

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 0807-01
Bill No.: HB 176
Subject: Fire Protection: Certain Cities, Annexation
Type: Original
Date: March 7, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Jefferson County Commission** assume no fiscal impact.

Officials of the **Hillsboro Fire Protection District** assume no fiscal impact.

Oversight assumes the following procedure would occur in Jefferson County whenever a municipality annexes territory being served by a fire protection district:

1. The fire protection district would continue providing fire protection .to the annexed area.
2. The city would not have the expense of providing fire protection to the annexed area.
3. The city would begin receiving property taxes from the annexed area.
4. The city would pay annually to the fire protection district an amount equal to what the fire protection district would have levied on all taxable property in the annexed area.
5. The tax rate computed would include bonded indebtedness incurred subsequent to the annexation, but would not include any portion of the tax rate for bonded indebtedness incurred prior to the annexation.

ASSUMPTION (continued)

Oversight assumes the procedure would not have any fiscal impact for both the city and the fire protection district.

Oversight assume no state fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2006	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006	FY 2007	FY 2008
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ANNEXING CITIES IN JEFFERSON COUNTY

<u>Income</u> to City from property tax from annexed area	Unknown	Unknown	Unknown
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<u>Cost</u> to City reimbursing fire protection district for loss of tax revenue	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO ANNEXING CITY *	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FIRE PROTECTION DISTRICTS IN JEFFERSON COUNTY

<u>Income</u> to Fire Protection Dist. from city reimbursement of lost taxes due to annexation	Unknown	Unknown	Unknown
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<u>Cost</u> to Fire Protection Dist. providing fire protection to annexed area	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT TO FIRE
PROTECTION DISTRICTS IN
JEFFERSON COUNTY ***

\$0

\$0

\$0

*** The annexing municipality would pay annually to the fire protection district an amount equal to that which the fire protection district would have levied on all taxable property within the annexed area.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

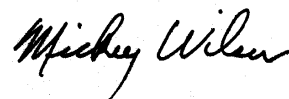
This bill allows fire protection districts in Jefferson County that serve areas annexed by municipalities with fire departments to continue to serve the annexed areas. The annexed areas receiving the fire protection service will not be subject to taxation by the fire protection districts except for prior bonded indebtedness. Residents of the annexed areas can vote in fire protection district elections and serve on the boards of directors. The annexing municipalities must annually pay the fire protection districts an amount equal to what the districts would have levied on the annexed areas.

The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Jefferson County Commission
Hillsboro Fire Protection District



Mickey Wilson, CPA
Director
March 7, 2005