

1 AN ACT relating to revenues for the provision of 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~~[of a district are authorized to]~~ 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*~~[and to]~~ 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*~~[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

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

- (a) Acquisition and maintenance of adequate fire protection facilities;
- (b) Acquisition and maintenance of adequate firefighting equipment;
- (c) Recruitment, training, and supervision of firefighters;
- (d) Control and extinguishment of fires;
- (e) Prevention of fires;
- (f) Conducting fire safety activities;
- (g) Payment of compensation to firefighters and providing the necessary support and supervisory personnel;
- (h) Payment for reasonable benefits or a nominal fee to volunteer firefighters when benefits and fees do not constitute wages or salaries under KRS Chapter 337 and are not taxable as income to the volunteer firefighters under Kentucky or federal income tax laws; and
- (i) The use of fire protection district equipment for activities which are for a public purpose and which do not materially diminish the value of the 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[authorizes] 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 in a newspaper pursuant to KRS Chapter 424 and on the website of
16 the fire protection district or volunteer fire department district. If the district
17 does not have a website, the notification shall be advertised on the website
18 of the local government in which the fire protection district or volunteer fire
19 department district is located. The 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

1 affidavit with the county clerk, which states:

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

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

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

8 4. The names and addresses of the petition committee members;

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

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

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

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

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

21 a. There is a newspaper within the county in which to publish the
22 notice; and

23 b. The petition committee remits an amount equal to the cost of
24 publishing the notice determined in accordance with KRS
25 424.160 at the time of filing the affidavit.

26 If the petition committee elects to have the notice published, the
27 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 ten percent (10%) 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 those persons eligible to vote for elective offices of the members of the board of trustees in the elections held under KRS 75.031.

(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 those persons eligible to vote for elective offices of the members of the board of trustees in the elections held under KRS 75.031.

(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

1 shall be published at least one (1) time in a newspaper of general
2 circulation within the county containing the fire protection district or
3 volunteer fire department district. If there is not a newspaper within the
4 county in which to publish the notification, then the notification shall be
5 posted at the courthouse door.

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

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

17 (5) (a) If an election is necessary under subsection (4) of this section:

18 1. The board of trustees shall cause to be submitted to those persons
19 eligible to vote for elective offices of the members of the board of
20 trustees in the elections held under KRS 75.031 the question as to
21 whether the property tax rate shall be levied;

22 2. This question shall be advertised in accordance with KRS 424.120 and
23 shall be advertised at least thirty (30) days prior to the election held to
24 elect the elective offices of members of the board of trustees under
25 KRS 75.031. The question shall also appear on the website of the fire
26 protection district or volunteer fire department district. If the district
27 does not have a website, the notification shall be advertised on the

website of the local government in which the fire protection district or
volunteer fire department district is located;

3. The vote shall occur at the election held to elect the elective offices of members of the board of trustees under KRS 75.031 on the fourth Saturday of June;

4. The board of trustees shall ensure that the ballots are secure and are counted and retained by two (2) or more persons who shall count and report the results to the chair of the board of trustees; and

5. All ballots and other materials pertinent to the election shall be retained by the board of trustees for twenty-two (22) months after the election day, after which time they shall be destroyed in a manner to render them unreadable by the board of trustees if no contest or recount action has been filed. The board of trustees shall, by bylaw, establish methods for contests and recount actions.

(b) In an election held under paragraph (a) of this subsection, the question shall be framed to ask whether the persons eligible to vote for elective offices of the members of the board of trustees in the elections held under KRS 75.031 are for the levy of the property tax rate. If a majority of the votes cast upon the question oppose its passage, the measure of the board of trustees levying the tax rate shall not go into effect. If a majority of the votes cast upon the question favor its passage, the measure shall become effective.

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

(d) Local, state, and federal tax dollars shall not be used to advocate, in partial terms, for or against any public question that appears on the ballot under

1 this subsection. For purposes of this paragraph, "local" means and
2 includes any city, county, urban-county government, consolidated local
3 government, unified local government, charter county, or special district.

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

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

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

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

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

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

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

22 (b) The board may levy a tax upon the property in the district. The property
23 taxed shall be subject to county tax, and the tax levied by the board upon
24 creation of the district shall be approved by the county fiscal court,
25 consolidated local government, charter county government, or unified local
26 government having jurisdiction over the district at the time of passage of the
27 ordinance creating the district. Except as provided in Section 4 of this Act,

1 the tax shall not exceed ten cents (\$0.10) per one hundred dollars (\$100) of
2 valuation as assessed for county taxes, for the purpose of defraying the
3 expenses for the provision of fire services or rescue services. The rate set in
4 this subsection shall not be subject to [apply, notwithstanding the provisions
5 of] KRS 132.023.

6 (c) The district that establishes and operates an emergency ambulance service and
7 is the primary service provider in the district may levy a tax upon the property
8 in the district. The tax to be levied shall be proposed by the board, shall be
9 approved by the county fiscal court, consolidated local government, charter
10 county government, or unified local government having jurisdiction over the
11 district, and except as provided in Section 4 of this Act, the tax shall not
12 exceed twenty cents (\$0.20) per one hundred dollars (\$100) of valuation as
13 assessed for county taxes, for the purpose of defraying the expenses of the
14 provision of fire services, emergency medical services, or rescue service, or to
15 make contracts for fire protection for the districts as provided in KRS 75.050.
16 The rate set in this subsection shall not be subject to [apply, notwithstanding]
17 KRS 132.023.

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

25 (e) The rates set in this subsection shall not be subject to KRS 132.023[. Any increase
26 in excess of the annual compensating rate for the consolidated emergency services
27 district shall require the approval of the county fiscal court, consolidated local

1 ~~government, charter county government, or unified local government having~~
2 ~~jurisdiction over the district. If at any time an election resulting from a recall~~
3 ~~petition pursuant to KRS 132.017 is required, the question shall be presented to all~~
4 ~~voters in every precinct for which any part of the precinct is served by the district~~
5 ~~subject to the recall petition].~~

6 (2)~~(2)~~ If two (2) or more established consolidated emergency services merge to
7 create a new consolidated emergency services district, as authorized in this chapter,
8 the initial tax to be levied, as proposed by the board, shall be approved by the
9 county fiscal court, consolidated local government, charter county government, or
10 unified local government having jurisdiction over the district, and the initial tax
11 levied shall not exceed the highest tax rate currently levied by one (1) of the
12 merging districts. Any increase to the initial tax rate shall be subject to KRS
13 132.023. Any increase in excess of the annual compensating rate for the
14 consolidated emergency services district shall require the approval of the county
15 fiscal court, consolidated local government, charter county government, or unified
16 local government having jurisdiction over the district. If at any time an election
17 resulting from a recall petition pursuant to KRS 132.017 is required, the question
18 shall be presented to all voters in every precinct for which any part of the district
19 serves.

20 (3)~~(2)~~ The property valuation administrator of the county in which the district is
21 created, with the cooperation of the board, shall note on the tax rolls the taxpayers
22 and valuation of the property subject to such assessment. The county clerk shall
23 compute the tax on the regular state and county tax bills in such manner as may be
24 directed by regulation of the Department of Revenue.

25 (4)~~(3)~~ These taxes shall be subject to the same delinquency date, discounts,
26 penalties, and interest as are applied to the collection of ad valorem taxes and shall
27 be collected by the sheriff of the county involved and accounted for to the treasurer

1 of the district. The sheriff shall be entitled to a fee of the amount collected by him
2 or her. The fiscal court shall, by~~in the~~ ordinance ~~set forth in subsection (2) of this~~
3 ~~section~~~~] and~~ in consultation with the sheriff and the consolidated emergency
4 services district, set a collection fee for the sheriff in an amount not to exceed four
5 and one-fourth percent (4.25%).

6 ➔ SECTION 4. A NEW SECTION OF KRS CHAPTER 75A IS CREATED TO
7 READ AS FOLLOWS:

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

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

17 (b) Notification of the public hearing shall be advertised for two (2) consecutive
18 weeks in a newspaper pursuant to KRS Chapter 424 and on the website of
19 the district. If the district does not have a website, the notification shall be
20 advertised on the website of the local government in which the district is
21 located. The notification shall provide:

- 22 1. The tax rate levied for the immediately preceding calendar year, and
23 the revenue produced by that rate;
- 24 2. The tax rate proposed for the current calendar year and the revenue
25 expected to be produced by that rate;
- 26 3. A time and place for the public hearing;
- 27 4. The purpose of the public hearing;

1 5. The purpose of the tax rate increase, which shall be related to
2 protecting life and property by:

3 a. Responding to fires;
4 b. Conducting fire prevention education; or
5 c. Providing emergency medical or rescue services to the
6 community; and

7 6. A statement to the effect that the General Assembly has required
8 publication of the advertisement and the information contained
9 therein.

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

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

15 (e) Except for the rate initially levied upon the creation of the district, any
16 increase of the total tax shall not exceed the tax rate levied for the
17 immediately preceding calendar year by more than two cents (\$0.02) per one
18 hundred dollars (\$100) of assessed valuation.

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

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

25 (b) During the same forty-five (45) day time period provided by paragraph (a)
26 of this subsection, any three (3) qualified voters who reside in the district,
27 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;
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 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 district equal to at least ten percent (10%) 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 those persons eligible to vote for elective offices of the members of the board of trustees in the elections held under KRS 75A.030.

(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 those persons eligible to vote for elective offices of the members of the board of trustees in the elections held under KRS 75A.030.

(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

1 newspaper within the county in which to publish the notification, then the
2 notification shall be posted at the courthouse door.

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

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

14 (5) (a) If an election is necessary under subsection (4) of this section:

15 1. The board of trustees shall cause to be submitted to those persons
16 eligible to vote for elective offices of the members of the board of
17 trustees in the elections held under KRS 75A.030 the question as to
18 whether the property tax rate shall be levied;

19 2. This question shall be advertised in accordance with KRS 424.120 and
20 shall be advertised at least thirty (30) days prior to the election held to
21 elect the elective offices of members of the board of trustees under
22 KRS 75A.030. The question shall also appear on the website of the fire
23 protection district or volunteer fire department district. If the district
24 does not have a website, the notification shall be advertised on the
25 website of the local government in which the district is located;

26 3. The vote shall occur at the election held to elect the elective offices of
27 members of the board of trustees under KRS 75A.030 on the fourth

Saturday of June;

4. The board of trustees shall ensure that the ballots are secure and are counted and retained by two (2) or more persons who shall count and report the results to the chair of the board of trustees; and

5. All ballots and other materials pertinent to the election shall be retained by the board of trustees for twenty-two (22) months after the election day, after which time they shall be destroyed in a manner to render them unreadable by the board of trustees if no contest or recount action has been filed. The board of trustees shall, by bylaw, establish methods for contests and recount actions.

(b) In an election held under paragraph (a) of this subsection, the question shall be framed to ask whether the persons eligible to vote for elective offices of the members of the board of trustees in the elections held under KRS 75A.030 are for the levy of the property tax rate. If a majority of the votes cast upon the question oppose its passage, the measure of the board of trustees levying the tax rate shall not go into effect. If a majority of the votes cast upon the question favor its passage, the measure shall become effective.

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

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

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

1 *district has not established a final tax rate as of September 15 due to the recall*
2 *provisions of this section:*

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

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

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

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

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

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

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

16 (b) Have a continuous boundary; and

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

18 1. Impose an ad valorem tax on property in the subdistrict in addition to
19 the ad valorem tax the board imposes on property in the district as a
20 whole; and

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

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

- 1 (a) Live within the proposed subdistrict; and
- 2 (b) Own property that is located within the proposed subdistrict and is subject to
- 3 taxation by the district under KRS 75.040.
- 4 (3) The petition shall contain the name and address of each petitioner and the address
- 5 of each petitioner's property that is located within the proposed subdistrict. It shall
- 6 be in substantially the following form: "The following owners of property located
- 7 within (insert the name of the fire protection district or volunteer fire department
- 8 district) hereby petition the fiscal court to form a fire protection subdistrict located
- 9 at (insert a brief description of the location of the proposed subdistrict). The board
- 10 of trustees of (insert the name of the fire protection district or volunteer fire
- 11 department district) shall have the authority to impose a special ad valorem tax of
- 12 (insert amount, not to exceed the maximum allowed under subsection (6) of this
- 13 section) on each one hundred dollars (\$100) worth of property assessed for local
- 14 taxation in the subdistrict, in order to provide enhanced fire protection for the
- 15 subdistrict. This tax shall be in addition to the ad valorem tax imposed by the
- 16 trustees on the district as a whole."
- 17 (4) Upon receipt of the petition, the fiscal court shall hold a hearing and provide
- 18 notification in the manner required for creation of a taxing district under KRS
- 19 65.182(2) to (5). Following the hearing, the fiscal court shall set forth its written
- 20 findings of fact and shall approve or disapprove the formation of the subdistrict.
- 21 The creation of the subdistrict shall be of legal effect only upon the adoption of an
- 22 ordinance in accordance with the provisions of KRS 67.075 to 67.077. A certified
- 23 copy of the ordinance creating the subdistrict shall be filed with the county clerk.
- 24 (5) Upon the creation of a fire protection subdistrict, the trustees shall levy a tax, not to
- 25 exceed the amount stated in the petition, on the property in the subdistrict, for the
- 26 purpose of improving fire protection facilities and services in the subdistrict.
- 27 (6) The tax levied under this section, combined with the tax for fire and emergency

1 services levied on the entire district under KRS 75.040, shall not exceed:

2 (a) Ten cents (\$0.10) per one hundred dollars (\$100) of valuation as assessed for
3 county taxes if neither the fire district nor the fire subdistrict operates an
4 emergency ambulance service under KRS 75.040; or
5 (b) Twenty cents (\$0.20) per one hundred dollars (\$100) of valuation as assessed
6 for county taxes if either the fire district or fire subdistrict operates an
7 emergency ambulance service under KRS 75.040.

8 At no time shall the trustees increase either of these taxes so that the combined total
9 exceeds this limit.

10 (7) The county clerk shall add the levy to the tax bills of the affected property owners.
11 For taxing purposes, the effective date of the tax levy shall be January 1 of the year
12 following the certification and creation of the subdistrict. The tax shall be
13 administered in the same manner as the tax on the entire district under KRS
14 75.040~~[(2) and](3) and (4)~~.

15 (8) The board of trustees shall not reduce the tax rate imposed on property in the
16 district as a whole as a result of receiving extra revenue from the additional tax on
17 property in the subdistrict. The trustees shall expend the extra revenue solely on
18 improving fire protection facilities and services in the subdistrict and shall not
19 expend the extra revenue on facilities or services that are shared by the entire
20 district.

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

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

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

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