

1 AN ACT relating to fire districts.

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

3 ➔Section 1. KRS 75.040 is amended to read as follows:

4 (1) (a) Upon the creation of a fire protection district or a volunteer fire department
5 district as provided in KRS 75.010 to 75.031, the trustees of a district are
6 authorized to establish and operate a fire department and emergency
7 ambulance service as provided in subsection (6) of this section and to levy a
8 tax upon the property in the district. Property that may be taxed includes
9 property within cities in a fire protection district or a volunteer fire department
10 district:

- 11 1. As provided by KRS 75.022; or
- 12 2. Within the metes and bounds of a city that does not maintain a regular
13 fire department as defined by KRS 95.010(3)(b).

14 The property taxed shall be subject to county tax, and the tax levied by the
15 district shall not exceed ten cents (\$0.10) per one hundred dollars (\$100) of
16 valuation as assessed for county taxes, for the purpose of defraying the
17 expenses of the establishment, maintenance, and operation of the fire
18 department or to make contracts for fire protection for the districts as provided
19 in KRS 75.050. The rate set in this subsection shall apply, notwithstanding the
20 provisions of KRS 132.023.

21 (b) 1. A fire protection district or a volunteer fire department district that
22 establishes and operates an emergency ambulance service and is the
23 primary service provider in the district may levy a tax upon the property
24 in the district not to exceed twenty cents (\$0.20) per one hundred dollars
25 (\$100) of valuation as assessed for county taxes, for the purpose of
26 defraying the expenses of the establishment, maintenance, and operation
27 of the fire department and emergency ambulance service or to make

1 contracts for fire protection for the districts as provided in KRS 75.050.
2 The rate set in this subsection shall apply, notwithstanding the
3 provisions of KRS 132.023. A fire protection district or volunteer fire
4 department district shall waive any tax attributable to its provision of
5 emergency ambulance service in any territory shared with an
6 ambulance service district operating under KRS Chapter 108 unless
7 both the board of the fire protection district or volunteer fire
8 department district and the board of the ambulance service district
9 agree, by resolution, otherwise.

10 2. For the provisions of this paragraph, and for subsection (6)(b) of
11 Section 2 of this Act, a fire protection district or a volunteer fire
12 department district, or subdistrict, shall be deemed to be the primary
13 service provider of emergency ambulance service within the district or
14 subdistrict boundaries in the county containing the majority of the
15 population served by the district or subdistrict unless the board of
16 trustees, by resolution, notifies in writing the executive authorities of
17 the local governments having any jurisdiction within the boundaries
18 of the district or subdistrict that the fire protection district or a
19 volunteer fire department district, or subdistrict, shall not be deemed
20 to be the primary service provider of emergency ambulance service
21 within the district or subdistrict boundaries in the county containing
22 the majority of the population served by the district or subdistrict. The
23 notification shall contain an effective date of the action, and on that
24 effective date:

25 a. The fire protection district or volunteer fire department district
26 shall no longer be authorized to levy a tax in excess of the
27 amount set out in subsection (1)(a) of this subsection; and

1 **b. Any subdistrict of a fire protection district or a volunteer fire**
2 **department district as set out in Section 2 of this Act shall no**
3 **longer be authorized to levy a tax in excess of the amount set out**
4 **in subsection (6)(a) of Section 2 of this Act.**

5 **3. If a fire protection district or a volunteer fire department district, or**
6 **subdistrict, is the primary service provider of emergency ambulance**
7 **service within the district or subdistrict boundaries in the county**
8 **containing the majority of the population served by the district or**
9 **subdistrict, any other emergency ambulance service provider**
10 **providing emergency ambulance service within the boundaries of the**
11 **district or subdistrict in the county containing the majority of the**
12 **population within the boundaries of the district shall be deemed a**
13 **secondary service provider of emergency ambulance service relative to**
14 **the district or subdistrict. If a fire protection district or a volunteer fire**
15 **department district, or subdistrict, is deemed a secondary service**
16 **provider of emergency ambulance service because of a mutual aid**
17 **agreement or other agreement with another fire protection district or a**
18 **volunteer fire department district, or subdistrict, such status shall not**
19 **affect the ability of that fire protection district or a volunteer fire**
20 **department district, or subdistrict, from being a primary service**
21 **provider of emergency ambulance service within the district or**
22 **subdistrict boundaries in the county containing the majority of the**
23 **population served in its own district or subdistrict.**

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 support
7 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 Chapter
10 337 and are not taxable as income to the volunteer firefighters under Kentucky
11 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 such assessment. The county clerk shall
18 compute the tax on the regular state and county tax bills in such manner as may be
19 directed by regulation of the Department of Revenue.
- 20 (4) Such 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 by
22 the sheriff of the county or counties involved and accounted for to the treasurer of
23 the district. The sheriff shall be entitled to a fee of one percent (1%) of the amount
24 collected by him.
- 25 (5) Nothing contained in this subsection shall be construed to prevent the trustees of a
26 fire protection district located in a city or county which provides emergency
27 ambulance service from using funds derived from taxes for the purpose of providing

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

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

18 ➔Section 2. KRS 75.015 is amended to read as follows:

- 19 (1) A fire protection subdistrict may be formed according to the provisions of this
20 section. A fire protection subdistrict shall:
- 21 (a) Be located within the territorial limits of a fire protection district or volunteer
22 fire department district;
 - 23 (b) Have a continuous boundary; and
 - 24 (c) Be managed by the board of trustees of the district, which shall:
 - 25 1. Impose an ad valorem tax on property in the subdistrict in addition to the
26 ad valorem tax the board imposes on property in the district as a whole;
 - 27 and

- 1 2. Expend the revenue from that additional tax on improved fire protection
2 facilities and services for the subdistrict.
- 3 (2) Persons desiring to form a fire protection subdistrict shall present a petition to the
4 fiscal court clerk and to each member of the fiscal court. The petition shall be
5 accompanied by a map and a metes and bounds description or other description
6 which specifically identifies the boundaries of the proposed subdistrict. The petition
7 shall be signed by more than sixty percent (60%) of the persons who both:
- 8 (a) Live within the proposed subdistrict; and
- 9 (b) Own property that is located within the proposed subdistrict and is subject to
10 taxation by the district under KRS 75.040.
- 11 (3) The petition shall contain the name and address of each petitioner and the address of
12 each petitioner's property that is located within the proposed subdistrict. It shall be
13 in substantially the following form: "The following owners of property located
14 within (insert the name of the fire protection district or volunteer fire department
15 district) hereby petition the fiscal court to form a fire protection subdistrict located
16 at (insert a brief description of the location of the proposed subdistrict). The board
17 of trustees of (insert the name of the fire protection district or volunteer fire
18 department district) shall have the authority to impose a special ad valorem tax of
19 (insert amount, not to exceed the maximum allowed under subsection (6) of this
20 section) on each one hundred dollars (\$100) worth of property assessed for local
21 taxation in the subdistrict, in order to provide enhanced fire protection for the
22 subdistrict. This tax shall be in addition to the ad valorem tax imposed by the
23 trustees on the district as a whole."
- 24 (4) Upon receipt of the petition, the fiscal court shall hold a hearing and provide
25 notification in the manner required for creation of a taxing district under KRS
26 65.182(2) to (5). Following the hearing, the fiscal court shall set forth its written
27 findings of fact and shall approve or disapprove the formation of the subdistrict.

1 The creation of the subdistrict shall be of legal effect only upon the adoption of an
2 ordinance in accordance with the provisions of KRS 67.075 to 67.077. A certified
3 copy of the ordinance creating the subdistrict shall be filed with the county clerk.

4 (5) Upon the creation of a fire protection subdistrict, the trustees shall levy a tax, not to
5 exceed the amount stated in the petition, on the property in the subdistrict, for the
6 purpose of improving fire protection facilities and services in the subdistrict.

7 (6) The tax levied under this section, combined with the tax for fire and emergency
8 services levied on the entire district under KRS 75.040, shall not exceed:

9 (a) Ten cents (\$0.10) per one hundred dollars (\$100) of valuation as assessed for
10 county taxes if neither the fire district nor the fire subdistrict operates an
11 emergency ambulance service under KRS 75.040; or

12 (b) Twenty cents (\$0.20) per one hundred dollars (\$100) of valuation as assessed
13 for county taxes if either the fire district or fire subdistrict operates an
14 emergency ambulance service under KRS 75.040.

15 At no time shall the trustees increase either of these taxes so that the combined total
16 exceeds this limit. *A fire protection subdistrict shall waive any tax attributable to*
17 *its provision of emergency ambulance service in any territory shared with an*
18 *ambulance service district operating under KRS Chapter 108 unless both the*
19 *board governing the fire protection subdistrict and the board of the ambulance*
20 *service district agree, by resolution, otherwise.*

21 (7) The county clerk shall add the levy to the tax bills of the affected property owners.
22 For taxing purposes, the effective date of the tax levy shall be January 1 of the year
23 following the certification and creation of the subdistrict. The tax shall be
24 administered in the same manner as the tax on the entire district under KRS
25 75.040(2) and (3).

26 (8) The board of trustees shall not reduce the tax rate imposed on property in the
27 district as a whole as a result of receiving extra revenue from the additional tax on

1 property in the subdistrict. The trustees shall expend the extra revenue solely on
2 improving fire protection facilities and services in the subdistrict and shall not
3 expend the extra revenue on facilities or services that are shared by the entire
4 district.

5 (9) Fire subdistrict taxes shall be placed on the tax bill in a place separate from the bill
6 of the fire district tax so that ratepayers can ascertain the amount of each tax and its
7 rate.

8 (10) The sheriff shall separately account to the fire district for the funds collected for
9 each subdistrict within the fire district.

10 (11) Fire districts shall maintain a separate accounting of all subdistrict funds, and if
11 there is more than one (1) subdistrict, a separate accounting for each subdistrict.