursement date,

1 if qualified. The parent fire department shall have aid allotted under KRS 95A.262(2)
 2 reduced by one (1) qualified share for calculations of aid for the remainder of the
 3 twenty (20) year period after the merger for which the parent volunteer fire department
 4 was able to receive more than one (1) share.

5 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO
 6 READ AS FOLLOWS:

7 (1) (a) A fire protection district or a volunteer fire department district in existence
 8 on or after the effective date of this Act may adopt the alternative trustee
 9 board structure and tax rate provisions under Sections 6 and 7 of this Act.
 10 In order to adopt the alternative trustee board structure and rate provisions,
 11 the trustees of the district shall first pass a resolution and forward that to
 12 each county judge/executive of a county, or executive head of a merged
 13 government having county-level jurisdiction containing all or a portion of
 14 the district.

15 (b) The resolution shall be presented to each county judge/executive or
 16 executive head before February 1 of any year preceding the day fixed by law
 17 for the election of trustees as set out in Section 7 of this Act.

18 (2) (a) The fiscal court or fiscal courts of the county, or legislative body of a
 19 merged government having county-level jurisdiction in the county where
 20 the district is located, upon receipt of a resolution from the board of
 21 trustees, may enact an ordinance adopting the alternative trustee board
 22 structure and tax rate provisions.

23 (b) In order to enable the election of the trustees immediately following the date
 24 of the effective date of the ordinance, the ordinance shall be effective no
 25 later than April 1 of the year preceding the day fixed by law for the election
 26 of trustees.

27 (c) A fire district shall not adopt the alternative trustee board structure and tax

1 rate provisions unless each fiscal court or legislative body of a merged
 2 government having county-level jurisdiction in each county containing all
 3 or a portion of the fire district has adopted an ordinance as set out in this
 4 section.

5 (3) If the fiscal court or legislative body of a merged government passes an ordinance
 6 adopting the alternative trustee board structure and tax rate provisions, the terms
 7 of trustees appointed by the county judge/executive or executive head of a merged
 8 government under KRS 75.031 shall expire at the same time as the terms of the
 9 elected trustees commence.

10 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO
 11 READ AS FOLLOWS:

12 (1) (a) If the fiscal court or fiscal courts or the appropriate legislative body or
 13 bodies have passed an ordinance pursuant to Section 5 of this Act allowing
 14 the board of trustees of the district to adopt the alternative trustee board
 15 structure and tax rate provisions in operating a fire department and
 16 emergency ambulance service in lieu of the provisions of KRS 75.040, the
 17 trustees of a district are authorized to operate a fire department and
 18 emergency ambulance service as provided in subsection (6) of this section
 19 and to levy an ad valorem tax upon the property in the district. The tax rates
 20 in effect immediately prior to adopting the alternative trustee board
 21 structure and tax rate provisions shall be the starting tax rates and may be
 22 adjusted as set out in this section. Property that may be taxed includes
 23 property within cities in a fire protection district or a volunteer fire
 24 department district:

25 1. As provided by KRS 75.022; or

26 2. Within the metes and bounds of a city that does not maintain a regular
 27 fire department as defined by KRS 95.010(3)(b).

1 The property taxed shall be subject to county tax, and the tax levied by the
2 district shall not exceed fifteen cents (\$0.15) per one hundred dollars (\$100)
3 of valuation as assessed for county taxes and shall be used for the purpose
4 of defraying the expenses of the establishment, maintenance, and operation
5 of the fire department or to make contracts for fire protection for the
6 districts as provided in KRS 75.050.

7 (b) A fire protection district of a volunteer fire department district that
8 establishes and operates an emergency ambulance service and is the
9 primary service provider in the district may levy a tax upon the property in
10 the district not to exceed twenty-five cents (\$0.25) per one hundred dollars
11 (\$100) of valuation as assessed for county taxes, for the purpose of
12 defraying the expenses of the establishment, maintenance, and operation of
13 the fire department and emergency ambulance service or to make contracts
14 for fire protection for the districts as provided in KRS 75.050.

15 (c) Any rates set under this section shall be subject to Section 8 of this Act.
16 Upon the request of the fire district, the Department for Local Government
17 may calculate for the district the compensating tax rate as defined in KRS
18 132.010 and the rate that would produce revenue of four percent (4%) in
19 excess of the compensating tax rate on behalf of the fire district. The
20 Department for Local Government may promulgate administrative
21 regulations to ensure information is submitted in a uniform format or as
22 otherwise deemed appropriate, in its discretion, to facilitate these
23 calculations.

24 (2) The establishment, maintenance, and operation of a fire protection district or
25 volunteer fire department district shall include but not be limited to the following
26 activities:

27 (a) Acquisition and maintenance of adequate fire protection facilities;

- 1 (b) Acquisition and maintenance of adequate firefighting equipment;
2 (c) Recruitment, training, and supervision of firefighters;
3 (d) Control and extinguishment of fires;
4 (e) Prevention of fires;
5 (f) Conducting fire safety activities;
6 (g) Payment of compensation to firefighters and providing the necessary
7 support and supervisory personnel;
8 (h) Payment for reasonable benefits or a nominal fee to volunteer firefighters
9 when benefits and fees do not constitute wages or salaries under KRS
10 Chapter 337 and are not taxable as income to the volunteer firefighters
11 under Kentucky or federal income tax laws; and
12 (i) The use of fire protection district equipment for activities which are for a
13 public purpose and which do not materially diminish the value of the
14 equipment.
- 15 (3) The property valuation administrator of the county or counties involved, with the
16 cooperation of the board of trustees, shall note on the tax rolls the taxpayers and
17 valuation of the property subject to the assessment. The county clerk shall
18 compute the tax on the regular state and county tax bills in the manner directed
19 by administrative regulation of the Department of Revenue.
- 20 (4) The taxes shall be subject to the same delinquency date, discounts, penalties, and
21 interest as are applied to the collection of ad valorem taxes and shall be collected
22 by the sheriff of the county or counties involved and accounted for to the
23 treasurer of the district. The sheriff shall be entitled to a fee of one percent (1%)
24 of the amount collected by him or her.
- 25 (5) Nothing in this subsection shall be construed to prevent the trustees of a fire
26 protection district located in a city or county which provides emergency
27 ambulance service from using funds derived from taxes for the purpose of

1 providing supplemental emergency medical services, so long as the mayor of the
 2 city, the county judge/executive of the county, or the executive head of a merged
 3 county-level government, as appropriate, certifies to the trustees in writing that
 4 supplemental emergency medical services are reasonably required in the public
 5 interest. For the purposes of this subsection, "supplemental emergency medical
 6 services" may include EMR, EMT, EMT-A, and paramedic services rendered at
 7 the scene of an emergent accident or illness until an emergency ambulance can
 8 arrive at the scene.

9 (6) The trustees of those fire protection districts or volunteer fire department districts
 10 whose districts or portions thereof do not receive emergency ambulance services
 11 from an emergency ambulance service district or, whose districts are not being
 12 served by an emergency ambulance service operated or contracted by a city or
 13 county government, may develop, maintain, and operate or contract for an
 14 emergency ambulance service as part of any fire department created pursuant to
 15 this chapter. No taxes levied pursuant to subsection (1) of this section shall be
 16 used to develop, maintain, operate, or contract for an emergency ambulance
 17 service until the tax year following the year the trustees of the district authorize
 18 the establishment of the emergency ambulance service.

19 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO
 20 READ AS FOLLOWS:

21 (1) (a) 1. If the fiscal court or legislative body of a merged government having
 22 county-level jurisdiction in the county where the district is located has
 23 passed an ordinance pursuant to Section 5 of this Act allowing the
 24 board of trustees of the district to adopt the alternative trustee board
 25 structure and tax rate provisions in lieu of KRS 75.031, the affairs of
 26 the district shall be conducted by the board of trustees consisting of
 27 seven (7) members. One (1) member shall be appointed by the county

- 1 judge/executive, or executive head of a merged government having
2 county-level jurisdiction of the county containing the largest
3 population within the district. Two (2) members of the board of
4 trustees shall be elected by the firefighters who are members of the
5 district and shall themselves be members of the district. Four (4)
6 members of the board of trustees shall be property owners who own
7 real or personal property which is subject to the fire protection tax
8 pursuant to Section 6 of this Act, who personally reside in the district,
9 who are not active firefighters and who shall be elected by the property
10 owners of the district. Property owners voting to select representatives
11 to the board of trustees shall have attained the age of eighteen (18).
12 One (1) member of the board of trustees shall be appointed as follows:
13 a. If the county containing the largest population within the district
14 has a merged form of government, the executive head of that
15 government shall appoint the member, with the approval of the
16 legislative body of that government; or
17 b. If the county containing the largest population within the district
18 does not have a merged form of government, the county
19 judge/executive of that county shall appoint the member, with
20 the approval of the fiscal court of that county.
21 2. In counties containing a city of the first class, the trustee appointed by
22 the county judge/executive or executive head of a merged government
23 to serve in volunteer fire prevention districts shall reside within the
24 boundaries of that county.
25 3. At the first election held after the alternative board structure is
26 approved pursuant to Section 5 of this Act, in addition to the
27 firefighter trustees elected pursuant to KRS 75.031, whose terms shall

1 carry over unaffected, two (2) additional nonfirefighter property
2 owners shall be added. One (1) nonfirefighter property owner shall be
3 elected to serve on the board of trustees for a period of one (1) year
4 and one (1) for a period of four (4) years. On the expiration of the
5 respective terms, the successor to each shall have the same
6 qualifications as his or her predecessor and shall be elected for a term
7 of four (4) years. The member appointed by the county judge/executive
8 or executive head of a merged government shall serve for a term of
9 four (4) years. In the event of a vacancy in the term of an appointed or
10 elected trustee, the county judge/executive, or executive head of a
11 merged government shall, with the approval of the fiscal court or the
12 legislative body of a merged government, appoint a trustee for the
13 remainder of the term.

14 (b) An appointed trustee may be removed from office as provided by KRS
15 65.007.

16 (c) No person shall be an elected trustee who, at the time of his or her election,
17 is not a citizen of Kentucky and has not attained the age of twenty-one (21).

18 (d) Unless otherwise provided by law, an elected firefighter or nonfirefighter
19 property owner trustee may be removed from office by the county
20 judge/executive or executive head of a merged government containing the
21 largest population within the district. An elected firefighter or
22 nonfirefighter property owner trustee may be removed after a hearing with
23 notice as required by KRS Chapter 424, for inefficiency, neglect of duty,
24 malfesance, or conflict of interest. The hearing shall be initiated and
25 chaired by the county judge/executive of the county or the executive head of
26 the merged government, who shall prepare a written statement setting forth
27 the reasons for removal. The trustee to be removed shall be notified of his or

1 her proposed removal and the reasons for the proposed removal by
2 registered mail sent to his or her last known address at least ten (10) days
3 prior to the hearing. The trustee proposed to be removed may employ
4 counsel to represent him or her. A record of the hearing shall be made by
5 the county judge/executive or executive head of a merged government
6 respectively.

7 (e) The removal of an elected firefighter or nonfirefighter property owner
8 trustee of a fire protection district shall be subject to the approval of the
9 fiscal court or legislative body of a merged government of the county
10 containing the largest population within the district.

11 (f) An elected firefighter or nonfirefighter property owner trustee removed
12 pursuant to paragraphs (d) and (e) of this subsection may appeal, within ten
13 (10) days of the rendering of the decision of the fiscal court or legislative
14 council, respectively, to the Circuit Court of the county in which the greater
15 part of the district is located. The scope of the appeal shall be limited to
16 whether the county judge/executive, fiscal court, executive head or
17 legislative body of a merged government, respectively, abused their
18 discretion in removing the trustee.

19 (2) The elective offices of members of the board of trustees shall be filled by an
20 election to be held once each year on the fourth Saturday of June between the
21 hours of 11:00 a.m. and 2:00 p.m. The polls shall be located at the principal fire
22 house in the district. The date, time, and place of the election shall be advertised
23 in accordance with KRS 424.120. This notice shall be advertised at least thirty
24 (30) days prior to the election date and shall include the names and addresses of
25 the candidates to be voted on for each position of trustee. In lieu of the published
26 notice for the election of the firefighter trustees, written notice containing the
27 information required to be advertised may be sent by first-class mail to each

1 firefighter member of the fire protection district or volunteer fire department
 2 district, addressed to the firefighter at his or her residence, at least thirty (30)
 3 days prior to the election date. The nominations for candidates for trustees both
 4 representing the firefighters and the property owners residing in the district shall
 5 be made in accordance with the bylaws of the department. The term of the trustee
 6 appointed by the county judge/executive or executive head of a merged
 7 government shall start at the same time as the terms of the elected trustees.

8 (3) The trustees shall elect from their number a chairman, a secretary, and a
 9 treasurer, the latter of whom shall give bond in an amount as shall be determined
 10 by the county judge/executive or executive head of a merged government of the
 11 county containing the largest population within the fire protection district,
 12 conditioned upon the faithful discharge of the duties of his or her office, and the
 13 faithful accounting for all funds which may come into his or her possession as
 14 treasurer. The premiums on the bonds shall be paid out of the funds of the
 15 district.

16 ➔Section 8. KRS 132.023 is amended to read as follows:

17 (1) No special purpose governmental entity or fire district shall levy a tax rate which
 18 exceeds the compensating tax rate until the taxing district has complied with the
 19 provisions of subsection (2) of this section.

20 (2) (a) A special purpose governmental entity or fire district proposing to levy a tax
 21 rate which exceeds the compensating tax rate shall hold a public hearing to
 22 hear comments from the public regarding the proposed tax rate. The hearing
 23 shall be held in the same location where the governing body of the city or
 24 county where the largest number of citizens served by the special purpose
 25 governmental entity or the fire district, as applicable, reside meets, and shall
 26 be held immediately before a regularly scheduled meeting of that governing
 27 body.

- 1 (b) The special purpose governmental entity or fire district shall advertise the
2 hearing by causing to be published at least twice in two (2) consecutive
3 weeks, in the newspaper of largest circulation in the county, a display type
4 advertisement of not less than twelve (12) column inches, the following:
- 5 1. The tax rate levied in the preceding year, and the revenue produced by
6 that rate;
 - 7 2. The tax rate proposed for the current year and the revenue expected to be
8 produced by that rate;
 - 9 3. The compensating tax rate and the revenue expected from it;
 - 10 4. The revenue expected from new property and personal property;
 - 11 5. The general areas to which revenue in excess of the revenue produced in
12 the preceding year is to be allocated;
 - 13 6. A time and place for the public hearing which shall be held not less than
14 seven (7) days, nor more than ten (10) days, after the day that the second
15 advertisement is published;
 - 16 7. The purpose of the hearing; and
 - 17 8. A statement to the effect that the General Assembly has required
18 publication of the advertisement and the information contained therein.
- 19 (c) In lieu of the two (2) published notices, a single notice containing the required
20 information may be sent by first-class mail to each person owning real
21 property in the special purpose governmental entity or fire district, as
22 applicable, addressed to the property owner at his residence or principal place
23 of business as shown on the current year property tax roll.
- 24 (d) The hearing shall be open to the public. All persons desiring to be heard shall
25 be given an opportunity to present oral testimony. The board of the special
26 purpose governmental entity or fire district may set reasonable time limits for
27 testimony.

1 (3) (a) That portion of a tax rate levied by an action of a special purpose
2 governmental entity or fire district which will produce revenue from real
3 property, exclusive of revenue from new property, more than four percent
4 (4%) over the amount of revenue produced by the compensating tax rate shall
5 be subject to a recall vote or reconsideration by the special purpose
6 governmental entity or fire district, as provided for in KRS 132.017, and shall
7 be advertised as provided in paragraph (b) of this subsection.

8 (b) The special purpose governmental entity or fire district shall, within seven (7)
9 days following adoption of an ordinance, order, resolution, or motion to levy a
10 tax rate which will produce revenue from real property, exclusive of revenue
11 from new property, more than four percent (4%) over the amount of revenue
12 produced by the compensating tax rate, cause to be published, in the
13 newspaper of largest circulation in the county, a display type advertisement of
14 not less than twelve (12) column inches the following:

- 15 1. The fact that the taxing district has adopted a rate;
- 16 2. The fact that the part of the rate which will produce revenue from real
17 property, exclusive of new property, in excess of four percent (4%) over
18 the amount of revenue produced by the compensating tax rate is subject
19 to recall; and
- 20 3. The name, address, and telephone number of the county clerk of the
21 county in which the special purpose governmental entity or fire district
22 is located, with a notation to the effect that that official can provide the
23 necessary information about the petition required to initiate recall of the
24 tax rate.

25 **(4) As used in this section, "fire district" means a fire protection district or volunteer**
26 **fire department district, or a subdistrict thereof, operating under KRS Chapter 75**
27 **and subject to this section through the adoption of the alternative trustee board**

1 *structure and tax rate provisions under Sections 6 and 7 of this Act or where an*
2 *exemption to this section is not otherwise provided.*