

1 AN ACT relating to property tax rates for emergency services.

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 **board of** trustees **established**
6 **under KRS 75.031 may**~~[(a)]~~ establish and operate a fire
7 department and emergency ambulance service as provided in subsection ~~(7)~~~~(6)~~ of
8 this section.

9 (2) (a) **The board of trustees established under KRS 75.031 may**~~[(a)]~~ levy a tax
10 upon the property in the district. Property that may be taxed includes property
11 within cities in a fire protection district or a volunteer fire department district:
12 1. As provided by KRS 75.022; or
13 2. Within the metes and bounds of a city that does not maintain a regular
14 fire department as defined by KRS 95.010(3)(b).

15 The property taxed shall be subject to county tax, and **except as provided in**
16 **Section 2 of this Act,** the tax levied by the district shall not exceed ten cents
17 (\$0.10) per one hundred dollars (\$100) of valuation as assessed for county
18 taxes, for the purpose of defraying the expenses of the establishment,
19 maintenance, and operation of the fire department or to make contracts for fire
20 protection for the districts as provided in KRS 75.050. The rate set in this
21 subsection shall **not be subject to**~~[(a)]~~ apply, notwithstanding the provisions of
22 KRS 132.023.

23 (b) **Except as provided in Section 2 of this Act,** a fire protection district or a
24 volunteer fire department district that establishes and operates an emergency
25 ambulance service and is the primary service provider in the district may levy
26 a tax upon the property in the district not to exceed twenty cents (\$0.20) per
27 one hundred dollars (\$100) of valuation as assessed for county taxes, for the

1 purpose of defraying the expenses of the establishment, maintenance, and
2 operation of the fire department and emergency ambulance service or to make
3 contracts for fire protection for the districts as provided in KRS 75.050. The
4 rate set in this subsection shall not be subject to [apply, notwithstanding the
5 provisions of] KRS 132.023.

6 (3)(2) The establishment, maintenance, and operation of a fire protection district or
7 volunteer fire department district shall include, but not be limited to, the following
8 activities:

- 9 (a) Acquisition and maintenance of adequate fire protection facilities;
- 10 (b) Acquisition and maintenance of adequate firefighting equipment;
- 11 (c) Recruitment, training, and supervision of firefighters;
- 12 (d) Control and extinguishment of fires;
- 13 (e) Prevention of fires;
- 14 (f) Conducting fire safety activities;
- 15 (g) Payment of compensation to firefighters and providing the necessary support
16 and supervisory personnel;
- 17 (h) Payment for reasonable benefits or a nominal fee to volunteer firefighters
18 when benefits and fees do not constitute wages or salaries under KRS Chapter
19 337 and are not taxable as income to the volunteer firefighters under
20 Kentucky or federal income tax laws; and
- 21 (i) The use of fire protection district equipment for activities which are for a
22 public purpose and which do not materially diminish the value of the
23 equipment.

24 (4)(3) The property valuation administrator of the county or counties involved, with
25 the cooperation of the board of trustees, shall note on the tax rolls the taxpayers and
26 valuation of the property subject to such assessment. The county clerk shall
27 compute the tax on the regular state and county tax bills in such manner as may be

1 directed by regulation of the Department of Revenue.

2 (5)-(4) Such taxes shall be subject to the same delinquency date, discounts, penalties,
3 and interest as are applied to the collection of ad valorem taxes and shall be
4 collected by the sheriff of the county or counties involved and accounted for to the
5 treasurer of the district. The sheriff shall be entitled to a fee of one percent (1%) of
6 the amount collected by him *or her*.

7 (6)(5) Nothing contained in this subsection shall be construed to prevent the trustees
8 of a fire protection district located in a city or county which provides emergency
9 ambulance service from using funds derived from taxes for the purpose of
10 providing supplemental emergency medical services so long as the mayor of the
11 city or the county judge/executive of the county, as appropriate, certifies to the
12 trustees in writing that supplemental emergency medical services are reasonably
13 required in the public interest. For the purposes of this subsection, "supplemental
14 emergency medical services" may include EMT, EMT-D, and paramedic services
15 rendered at the scene of an emergent accident or illness until an emergency
16 ambulance can arrive at the scene.

17 (7)(6) The board of trustees of a[those] fire protection district[districts] or volunteer
18 fire department district,[districts whose districts] or a portion[portions] thereof,
19 that does[do] not receive emergency ambulance services from an emergency
20 ambulance service district, or[,] whose district is[districts are] not being served by
21 an emergency ambulance service operated or contracted by a city or county
22 government, may develop, maintain, and operate or contract for an emergency
23 ambulance service as part of any fire department created pursuant to this chapter.
24 No taxes levied pursuant to subsection (2)(-1) of this section shall be used to
25 develop, maintain, operate, or contract for an emergency ambulance service until
26 the tax year following the year the board of trustees of the district
27 authorizes[authorize] the establishment of the emergency ambulance service.

1 ➔ SECTION 2. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) The board of trustees of a fire protection district or a volunteer fire department
4 district may exceed the maximum tax rate established in Section 1 of this Act if
5 the requirements of this section are satisfied.

6 (2) (a) The board of trustees of a fire protection district or a volunteer fire
7 department district proposing to levy a tax rate that exceeds both the
8 maximum tax rate established in Section 1 of this Act and the rate levied for
9 the immediately preceding calendar year shall hold a public hearing within
10 thirty (30) days of proposing the levy to hear comments from the public
11 regarding the proposed tax rate. The hearing shall be open to the public,
12 and all persons desiring to be heard shall be given an opportunity to present
13 oral testimony.

14 (b) Notification of the public hearing shall be advertised for two (2) consecutive
15 weeks on the website of the fire protection district or volunteer fire
16 department district. If the district does not have a website, the notification
17 shall be advertised on the website of the local government in which the fire
18 protection district or volunteer fire department district is located. The
19 notification shall provide:

- 20 1. The tax rate levied for the immediately preceding calendar year, and
21 the revenue produced by that rate;
- 22 2. The tax rate proposed for the current calendar year and the revenue
23 expected to be produced by that rate;
- 24 3. A time and place for the public hearing;
- 25 4. The purpose of the public hearing;
- 26 5. The purpose of the tax rate increase, which shall be related to
27 protecting life and property by:

1 a. Responding to fires;

2 b. Conducting fire prevention education; or

3 c. Providing emergency medical or rescue services to the

4 community; and

5 6. A statement to the effect that the General Assembly has required

6 publication of the advertisement and the information contained

7 therein.

8 (c) If the board of trustees of a fire protection district or a volunteer fire

9 department district fails to comply with the public hearing requirements in

10 this subsection, the proposed tax rate shall not go into effect and the tax rate

11 from the immediately preceding calendar year shall be levied.

12 (d) The rates set in this subsection shall not be subject to KRS 132.023.

13 (e) Except for the rate initially levied upon the creation of the fire protection

14 district or volunteer fire department district, any increase of the total tax

15 shall not exceed the tax rate levied for the immediately preceding calendar

16 year by more than two cents (\$0.02) per one hundred dollars (\$100) of

17 assessed valuation.

18 (3) In addition to the hearing and notification requirements in subsection (2) of this

19 section, any increase of the total tax that is proposed to be levied shall be subject

20 to recall as provided in subsections (4) to (6) of this section.

21 (4) (a) The portion of the tax rate that is in excess of the rate levied for the

22 immediately preceding calendar year shall go into effect forty-five (45) days

23 after its passage by the board of trustees.

24 (b) During the same forty-five (45) day time period provided by paragraph (a)

25 of this subsection, any three (3) qualified voters who reside in the fire

26 protection district or volunteer fire department district, may commence

27 petition proceedings to protest the increase in the tax rate by filing an

affidavit with the county clerk, which states:

1. The three (3) qualified voters constitute the members of the petition committee;
2. The petition committee will be responsible for circulating the petition;
3. The petition committee will file the petition in the proper form within the same forty-five (45) day time period provided by paragraph (a) of this subsection;
4. The names and addresses of the petition committee members;
5. The address to which all notices to the committee are to be sent; and
6. Whether or not the petition committee is willing to incur all of the expenses associated with the electronic petition signatures. If the petition committee is not willing to incur all of the expenses, then electronic petition signatures shall not be allowed for the petition.

(c) *Upon receipt of the affidavit, the county clerk shall immediately:*

1. Notify the petition committee of all statutory requirements for the filing of a valid petition under this section;
2. Notify the petition committee that the county clerk will publish a notice identifying the tax levy being challenged and providing the names and addresses of the petition committee in a newspaper of general circulation within the county if:
 - a. There is a newspaper within the county in which to publish the notice; and
 - b. The petition committee remits an amount equal to the cost of publishing the notice determined in accordance with KRS 424.160 at the time of filing the affidavit.

If the petition committee elects to have the notice published, the county clerk shall publish the notice within five (5) days of receipt of

the affidavit; and

3. Deliver a copy of the affidavit to the board of trustees of the fire protection district or volunteer fire department district proposing to levy the tax.

(d) The petition shall meet the following requirements:

1. All papers of the petition shall be substantially uniform in size and style and shall be assembled in one (1) instrument for filing;

2. Each sheet of the petition may contain the names of voters from more than one (1) voting precinct:

3. Each nonelectronic petition signature shall be executed in ink or
indelible pencil;

4. Each electronic petition signature shall comply with the requirements of the Uniform Electronic Transactions Act. KRS 369.101 to 369.120:

5. Each petition signature shall be followed by the printed name, street address, birth month, and birth year of the person signing; and

6. a. The petition shall be signed by a number of registered and qualified voters who reside in the fire protection district or volunteer fire department district equal to at least twenty-five percent (25%) of the total number of votes cast in the last preceding presidential election.

b. Electronic petition signatures shall be included in determining whether the required number of petition signatures has been obtained when:

i. The expenses associated with the electronic petition signatures have been incurred in accordance with paragraph (b)6. of this subsection; and

ii. The electronic petition signatures comply with the

requirements of this subsection.

c. The inclusion of an invalid petition signature on a page shall not invalidate the entire page of the petition, but shall instead result in the invalid petition signature being stricken and not counted.

(e) Upon the filing of the petition with the county clerk, the measure passed by the board of trustees levying the increased tax rate shall be suspended from going into effect until after the election referred to in subsection (5) of this section is held, or until the petition is finally determined to be insufficient and no further action may be taken pursuant to paragraph (i) of this subsection.

(f) The county clerk shall immediately notify the chair of the board of trustees that the petition has been received and shall, within thirty (30) days of the receipt of the petition, make a determination of whether the petition contains enough signatures of qualified voters to place the measure levying the tax rate before the voters.

(g) If the county clerk finds the petition to be sufficient, the clerk shall certify to the petition committee and the board of trustees within the thirty (30) day period provided for in paragraph (f) of this subsection that the petition is properly presented and in compliance with this section, and that the measure of the board of trustees levying the tax rate will be placed before the voters for approval.

(h) If the county clerk finds the petition to be insufficient, the clerk shall, within the thirty (30) day period provided for in paragraph (f) of this subsection notify, in writing, the petition committee and the board of trustees of the specific deficiencies found. Notification shall be sent by certified mail and shall be published at least one (1) time in a newspaper of general circulation within the county containing the fire protection district or

1 volunteer fire department district. If there is not a newspaper within the
2 county in which to publish the notification, then the notification shall be
3 posted at the courthouse door.

4 (i) A final determination of the sufficiency of a petition shall be subject to final
5 review by the Circuit Court of the county in which the fire protection district
6 or volunteer fire department district is located, and shall be limited to the
7 validity of the county clerk's determination. Any petition challenging the
8 county clerk's final determination shall be filed within ten (10) days of the
9 issuance of the county clerk's final determination.

10 (j) The board of trustees may cause the cancellation of the election by
11 reconsidering and amending the measure levying the tax rate to a rate equal
12 to or lower than the previous year's rate. The action by the board of trustees
13 shall be valid only if taken within fifteen (15) days following the date the
14 county clerk finds the petition to be sufficient.

15 (5) (a) If an election is necessary under subsection (4) of this section, the board of
16 trustees shall cause to be submitted to the voters of the fire protection
17 district or volunteer fire department district at the next regular election, the
18 question as to whether the property tax rate shall be levied. As used in this
19 section, "next regular election" means the regular election that occurs
20 immediately after all statutory requirements for levying a property tax rate
21 have been met, regardless of whether the election occurs in the same or a
22 subsequent calendar year as the levy of the property tax rate.

23 (b) In an election under paragraph (a) of this subsection held in conjunction
24 with a regular election, the question as to whether the property tax rate
25 shall be levied shall be submitted to the county clerk no later than the
26 second Tuesday in August preceding the regular election.

27 (c) In an election held under paragraph (a) of this subsection, the question

1 shall be framed to ask whether the voter is for the levy of the property tax
2 rate. If a majority of the votes cast upon the question oppose its passage, the
3 measure of the board of trustees levying the tax rate shall not go into effect.
4 If a majority of the votes cast upon the question favor its passage, the
5 measure shall become effective.

6 (d) If the measure of the board of trustees levying the tax rate fails to pass
7 pursuant to an election held under paragraph (a) of this subsection, the
8 property tax rate from the previous year shall be levied without further
9 approval by the board of trustees.

10 (e) Local, state, and federal tax dollars shall not be used to advocate, in partial
11 terms, for or against any public question that appears on the ballot under
12 this subsection. For purposes of this paragraph, "local" means and
13 includes any city, county, urban-county government, consolidated local
14 government, unified local government, charter county, or special district.

15 (6) Notwithstanding any statutory provision to the contrary, if a board of trustees of a
16 fire protection district or volunteer fire department district has not established a
17 final tax rate as of September 15, due to the recall provisions of this section:

18 (a) Regular tax bills shall be prepared as required in KRS 132.017 and 133.220
19 for all districts having a tax rate established by that date; and

20 (b) A second set of bills shall be prepared and collected in the regular manner
21 in accordance with KRS Chapter 132 upon establishment of the final tax
22 rate by the district.

23 (7) If a second billing is necessary, the collection period shall be extended to conform
24 with the second billing date.

25 (8) All costs associated with the second billing shall be paid by the fire protection
26 district or volunteer fire department district.

27 ➔ Section 3. KRS 75A.050 is amended to read as follows:

1 (1) (a) Upon the creation of a district, the board of trustees of a district may [are
2 ~~authorized to~~] provide fire services, emergency medical services subject to
3 KRS Chapter 311A, or rescue services pursuant to KRS Chapter 39F, as
4 provided in paragraph (c) of this subsection[, and to levy a tax upon the
5 property in the district].

6 (b) **The board may levy a tax upon the property in the district.** The property
7 taxed shall be subject to county tax, and the tax levied by the board upon
8 creation of the district shall be approved by the county fiscal court,
9 consolidated local government, charter county government, or unified local
10 government having jurisdiction over the district at the time of passage of the
11 ordinance creating the district. **Except as provided in Section 4 of this Act,**
12 the tax shall not exceed ten cents (\$0.10) per one hundred dollars (\$100) of
13 valuation as assessed for county taxes, for the purpose of defraying the
14 expenses for the provision of fire services or rescue services. The rate set in
15 this subsection shall not be subject to [apply, notwithstanding the provisions
16 of] KRS 132.023.

17 (c) The district that establishes and operates an emergency ambulance service and
18 is the primary service provider in the district may levy a tax upon the property
19 in the district. The tax to be levied shall be proposed by the board, shall be
20 approved by the county fiscal court, consolidated local government, charter
21 county government, or unified local government having jurisdiction over the
22 district, and **except as provided in Section 4 of this Act,** the tax shall not
23 exceed twenty cents (\$0.20) per one hundred dollars (\$100) of valuation as
24 assessed for county taxes, for the purpose of defraying the expenses of the
25 provision of fire services, emergency medical services, or rescue service, or to
26 make contracts for fire protection for the districts as provided in KRS 75.050.
27 The rate set in this subsection shall not be subject to [apply, notwithstanding

1 }KRS 132.023.

2 (d) [1. Except for the rate initially levied upon the creation of the district,
3 any increase of the total tax[levy beyond the rate initially approved by the
4 board and authorized by the county fiscal court, consolidated local
5 government, charter county government, or unified local government] shall
6 not exceed the tax rate levied for the immediately preceding calendar year
7 by more than two cents (\$0.02) per one hundred dollars (\$100) of assessed
8 valuation.

9 (e) The rates set in this subsection shall not be subject to KRS 132.023. [Any
10 increase in excess of the annual compensating rate for the consolidated
11 emergency services district shall require the approval of the county fiscal
12 court, consolidated local government, charter county government, or unified
13 local government having jurisdiction over the district. If at any time an
14 election resulting from a recall petition pursuant to KRS 132.017 is required,
15 the question shall be presented to all voters in every precinct for which any
16 part of the precinct is served by the district subject to the recall petition.]

17 (2)[2.] If two (2) or more established consolidated emergency services merge to
18 create a new consolidated emergency services district, as authorized in this chapter,
19 the initial tax to be levied, as proposed by the board, shall be approved by the
20 county fiscal court, consolidated local government, charter county government, or
21 unified local government having jurisdiction over the district, and the initial tax
22 levied shall not exceed the highest tax rate currently levied by one (1) of the
23 merging districts. Any increase to the initial tax rate shall be subject to KRS
24 132.023. Any increase in excess of the annual compensating rate for the
25 consolidated emergency services district shall require the approval of the county
26 fiscal court, consolidated local government, charter county government, or unified
27 local government having jurisdiction over the district. If at any time an election

1 resulting from a recall petition pursuant to KRS 132.017 is required, the question
2 shall be presented to all voters in every precinct for which any part of the district
3 serves.

4 (3)(2) The property valuation administrator of the county in which the district is
5 created, with the cooperation of the board, shall note on the tax rolls the taxpayers
6 and valuation of the property subject to such assessment. The county clerk shall
7 compute the tax on the regular state and county tax bills in such manner as may be
8 directed by regulation of the Department of Revenue.

9 (4)(3) These taxes shall be subject to the same delinquency date, discounts,
10 penalties, and interest as are applied to the collection of ad valorem taxes and shall
11 be collected by the sheriff of the county involved and accounted for to the treasurer
12 of the district. The sheriff shall be entitled to a fee of the amount collected by him
13 or her. The fiscal court shall, by~~in the~~ ordinance ~~set forth in subsection (2) of this~~
14 ~~section~~~~and~~ in consultation with the sheriff and the consolidated emergency
15 services district, set a collection fee for the sheriff in an amount not to exceed four
16 and one-fourth percent (4.25%).

17 → SECTION 4. A NEW SECTION OF KRS CHAPTER 75A IS CREATED TO
18 READ AS FOLLOWS:

19 (1) The board of trustees of a district may exceed the maximum tax rate established
20 in Section 3 of this Act if the requirements of this section are satisfied.

21 (2) (a) The board of trustees of a district proposing to levy a tax rate that exceeds
22 both the maximum tax rate established in Section 3 of this Act and the rate
23 levied for the immediately preceding calendar year shall hold a public
24 hearing within thirty (30) days of proposing the levy to hear comments from
25 the public regarding the proposed tax rate. The hearing shall be open to the
26 public, and all persons desiring to be heard shall be given an opportunity to
27 present oral testimony.

1 **(b) Notification of the public hearing shall be advertised for two (2) consecutive**
2 **weeks on the website of the district. If the district does not have a website,**
3 **the notification shall be advertised on the website of the local government or**
4 **local governments in which the district is located. The notification shall**
5 **provide:**

- 6 **1. The tax rate levied for the immediately preceding calendar year, and**
7 **the revenue produced by that rate;**
- 8 **2. The tax rate proposed for the current calendar year and the revenue**
9 **expected to be produced by that rate;**
- 10 **3. A time and place for the public hearing;**
- 11 **4. The purpose of the public hearing;**
- 12 **5. The purpose of the tax rate increase, which shall be related to**
13 **protecting life and property by:**
 - 14 **a. Responding to fires;**
 - 15 **b. Conducting fire prevention education; or**
 - 16 **c. Providing emergency medical or rescue services to the**
17 **community; and**
- 18 **6. A statement to the effect that the General Assembly has required**
19 **publication of the advertisement and the information contained**
20 **therein.**

21 **(c) If the board of trustees of a district fails to comply with the public hearing**
22 **requirements in this subsection, the proposed tax rate shall not go into**
23 **effect and the tax rate from the immediately preceding calendar year shall**
24 **be levied.**

25 **(d) The rates set in this subsection shall not be subject to KRS 132.023.**

26 **(e) Except for the rate initially levied upon the creation of the district, any**
27 **increase of the total tax shall not exceed the tax rate levied for the**

immediately preceding calendar year by more than two cents (\$0.02) per one hundred dollars (\$100) of assessed valuation.

(3) In addition to the hearing and notification requirements in subsection (2) of this section, any increase of the total tax that is proposed to be levied shall be subject to recall as provided in subsections (4) to (6) of this section.

(4) (a) The portion of the tax rate that is in excess of the rate levied for the immediately preceding calendar year shall go into effect forty-five (45) days after its passage by the board.

(b) During the same forty-five (45) day time period provided by paragraph (a) of this subsection, any three (3) qualified voters who reside in the district, may commence petition proceedings to protest the increase in the tax rate by filing an affidavit with the county clerk, which states:

1. The three (3) qualified voters constitute the members of the petition committee;

2. The petition committee will be responsible for circulating the petition;

3. The petition committee will file the petition in the proper form within the same forty-five (45) day time period provided by paragraph (a) of this subsection:

4. The names and addresses of the petition committee members:

5. *The address to which all notices to the committee are to be sent; and*

6. Whether or not the petition committee is willing to incur all of the expenses associated with the electronic petition signatures. If the petition committee is not willing to incur all of the expenses, then electronic petition signatures shall not be allowed for the petition.

(c) Upon receipt of the affidavit, the county clerk shall immediately:

1. Notify the petition committee of all statutory requirements for the filing of a valid petition under this section:

1 2. Notify the petition committee that the county clerk will publish a
2 notice identifying the tax levy being challenged and providing the
3 names and addresses of the petition committee in a newspaper of
4 general circulation within the county if:

5 a. There is a newspaper within the county in which to publish the
6 notice; and

7 b. The petition committee remits an amount equal to the cost of
8 publishing the notice determined in accordance with KRS
9 424.160 at the time of filing the affidavit.

10 If the petition committee elects to have the notice published, the
11 county clerk shall publish the notice within five (5) days of receipt of
12 the affidavit; and

13 3. Deliver a copy of the affidavit to the board of trustees of the district
14 proposing to levy the tax.

15 (d) The petition shall meet the following requirements:

16 1. All papers of the petition shall be substantially uniform in size and
17 style and shall be assembled in one (1) instrument for filing;

18 2. Each sheet of the petition may contain the names of voters from more
19 than one (1) voting precinct;

20 3. Each nonelectronic petition signature shall be executed in ink or
21 indelible pencil;

22 4. Each electronic petition signature shall comply with the requirements
23 of the Uniform Electronic Transactions Act, KRS 369.101 to 369.120;

24 5. Each petition signature shall be followed by the printed name, street
25 address, birth month, and birth year of the person signing; and

26 6. a. The petition shall be signed by a number of registered and
27 qualified voters who reside in the district equal to at least twenty-

five percent (25%) of the total number of votes cast in the last preceding presidential election.

b. Electronic petition signatures shall be included in determining whether the required number of petition signatures has been obtained when:

i. The expenses associated with the electronic petition signatures have been incurred in accordance with paragraph (b)6. of this subsection; and

ii. The electronic petition signatures comply with the requirements of this subsection.

c. The inclusion of an invalid petition signature on a page shall not invalidate the entire page of the petition, but shall instead result in the invalid petition signature being stricken and not counted.

(e) Upon the filing of the petition with the county clerk, the measure passed by the board levying the increased tax rate shall be suspended from going into effect until after the election referred to in subsection (5) of this section is held, or until the petition is finally determined to be insufficient and no further action may be taken pursuant to paragraph (i) of this subsection.

(f) The county clerk shall immediately notify the chair of the board that the petition has been received and shall, within thirty (30) days of the receipt of the petition, make a determination of whether the petition contains enough signatures of qualified voters to place the measure levying the tax rate before the voters.

(g) If the county clerk finds the petition to be sufficient, the clerk shall certify to the petition committee and the board within the thirty (30) day period provided for in paragraph (f) of this subsection that the petition is properly presented and in compliance with this section, and that the measure of the

board levying the tax rate will be placed before the voters for approval.

(h) If the county clerk finds the petition to be insufficient, the clerk shall, within the thirty (30) day period provided for in paragraph (f) of this subsection notify, in writing, the petition committee and the board of trustees of the specific deficiencies found. Notification shall be sent by certified mail and shall be published at least one (1) time in a newspaper of general circulation within the county containing the district. If there is not a newspaper within the county in which to publish the notification, then the notification shall be posted at the courthouse door.

(i) A final determination of the sufficiency of a petition shall be subject to final review by the Circuit Court of the county in which the district is primarily located, and shall be limited to the validity of the county clerk's determination. Any petition challenging the county clerk's final determination shall be filed within ten (10) days of the issuance of the county clerk's final determination.

(j) The board may cause the cancellation of the election by reconsidering and amending the measure levying the tax rate to a rate equal to or lower than the previous year's rate. The action by the board shall be valid only if taken within fifteen (15) days following the date the county clerk finds the petition to be sufficient.

21 (5) (a) If an election is necessary under subsection (4) of this section, the board
22 shall cause to be submitted to the voters of the district at the next regular
23 election, the question as to whether the property tax rate shall be levied. As
24 used in this section, "next regular election" means the regular election that
25 occurs immediately after all statutory requirements for levying a property
26 tax rate have been met, regardless of whether the election occurs in the
27 same or a subsequent calendar year as the levy of the property tax rate.

1 **(b) In an election under paragraph (a) of this subsection held in conjunction**

2 **with a regular election, the question as to whether the property tax rate**

3 **shall be levied shall be submitted to the county clerk no later than the**

4 **second Tuesday in August preceding the regular election.**

5 **(c) In an election held under paragraph (a) of this subsection, the question**

6 **shall be framed to ask whether the voter is for the levy of the property tax**

7 **rate. If a majority of the votes cast upon the question oppose its passage, the**

8 **measure of the board levying the tax rate shall not go into effect. If a**

9 **majority of the votes cast upon the question favor its passage, the measure**

10 **shall become effective.**

11 **(d) If the measure of the board levying the tax rate fails to pass pursuant to an**

12 **election held under paragraph (a) of this subsection, the property tax rate**

13 **from the previous year shall be levied without further approval by the board.**

14 **(e) Local, state, and federal tax dollars shall not be used to advocate, in partial**

15 **terms, for or against any public question that appears on the ballot under**

16 **this subsection. For purposes of this paragraph, "local" means and**

17 **includes any city, county, urban-county government, consolidated local**

18 **government, unified local government, charter county, or special district.**

19 **(6) Notwithstanding any statutory provision to the contrary, if a board of trustees of a**

20 **district has not established a final tax rate as of September 15, due to the recall**

21 **provisions of this section:**

22 **(a) Regular tax bills shall be prepared as required in KRS 132.017 and 133.220**

23 **for all districts having a tax rate established by that date; and**

24 **(b) A second set of bills shall be prepared and collected in the regular manner**

25 **in accordance with KRS Chapter 132 upon establishment of the final tax**

26 **rate by the district.**

27 **(7) If a second billing is necessary, the collection period shall be extended to conform**

1 *with the second billing date.*

2 **(8) All costs associated with the second billing shall be paid by the district.**

3 ➔ Section 5. KRS 75.015 is amended to read as follows:

4 (1) A fire protection subdistrict may be formed according to the provisions of this
5 section. A fire protection subdistrict shall:

6 (a) Be located within the territorial limits of a fire protection district or volunteer
7 fire department district;

8 (b) Have a continuous boundary; and

9 (c) Be managed by the board of trustees of the district, which shall:

10 1. Impose an ad valorem tax on property in the subdistrict in addition to
11 the ad valorem tax the board imposes on property in the district as a
12 whole; and

13 2. Expend the revenue from that additional tax on improved fire protection
14 facilities and services for the subdistrict.

15 (2) Persons desiring to form a fire protection subdistrict shall present a petition to the
16 fiscal court clerk and to each member of the fiscal court. The petition shall be
17 accompanied by a map and a metes and bounds description or other description
18 which specifically identifies the boundaries of the proposed subdistrict. The petition
19 shall be signed by more than sixty percent (60%) of the persons who both:

20 (a) Live within the proposed subdistrict; and

21 (b) Own property that is located within the proposed subdistrict and is subject to
22 taxation by the district under KRS 75.040.

23 (3) The petition shall contain the name and address of each petitioner and the address
24 of each petitioner's property that is located within the proposed subdistrict. It shall
25 be in substantially the following form: "The following owners of property located
26 within (insert the name of the fire protection district or volunteer fire department
27 district) hereby petition the fiscal court to form a fire protection subdistrict located

1 at (insert a brief description of the location of the proposed subdistrict). The board
2 of trustees of (insert the name of the fire protection district or volunteer fire
3 department district) shall have the authority to impose a special ad valorem tax of
4 (insert amount, not to exceed the maximum allowed under subsection (6) of this
5 section) on each one hundred dollars (\$100) worth of property assessed for local
6 taxation in the subdistrict, in order to provide enhanced fire protection for the
7 subdistrict. This tax shall be in addition to the ad valorem tax imposed by the
8 trustees on the district as a whole."

9 (4) Upon receipt of the petition, the fiscal court shall hold a hearing and provide
10 notification in the manner required for creation of a taxing district under KRS
11 65.182(2) to (5). Following the hearing, the fiscal court shall set forth its written
12 findings of fact and shall approve or disapprove the formation of the subdistrict.

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

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

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

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

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

27 At no time shall the trustees increase either of these taxes so that the combined total

1 exceeds this limit.

2 (7) The county clerk shall add the levy to the tax bills of the affected property owners.

3 For taxing purposes, the effective date of the tax levy shall be January 1 of the year

4 following the certification and creation of the subdistrict. The tax shall be

5 administered in the same manner as the tax on the entire district under KRS

6 75.040~~[(2) and](3)~~ **and (4)**.

7 (8) The board of trustees shall not reduce the tax rate imposed on property in the

8 district as a whole as a result of receiving extra revenue from the additional tax on

9 property in the subdistrict. The trustees shall expend the extra revenue solely on

10 improving fire protection facilities and services in the subdistrict and shall not

11 expend the extra revenue on facilities or services that are shared by the entire

12 district.

13 (9) Fire subdistrict taxes shall be placed on the tax bill in a place separate from the bill

14 of the fire district tax so that ratepayers can ascertain the amount of each tax and its

15 rate.

16 (10) The sheriff shall separately account to the fire district for the funds collected for

17 each subdistrict within the fire district.

18 (11) Fire districts shall maintain a separate accounting of all subdistrict funds, and if

19 there is more than one (1) subdistrict, a separate accounting for each subdistrict.

20 ➔Section 6. This Act takes effect January 1, 2027.