

Introduced _____
Public Hearing _____
Council Action _____
Executive Action _____
Effective Date _____

County Council Of Howard County, Maryland

2012 Legislative Session

Legislative Day No. 3

Bill No. 9 -2012

Introduced by: The Chairperson at the request of the County Executive

AN ACT repealing the requirement that the County fire and rescue tax be based on separate districts; removing certain obsolete language; making certain technical corrections; providing for the application of this Act; providing that this Act may be construed to apply only prospectively and may not be construed to apply to certain matters arising before a certain date; and generally relating to the County fire and rescue tax.

Introduced and read first time _____, 2012. Ordered posted and hearing scheduled.

By order _____
Stephen LeGendre, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2012.

By order _____
Stephen LeGendre, Administrator

This Bill was read the third time on _____, 2012 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Stephen LeGendre, Administrator

Sealed with the County Seal and presented to the County Executive for approval this ___ day of _____, 2012 at ___ a.m./p.m.

By order _____
Stephen LeGendre, Administrator

Approved/Vetoed by the County Executive _____, 2012.

Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **WHEREAS**, in 1955 the General Assembly established a Fire Tax in Howard County – now
2 known as the Fire and Rescue Tax – in order to provide a source of funds for volunteer fire companies,
3 which at that time were the only fire-fighting services in the county; and
4

5 **WHEREAS**, at that time there were six volunteer fire companies in the county, with each
6 company operating in a separate district and submitting a budget to the County Commissioners, and with
7 the Commissioners using those budgets to set different Fire Tax rates for each district; and
8

9 **WHEREAS**, in the 1970's the Department of Fire and Rescue Services (“Department”) began to
10 hire full-time, paid uniformed personnel which created a combination system that uses both full-time, paid
11 uniformed personnel and volunteers; and
12

13 **WHEREAS**, in 1992, a Fire Tax Committee jointly appointed by the County Executive and
14 County Council found that inequities existed in the district system, including that: 1) the rate of the Fire
15 Tax depended on the assessable base in each district; 2) emergency services were provided across district
16 boundaries and residents throughout the county received substantially equal emergency services, with the
17 result that districts with lower rates were being subsidized by districts with higher rates; and 3) the planned
18 construction of a new fire station would result in that district's Fire Tax being set at an unacceptably higher
19 rate than the other districts' rates; and
20

21 **WHEREAS**, as a result of these findings, the Fire Tax Committee recommended that the County
22 reduce the number of districts from six to two, with a rural district and a metropolitan district, and make
23 certain other changes; and
24

25 **WHEREAS**, the County concluded that the Fire Tax Committee's findings justified complete
26 elimination of the district system of the Fire Tax and, believing that General Assembly approval was
27 needed for that action, sought such approval from the Howard County Delegation but did not receive it; and
28

29 **WHEREAS**, in fact, elimination of the district system from the Fire and Rescue Tax the County
30 does not require General Assembly approval, because State law (Article 25A, § 5, subsections (A) (1) and
31 (O)) provides the necessary authority; and
32

33 **WHEREAS**, The County Executive believes that the findings of the Fire Tax Commission remain
34 relevant, that all citizens in Howard County can expect and will receive the same services, and that
35 therefore elimination of the district system from the Fire and Rescue Tax is in the best interests of the
36 County and its residents, and has recommended this Act to the County Council.
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NOW, THEREFORE,

Section 1. Be It Enacted by the County Council of Howard County, Maryland, that the Howard County Code is amended as follows:

By amending:

Title 17. Public Protection Services.

Subtitle 1. Fire and Rescue Services.

Section 17.102. Fire and Rescue Tax.

By amending:

Title 17. Public Protection Services.

Subtitle 1. Fire and Rescue Services.

Section 17.103. Payments to Volunteer Fire Companies.

Subsections (a) through (j)

By renumbering:

Title 17. Public Protection Services

Subtitle 1. Fire and Rescue Services.

Section 17.103. Payments to Volunteer Fire Companies

Subsection (k) to be Subsection (h)

Title 17. Public Protection Services.

Subtitle 1. Fire and Rescue Services.

Section 17.102. Fire and Rescue Tax.

(a) Purpose of Tax:

[[(1)]] The purpose of the fire and rescue tax is to fund[[, together with other revenues appropriated under paragraph (2) of this subsection,] the operating and capital costs[[, including payments to volunteer fire corporations,]] to provide fire and emergency services in the County.

[[(2)]] In addition to the fire and rescue tax, the County may appropriate general fund revenues to cover all or part of central administration and operational costs.]]

(b) Definitions. In this section, the following terms have the meanings indicated.

(1) [[*Central administration and operational costs* means the costs of administering the Department of Fire and Rescue Services, including, but not limited, to space, administrative staff, telephones, and information systems and processing, and the costs of operating the Department of Fire and Rescue Services, including but not limited to the

1 costs of space, staff, firefighting equipment, communications equipment, public
2 education, training, and supplies.

3 (2)] *LOSAP* means the length of service award program for volunteer firefighting/emergency
4 medical service personnel.

5 [(3)](2) *Volunteer member benefit costs* mean the costs to the County, other than the payments
6 to the volunteer fire corporations, of volunteer members, including but not limited to,
7 *LOSAP* payments, life insurance, and [[workmen's]] WORKERS' compensation insurance.

8 (c) *Fire and Rescue Tax Authorized*. There is a fire and rescue tax. All assessable property in the County is
9 subject to the fire and rescue tax.

10 (d) [*Fire and Rescue Tax Districts*. Howard County has a Metropolitan Fire and Rescue Tax District and a
11 Rural Fire and Rescue Tax District.

12 (1) *Metropolitan Fire and Rescue Tax District*. The Metropolitan Fire and Rescue Tax
13 District includes all property which lies within the exterior boundaries of the planned
14 service area for water and sewer, including:

15 (i) Parcels which are not in the planned service area for water and sewer, but are
16 entirely surrounded by property in the planned service area for water and sewer;
17 and

18 (ii) Parcels in which 50 percent or more of the parcel is within the exterior
19 boundaries of the planned service area for water and sewer.

20 (2) *Rural Fire and Rescue Tax District*. The Rural Fire and Rescue Tax District includes all
21 property which lies outside the exterior boundaries of the planned service area for water
22 and sewer, including parcels in which less than 50 percent of the parcel is within the
23 exterior boundaries of the planned service area for water and sewer.

24 (e)] *Rate*:

25 (1) The tax [[in each fire and rescue district]] shall be sufficient, together with other available
26 revenues specifically dedicated to fire and rescue activities [[and with general fund
27 revenues appropriated to cover all or a part of central administration and operational
28 costs,]] to fund [[the district's share of]] the County's total costs for fire and rescue
29 services. [[A district's share of those costs is]] A PORTION OF THOSE COSTS ARE based on
30 the following:

31 (i) Payments to the volunteer fire corporations [[in the district]]; AND

32 (ii) Volunteer member benefit costs [[attributable to the district; and

33 (iii) A portion of the central administrative and operational costs that are not funded
34 from general fund revenues. The portion shall be equal to the County's
35 assessable base divided by the district's assessable base]].

36 (2) When the County Council adopts the annual budget and appropriation ordinance, it shall
37 levy the fire tax on all assessable property subject to the fire tax and set the rate for real

1 property (except operating real property defined in Section 8-109 of the Tax-Property
2 Article of the Annotated Code of Maryland) subject to the fire tax. [[Chapter 80 of the
3 Acts of the General Assembly of 2000 requires that the County set a separate rate for real
4 property, except operating real property defined in Section 8-109 of the Tax-Property
5 Article of the Annotated Code of Maryland, and that the rate for taxable personal
6 property and operating real property as defined in Section 8-109 of the Tax-Property
7 Article of the Annotated Code of Maryland be two and one-half times the rate the County
8 sets for real property.]]

9 [(3) The fire tax rate in any fire and rescue district shall not exceed 15.2 cents on every
10 \$100.00 of the assessment on real property, except operating real property defined in
11 Section 8-109 of the Tax-Property Article of the Annotated Code of Maryland.]]

12 (E) THE TAXES AUTHORIZED UNDER THE PROVISIONS OF SUBSECTION(A) SHALL BE COLLECTED IN THE SAME
13 MANNER AS OTHER COUNTY TAXES ARE COLLECTED.

14 (F) IF A PROPERTY OWNER FAILS TO PAY THE FIRE TAX WHEN DUE AND PAYABLE, THE UNPAID TAX:

- 15 (1) SHALL BE A LIEN ON ALL REAL PROPERTY BELONGING TO THE PERSON REQUIRED TO MAKE
16 PAYMENT;
- 17 (2) SHALL BE COLLECTIBLE IN THE SAME MANNER AS ANY CIVIL MONEY JUDGMENT OR DEBT
18 MAY BE COLLECTED; AND
- 19 (3) SHALL ACCRUE PENALTIES AT THE SAME RATE AND IN THE SAME MANNER AS THE
20 ACCRUAL OF INTEREST AND PENALTIES FOR UNPAID REAL PROPERTY TAXES.

21
22 **Section 17.103. -- Payments to volunteer fire corporations.**

23 (A) THE COUNTY RECOGNIZES SIX VOLUNTEER FIRE CORPORATIONS IN THE COUNTY, AS FOLLOWS:

- 24 (1) THE ELKRIDGE VOLUNTEER FIRE DEPARTMENT, INC.
- 25 (2) THE ELLICOTT CITY VOLUNTEER FIREMEN'S ASSOCIATION, INC.
- 26 (3) THE WEST FRIENDSHIP VOLUNTEER FIREMEN'S ASSOCIATION, INC.
- 27 (4) THE LISBON VOLUNTEER FIRE COMPANY, INC.
- 28 (5) THE FIFTH DISTRICT VOLUNTEER FIRE DEPARTMENT, INC.
- 29 (6) THE SAVAGE VOLUNTEER FIRE COMPANY, INC.

30 ([[a]]B) The County Executive of Howard County is authorized and empowered to [[pay]] GRANT,
31 annually to the volunteer fire corporations in [[each of the fire districts of]] Howard County, SUPPORT for
32 operating and maintenance expenses[[, a sum not to exceed \$2,000.00; and for that purpose the County
33 Council is authorized to levy an annual tax on all of the taxable property of Howard County]].

34 [(b) The County Council of Howard County is authorized and empowered to levy annually a fire tax upon
35 all assessable property in each of the fire districts of Howard County. The fire tax is for the purpose of
36 providing fire suppression, prevention, and related functions, and emergency medical services in the fire
37 districts, and such additional funds as may be required by the volunteer fire corporation.]]

1 (c) The volunteer fire corporations shall file with the County Executive (in the form and at the time
2 prescribed by the Budget Officer) a budget for the ensuing fiscal year detailing their anticipated revenues,
3 operating expenses and capital expenditures from fire taxes and transfer tax for fire suppression, prevention
4 and related functions, and emergency medical services, for which they are responsible. The budget shall be
5 accompanied by a current fiscal financial report.

6 (d) The County Executive shall determine what amounts are required to provide fire suppression,
7 prevention and related functions, and emergency medical services [[in the fire districts of Howard
8 County,]] and to fund the additional requirements of the volunteer fire corporations and shall include those
9 amounts in his budget submitted to the County Council.

10 [[(e) No funds realized from the fire tax in any particular fire district of Howard County shall be used for
11 any purpose other than for fire suppression, prevention, and related functions, and emergency medical
12 services within the fire district. The County Council may specifically authorize the use of all or any
13 designated part of the fire tax for capital improvements.]]

14 ([[f]]E) [[Payments]] GRANTS to the volunteer fire corporations SHALL BE MADE [[will be made at such
15 time(s) and in such installment(s)]] as the County Executive deems proper.

16 [[(g) The taxes hereby authorized under the provisions of subsection(a) shall be collected in the same
17 manner as other County taxes are collected.]]

18 ([[h]]F) The County Council is authorized to conduct periodic audits of any or all of the volunteer fire
19 corporations of Howard County, and to employ or contract any certified public accountant or firm to
20 conduct the audits. The County Executive is authorized to establish rules and procedures regulating the
21 method(s) of keeping books of account in accordance with proper accounting procedures. The County
22 Executive is authorized to require the bonding of any member or employee of a volunteer fire corporation
23 entrusted with goods or moneys or both.

24 [[(i) The County recognizes six Volunteer Fire Corporations in the County, as follows:

- 25 (1) The Elkridge Volunteer Fire Department, Inc.
- 26 (2) The Ellicott City Volunteer Firemen's Association, Inc.
- 27 (3) The West Friendship Volunteer Firemen's Association, Inc.
- 28 (4) The Lisbon Volunteer Fire Company, Inc.
- 29 (5) The Fifth District Volunteer Fire Department, Inc.
- 30 (6) The Savage Volunteer Fire Company, Inc.]]

31 [[(j)]G) The County recognizes the Howard County Volunteer Firemen's Association, Inc. as the
32 organization empowered to represent and enter into legally binding agreements on behalf of any or all of
33 the volunteer fire corporations listed in subsection ([[i]]A) above, as so designated by any or all of these fire
34 corporations. The provisions of this subsection shall be effective until May 1, 1998.

35
36 **Section 2. And Be It Further Enacted** by the County Council of Howard County, Maryland, that
37 notwithstanding Section 3 of this Act, the provisions of this Act shall:

- 1 A. *Apply to all taxable years beginning after June 30, 2012; and*
2 B. *Be construed to apply only prospectively and may not be applied or interpreted to have any effect*
3 *or application to any payment, transaction, cause of action, or other matter arising on or before*
4 *June 30, 2012.*

5

6 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County, Maryland, that this Act
7 *shall become effective 61 days after its enactment.*