

Section 2:

Provides for the formation of a consolidated emergency services district by one of the following processes:

- **By ordinance passed by any county, consolidated local government, charter county government, or unified local government** proposing the establishment of a consolidated emergency services district and inviting any city or relevant special district to join;
- **By ordinance passed by any city** which operates a regular fire, ambulance, emergency medical service, or rescue service agreeing to the formation of a consolidated emergency services district and requesting the city's admission to a consolidated emergency services district; or
- **By resolution passed by the governing body of any fire protection district, any special district whose emergency services require a license, or any rescue squad** agreeing to the formation of a consolidated emergency services district and requesting the special district's admission to a consolidated emergency services district.

The formation of a consolidated emergency services district also entails the creation of a taxing district to support the services rendered.

Provides procedures and time lines for holding a public hearing regarding the proposed service area and the creation of the taxing district. The county clerk is responsible for scheduling the hearing once the petition from the districts wishing to consolidate is received, and notifying all necessary parties. If the ordinance passes, the county clerk shall add the levy to the tax bills of the county. The effective date of any tax levy is January 1 of the year following the creation of the taxing district.

Provides a means for an aggrieved person to contest the establishment of a consolidated emergency services district or to protest the inclusion of any local government or entity within a consolidated emergency services district by bringing an action in Circuit Court.

Provides a means for entities to become a part of a consolidated emergency services district after the creation of the district. If the parties cannot agree on the proposed merger, the question of merger shall be submitted to the voters of the district(s) at the next regular election. If the majority favor merger, the boards of the two districts or the city shall proceed with a plan of merger. If the two boards or city cannot agree to the terms of merger, the county judge/executive shall develop terms of merger. Additionally, if the independent district cannot meet its current operating expenses based on projected revenue and if the two boards cannot agree to the terms of a merger, the fiscal court shall determine if the districts should be merged and the terms thereto.

Section 3:

Provides detailed requirements regarding the board of trustees including the makeup of the board, appointment guidelines, terms, age requirements, residency, guidelines regarding electing trustees in nonpartisan elections, removal from the board, filling vacated seats, and reapportionment of districts. A quorum of the board shall consist of a majority of its members.

The board shall consist of:

- one representative appointed by the county judge/CEO of the county;
- in counties with population of less than 30,000, one representative appointed by the mayor or mayors of any city electing to join the district;
- in counties with a population of more than 30,000 and less than 70,000, one representative appointed by the mayors of each of the three largest cities to join the district*
- in counties with a population of more than 70,000, one representative appointed by the mayors of each of the four largest cities to join the district*

*If there is not a second, third, or fourth largest city to join in these districts, then the number of representatives will be determined by the number of cities that do join, up to three or four.

Section 4:

Provides guidelines for the election of president, vice president, secretary, and treasurer by the board of trustees.

Section 5:

Provides that each **appointed trustee** receives an amount up to \$100 for each day or part of a day spent in performance of his or her duties including travel time and incidental expenses.

Section 6:

Directs the county judge/executive or chief executive officer of the county to appoint an advisory committee made up of three to six members to the board and provides guidelines for the number and the makeup of committee members. Members will be reimbursed for actual expenses.

Section 7:

Directs the board of trustees to oversee the provision of emergency services and may:

- Purchase vehicles and equipment;
- To employ trained personnel;
- Adopt rules and regulations necessary to effectively and efficiently provide emergency services;
- Employ a chief;
- Compensate employees of the district;
- Apply for and receive funds from the state and federal governments;
- Acquire bequest, gift, grants, and
- To purchase any real or personal property necessary to provide emergency services.

Section 8:

Provides for three separate taxes that may be levied on a unit of property within a consolidated emergency service district. The receipts from each tax would be used to defray the ongoing cost of fire protection services, emergency services requiring a license, or rescue squad services. The rate for each tax may not exceed ten cents per \$100 of valuation, nor thirty cents per \$100 of valuation total.

If the combined total levy exceeds thirty cents per \$100 of valuation, the levy must be placed on the regular election ballot within the county of the consolidated emergency service district.

The county clerk is responsible for adding the levy to the tax bills of the affected owners. The sheriff will be responsible for collecting and distributing the funds in the same manner as the other taxes on the tax bill. Unpaid fees or charges are subject to the same penalty as general state and county taxes. The sheriff may retain up to 4.25% of the levy collected as a collection fee.

The board may propose a new public service program not included in the before-mention services which must be voted upon by the county. The proposal would appear on the next regularly scheduled November ballot and must include the proposed source of funding which will be:

- Property tax levy of a certain maximum amount of cents per \$100 valuation;
- An occupational tax; or
- A specific fee schedule identifying applicable payer and amount.

The proposal should appear on the ballot in a yes/no format (for or against the public service program).

Section 9:

Provides that the board of trustees may by resolution impose a license fee or tax upon insurance companies engaging in business within the district.

Section 10:

In counties with a population greater than 30,000 pursuant to KRS 68.197 and greater than 300,000 pursuant to KRS 68.180, the board of trustees may by resolution impose a license fee on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. The purpose of the fee would be to defray the cost of the consolidated emergency service district.

Section 11:

Requires the board of trustees to assume all the duties and responsibilities of all previous entities that are now merged. The resulting taxing districts shall continue until their indebtedness has been relieved. Any agreements established by the former entities shall remain in effect as the original terms dictate.

Section 12:

Provides that the chief of the consolidated emergency services district serves at the directive and guidance of the board and is responsible for the hiring and discipline of staff; the creation of administrative, personnel, and operational polies; and the preparation of plans for the distribution of personnel and equipment throughout the district pending the board's approval.

Section 13:

Provides guidance regarding the treatment of employees as it relates to their involvement with the County Employees Retirement System (CERS):

- If a majority of the entities entering into a consolidated emergency services district were participants in CERS, the board shall apply to become a participant in CERS.
- If a majority were not participants, then the board may apply for participation.
- Entities that were participants immediately prior to consolidation shall remain participants, and keep their existing classification of retirement tier and hazardous duty classification.
- Entities petitioning to join an existing consolidated emergency services district shall remain in the retirement system tier and classification at the time of joining the district.

The fiscal impact of HB 305 on local governments is indeterminable.

Section 2:

Costs of creating an ordinance would include the time and expense of repealing or revising an existing ordinance (if necessary), advertising the revision in a local newspaper, placing the revision on the business docket for necessary action, and printing a revised list of ordinances.

According to Kentucky League of Cities, most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting ordinances is influenced by its complexity and the amount of research that is necessary. In FY 2018, the median hourly rate was approximately \$106. Rates for legal notices vary greatly depending on the length of the publication, the number of times it needs to be published and the newspaper in which the publication is placed. Therefore, these costs are unknown.

Municipalities must revise their ordinances, at least every five years by state law, to eliminate “redundant, obsolete, inconsistent, and invalid provisions.” The cost of this mandate would be less if the repeal or revision were done in conjunction with this periodic updating of ordinances.

The county clerk will realize cost associated with scheduling the public hearing and for adding the levy to the tax bills of the affected property owners if approved by fiscal court.

Section 5 and 6:

The board of trustees will consist of two to five appointed members each one to receive an amount not to exceed \$100 for each day spent in the performance of his or her duties including travel and incidental expenses. Likewise, the advisory committee members will also be reimbursed for actual expenses.

Section 8:

Provides for the levy of a property tax. If the aggregate tax exceeds thirty cents per \$100 valuation, then the proposal must be put on the ballot of the next regularly scheduled election. According to Harp Enterprises, a vendor that provides electronic voting machines to 96 Kentucky counties, the costs would range from \$15 per precinct for larger counties such as Fayette with 291 precincts to \$45 per precinct for counties such as Franklin with 44 precincts.

The sheriff of the county containing the consolidated emergency service district will be compensated up to 4.25% of the property tax levied for collecting the tax.

Section 10:

There would be cost to the imposition of a license fee. Any estimate on this would necessitate more information regarding how the fee would be administered.

Section 13:

Provides guidelines for participation in the County Employees Retirement System. If previously a member of CERS, the related payments into the system should remain unchanged. However, if a majority were not participants, then the board may apply for participation and the related payments into the system would be a new expense.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to HB 305 as introduced.

Data Source(s): LRC Staff, Harp Enterprises, Kentucky League of Cities

Preparer: Wendell F. Butler **Reviewer:** _____ **Date:** _____