Taxing District Ordinance Versus Subscription Fee Ordinance

Taxing District

Fiscal court can pass a special taxing district ordinance on all taxable properties of up to 10 cents per $100 dollars of property value. \*Example 6 cent per 100 tax on a $150,000 property would be $90.00

KRS 65.182

This district would be financially overseen by a 7-member board which would be made up of (3) members appointed by fiscal court, (2) members elected from the community, and (2) members that are firefighters elected by the fire department.

This board would set the line item budgets, spending parameters and spending limits upon which the department operates, anything over the limits would have to have board approval/budget amendment.

The tax would be added to all county tax bills only, city tax bills will not have it added, \*note those that do live within city limits receive two tax bills every year, a county tax bill, and a city tax bill.

Sheriff collects the tax, issues monthly checks, and entitled to a 1% collection fee of monies collected.

No opt out clause.

Department would be reorganized into a KRS Chapter 75 fire department.

Can also add a tax onto motor vehicles and tangible property, and PSC’s-franchise

\*See KIPDA report for more information related to taxing district.

Subscription Fee

Fiscal court can enact ordinance to require the annual subscription fee be added to property deeds.

KRS 75.450 and 273.401

Fire Department would have financial reporting responsibility to the fiscal court as set forth in the ordinance.

The fee would be added to all county tax bills only, city tax bills will not have it added, \*note those that do live within city limits receive two tax bills every year, a county tax bill, and a city tax bill.

Sheriff collects the fee, issues monthly checks, and entitled up to a 4.25% collection fee of monies collected, rate set in coordination with the fire department and sheriff.

Opt-out clause.

Department would maintain status as a KRS Chapter 273 fire department.

Reasons Why This Is Being Proposed

Dedicated income to operate, maintain, and improve the fire department.

Will remove the need for department to have to fundraise to operate.

Constant fundraising has been a major cause for volunteer burnout and people leaving.

Will allow for ability for capital improvement/replacement of aging equipment/PPE/vehicles.

Not having to fundraise will allow more time for the department to do training, be more involved in the community with special events, outreach, crusade for children, etc.

Key Notes to Consider

Property values and number of parcels tend to increase year over year.

A tax on property value will more equally distribute the taxable income, example at 6 cents per 100, someone owning $500,000 in property will pay $300 in tax versus someone owning $100,000 in property would pay $60 in tax.

Subscription fee per property would be set at a set rate, regardless of property value, if you own 1 property deed at $50 per deed you pay $50, if you own 6 property deeds at $50 per deed you pay $300

Subscription drive return by years listed: for Milton Fire Department

2020- 405 $21,980

2021- 399 $21,500

2022- 366 $20,870 of the 366 returned, 199 of them were for $50 or higher, not the $40 minimum

2023- 383 $22,310 (returns year to date as of 2-23-24) (18.75% return)

(2042) were sent out in the mail for 2023 drive

Current county donation of $40,000/year and city donation of $15,000/year will most likely be eliminated so tax rate/subscription rate will have to be set high enough to cover this loss of income but still allow for capital improvements and operation of the department, \*see the proposed current and 3-year budget projection rates for comparisons.

Billing- With the current annual voluntary subscriber fee drive that is sent out, a non-paying property owner can be billed for services rendered by the fire department based upon type of response and length of response. With adding either of the above options, a person would no longer be at risk of being billed for fire department responses. Out of county persons and companies would continue to be billed for any incidents they cause within Trimble County.