
Local Government Committee

HB 2767

Brief Description: Authorizing the creation of municipal fire districts.

Sponsors: Representatives Van De Wege and Armstrong.

Brief Summary of Bill

- Authorizes the creation of a municipal fire district (MFD) by a city and subject to voter approval.
- Establishes procedures and requirements for transferring the powers, duties, and functions of a city fire department to a newly established MFD.
- Provides a MFD with the authority to levy taxes and impose benefit charges.

Hearing Date: 2/15/12

Staff: Kelly Pfundheller (786-7289).

Background:

Special Purpose Districts.

State law provides for the establishment, management, operation, and funding of numerous special purpose districts. Special purpose districts are authorized to provide a single function, or limited number of functions, separate from the general purpose local government.

Fire Protection and Emergency Service Providers.

State law authorizes the creation of several types of fire protection and emergency service providers in order to address the varying needs of cities, towns, and counties as determined by demographic factors, geography, and other regional differences. The primary types of fire protection service providers include: city and town fire departments; fire protection districts (districts); and regional fire protection service authorities (authorities). Generally, city and town fire departments serve incorporated areas. Districts and authorities serve unincorporated areas,

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except when cities and towns have been annexed into a district or authority or when the district or authority continues to provide service to a newly incorporated area.

Each type of fire protection service provider operates within a specified jurisdiction and each has the authority to tax residents to finance services. In addition, fire protection service providers are authorized to enter into interlocal agreements in order to provide mutual aid outside of customary jurisdictional boundaries.

Summary of Bill:

Municipal Fire District - Authorization and Territory.

A new type of special purpose district — called a municipal fire district (MFD) — is established. A MFD may be created for the purpose of replacing a city fire department and to provide for fire protection services, fire suppression services, emergency medical services, and the protection of life and property. The boundaries of a MFD must be coextensive with the boundaries of the city or town. If a MFD is formed, territory annexed to a city becomes part of the MFD as of the date the annexation becomes effective.

Planning Committee and Election.

A city may initiate the formation of a MFD by convening a planning committee to develop and adopt a plan. Requirements pertaining to a planning committee's membership are established. The plan must contain several specified elements. The planning committee must recommend revenue sources which may include benefit charges, property taxes, or both. The planning committee is also tasked with defining the composition of the board and providing for the election of MFD commissioners.

Once adopted, the plan must be forwarded to the city legislative authority to initiate the election process. The voters may, by majority vote, approve or reject a single ballot measure that approves both the formation of the MFD and the plan. However, if the plan authorizes the MFD to impose benefit charges or property taxes requiring a 60% approval of the voters, the ballot measure must be approved by 60 percent of the voters.

Upon voter approval, county election officials must certify the results. Persons may challenge the results within 30 days of the final certification by writing to the attorney general and the prosecuting attorneys of the affected counties.

Transfer of Powers and Governance.

All powers, duties, and functions of the city pertaining to fire protection and emergency services must be transferred to the MFD on its formation date. All property employed by the city's existing fire department in carrying out the fire protection and emergency service powers, functions, and duties, must be transferred to the MFD. All funds, credits, and other assets held by the city in connection with fire protection emergency services powers must also be transferred and credited to the MFD. The transfer of powers, duties, functions, and personnel does not affect the validity of any act performed before the date of the MFD's formation.

All employees of the city's existing fire department are transferred to the jurisdiction of the MFD. A transfer does not affect existing collective bargaining agreements. Upon formation, a MFD is deemed to be the legal successor to the city for all collective bargaining agreements in place between the city and an existing collective bargaining unit pertaining to the provision of fire protection and emergency medical services.

The board is the governing body of the MFD and must consist solely of elected officials. The board is responsible for the execution of the voter-approved plan. The board's duties include the powers to:

- levy and impose taxes as authorized;
- enter into intergovernmental agreements;
- accept grants and contributions to support the purposes of the authority;
- monitor and audit the progress and execution of the authority's programs and projects;
- enter into leases, contract, and pay for services; and
- hire and fire personnel.

Finances.

A MFD may impose three regular property tax levies of 50 cents each for every \$1,000 of assessed property value. Voters may also approve excess levies at a special election. Certain conditions and limitations relating to tax levies are established.

A MFD may also impose a benefit charge. A benefit charge is a type of assessment that is not based on the value of real property, but is instead linked to other factors such as insurance savings or the distance from fire service facilities. The imposition of a benefit charge is subject to voter approval by a 60 percent majority of the voters living within the jurisdiction. Procedures and deadlines for notice of and public hearings on a proposed benefit charge are established. Exemptions from the benefit charge are also set forth.

The MFD may issue its own debt and notes, and may also pledge revenues and taxes to pay for obligations. The MFD may incur general indebtedness and issue general obligation bonds to be paid by voter-approved excess property tax levies.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.