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COMMONWEALTH OF KENTUCKY
BUTLER COUNTY FISCAL COURT
ORDINANCE NUMBER 2016-_____

**AN ORDINANCE REGULATING THE COLLECTION OF ANNUAL
MEMBERSHIP DUES/SUBSCRIBER FEES FOR VOLUNTEER FIRE
DEPARTMENTS WITHIN BUTLER COUNTY KENTUCKY**

WHEREAS, pursuant to KRS 67.327, KRS 75.450, KRS 273.401, and all other applicable laws, the Fiscal Court of Butler County is allowed to adopt an Ordinance requiring the annual membership dues/subscriber fees for volunteer fire departments to be added to the property tax bills; and,

WHEREAS, it is the desire of the Butler County Fiscal Court to better equip and train the volunteer fire departments of Butler County; and,

WHEREAS, the Butler County Fiscal Court believes it is in the best interests of the general public, property owners, and the volunteer fire departments located within Butler County, to adopt this Ordinance.

NOW THEREFORE, BE IT HEREBY ORDAINED BY THE FISCAL COURT OF BUTLER COUNTY, KENTUCKY that the membership dues/subscriber fees for the volunteer fire departments operating in Butler County shall be placed upon the tax bills for collection.

Section 1. DEFINITIONS: For the purpose of this Ordinance, the following terms shall be deemed to have the meaning indicated below:

- a. Property Owner- Any person owning real property in Butler County eligible to receive a Butler County real property tax bill or being the

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title holder of a mobile home, manufactured home, or structure that resides upon real estate located in Butler County, if the real estate upon which the mobile home, manufactured home, or structure is located is held in title by another person. A person owning property in Butler County who does not receive a tax bill by reason of a low assessment, the homestead exemption, or a disability exemption shall be included in the definition of property owner.

- b. Property-Properties- refers to a parcel of real property, a mobile home, a manufactured home, or a structure located in Butler County owned by a property owner which is subject to a Butler County property tax bill.
- c. District- Fire District-Fire Department- refers to any or all of the Volunteer Fire Departments located within Butler County, Kentucky, those districts being:

First District/Morgantown Fire District

Second District Fire District

Third District/Rochester Fire District

Fourth District Fire District

Fifth District/Gilstrap Fire District

Bear Creek Fire District

Beaver Dam/Cromwell Fire District

- d. Membership Dues/Subscriber Fees- Fees or dues which are levied by a volunteer fire department in order to provide fire

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protection services in lieu of assessing a charge for fire protection services actually performed.

Section 2. ASSIGNMENT OF PROPERTIES TO FIRE DISTRICT: Properties located in Butler County will be assigned to a particular fire district for the purposes of this Ordinance. For the purposes of determining in which district a property is located, the Barren River Area Development District fire district mapping system and input from the fire chiefs from the volunteer fire departments shall be utilized to determine in which fire district a property will be assigned. For any property straddling a boundary line, the property will be assigned to the district in which the greater portion of the property is located. Any disagreements shall be resolved by the Property Valuation Administrator whose decision shall be final. All fire chiefs of the volunteer fire departments will agree upon and sign a property map to be maintained by the Butler County Property Valuation Administrator acknowledging the property assignments.

Section 3. MEMBERSHIP DUES/SUBSCRIBER FEES: For purposes of this ordinance the following membership dues/subscriber fees shall be imposed and collected.

- a. A membership dues/subscriber fee of twenty-five dollars (\$25.00) shall be added to the property tax bills of every property owner in Butler County for every property of record in the office of the Butler County Clerk and upon the property tax bills of every property owner being the title holder of a mobile home, manufactured home, or

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structure that is located upon real estate located in Butler County, if the real estate upon which the mobile home, manufactured home, or structure is located is held in title by another person. Properties, mobile homes, manufactured homes, or structures located in the incorporated geographical limits of the City of Morgantown shall be excluded from this Ordinance. Properties, mobile homes, manufactured homes, or structures located in the incorporated geographical limits of the City of Woodbury shall be excluded from this Ordinance.

- b.** No property owner shall be charged for more than two pieces of property (i.e. two tax bills) within each fire district. However, the existence and payment of membership dues/subscriber fees in one fire district will have no bearing upon the payment of membership dues/subscriber fees in another district. (Hence, if a property owner pays for two properties in one district, the property owner would also pay for up to two properties he owns in a different fire district).
- c.** No membership dues/subscriber fees shall be assessed against any property owned by a governmental entity, churches, cemeteries, public schools, fire departments, non-profit civic organizations, or any properties designated as tax exempt by the Kentucky Department of Revenue.
- d.** Membership dues /subscriber fees may only be raised or lowered by the Butler County Fiscal Court upon petition of a majority of the existing

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volunteer fire departments in Butler County.

- e. All membership dues/subscriber fees for Volunteer Fire Departments referenced herein shall not be seen as mandatory. Each taxpayer, however, will be required to pay the fees at the time the property tax bill is due at the Office of the Butler County Sheriff. The Butler County Sheriff cannot accept partial payment for taxes and thus the fire dues must be paid in full at the time the tax bill is due. The property owner may, however, after paying the membership dues/subscriber fees owed on the tax bill(s), choose to opt out of membership by completing the attached form, (attached for reference as referenced s Exhibit 1). The attached form must be submitted (along with proof of payment of the fees) to the individual volunteer fire department prior to March 1st of the year following the tax year in question for the request to be processed. Each individual volunteer fire department shall refund the monies paid to the property owner within thirty (30) days of receiving the form.
- f. Penalties Pursuant to KRS 67.327, KRS 75.450, and KRS 273.401 any unpaid membership dues/subscriber fees shall bear the same penalty as general state and county taxes. Unpaid membership dues/subscriber fees shall constitute a lien on the property against which it is levied from the time of the levy.

Section 4. COLLECTION AND ENFORCEMENT: For the purposes of this

Ordinance the following duties shall be established and the membership dues/

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subscriber fees shall be collected as follows:

- a. Property Valuation Administrator- The Butler County Property Valuation Administrator shall have the duty of placing the membership dues/subscriber fees upon the property tax bills, for all property owners owning property located in Butler County, (excepting those properties within the incorporated city limits of the City of Morgantown, further excepting those properties within the incorporated city limits of the City of Woodbury, and further excepting those properties designated as exempt under Section 3(c) above). The Property Valuation Administrator shall further restrict the placement of the membership dues/subscriber fees to no more than two properties per fire district per property owner. The Property Valuation Administrator shall resolve any disputes with regard to the assignment of any particular property to any particular fire district. The membership fees shall be separate from taxes owed, so as to allow the property owner the ability to ascertain the amount owed.
- b. Butler County Sheriff- The Butler County Sheriff shall have the duty of collecting the membership dues/subscriber fees while collecting all taxes listed on the property tax bill. Upon collection, the Butler County Sheriff has the duty then to distribute the collected fees to the volunteer fire departments. The Butler County Sheriff shall distribute the funds to the fire district in which the property is located.

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For purposes of determining in which fire district a property is located, the listing prepared pursuant to section two of this Ordinance (Assignment of Properties to Fire District) shall be the determining factor. The Butler County Sheriff shall pay all membership dues/subscriber fees collected for properties in the Bear Creek Fire District to the Fourth District Fire Department. The Butler County Sheriff shall pay all membership dues/subscriber fees collected for properties in the Beaver Dam/Cromwell Fire District to the Fifth District Fire Department. The Butler County Sheriff may retain a collection fee of 4.25% of all membership dues/subscriber fees collected.

Section 5. OBLIGATIONS OF FIRE DISTRICTS:

- a. Payment to Property Valuation Administrator- Each fire district shall remit to the Butler County Property Valuation Administrator's office an administrative fee in the amount of 1% of all membership dues/subscriber fees collected. The administrative fee shall be remitted by the fire district to the Property Valuation Administrator within thirty (30) days of receipt of the funds from the Butler County Sheriff.
- b. Refunds- For any property owner "opting out" pursuant to Section 3 (e), each district shall be required to refund directly to the property owner the dues paid within thirty (30) days of receipt of the form described in Section 3 (e). Each fire district shall provide a written list of all property owners

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that have opted out of paying dues to the Property Valuation Administrator by the last day of May, so that no fees will appear on any future tax bills of that property opted out by the property owner.

- c. Accounting- Each volunteer fire department shall provide an accounting to the Butler Fiscal Court on a quarterly basis (March 31st, June 30th, September 30th and December 31st). Said accounting shall show all deposits made including the source of each deposit. Further the accounting shall show all disbursements including to whom the disbursement was made and information concerning the reason for the disbursement.
- d. Audit- The Butler County Fiscal Court may audit the financial records of any district at any time with one half of the cost of the audit to be borne by the Butler County Fiscal Court and one half of the cost of the audit to be borne by the individual district. The Butler County Fiscal Court shall be responsible for choosing the auditor to be used.
- e. Insurance- Each district shall budget so as to pay its proportionate share of the insurance premiums for any countywide insurance coverage maintained by the Fiscal Court. The county will establish each district's proportionate share of any premiums. Premium payments shall be paid within thirty (30) days of being billed.
- f. KRS chapter 65 (A)- Each district shall comply with any requirements mandated by the provisions of KRS chapter 65 (A) Special Purpose Governmental Entities.

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- g.** Revocation- A district's right to have its fees added to the property tax bills may be revoked by the Butler Fiscal Court upon the following grounds:
- i.** The expenditure of annual membership fees as herein provided for non-fire related equipment or activities. Payment or compensation to volunteer fire fighters, shall be prohibited; however, payment for reasonable benefits or a nominal fee to volunteer fire fighters when benefits and fees do not constitute wages or salaries under KRS Chapter 337 and are not taxable as income to the volunteer fire fighters under Kentucky or Federal income tax laws shall be permitted.
 - ii.** Failure of the district to provide fire protection services to its subscribers.
 - iii.** Dissolution of the district.
 - iv.** Failure to abide by any of the obligations as contained in Section 5 of this Ordinance.
- h.** Each district receiving fees pursuant to this Ordinance shall take such steps as are necessary to invite the magistrate of the magisterial district in which the fire department is located to serve as a voting member on its Board of Directors.
- i.** Savings and minimum balance- Each volunteer fire department shall

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budget so as to maintain a savings mechanism for the purpose of having funds to use as a match for matching grants. The recommendation is that each volunteer fire district budget such that funds are accumulated in a savings account at a minimum level of \$1,000.00 per year until there is an accumulated savings of \$25,000.00.

j. With regard to the Fourth District Fire Department, it is contemplated that the Butler County Sheriff will be paying the fire dues/subscriber fees upon properties located in the Bear Creek Fire District to the Fourth District Volunteer Fire Department. After deducting the amount due the Butler County Property Valuation Administrator under Section 5 (a) of this Ordinance the Fourth District Volunteer Fire Department is directed to forward said amounts to the Bear Creek Fire Department. Other than the deduction for the payment to the Butler County Property Valuation Administrator, there should be no further deductions including but not limited to any deduction for insurance under Section 5 (e). All amounts owed shall be paid to the appropriate fire district by May 1st of each year and within thirty (30) days of receipt for any monies received between May 1 and September 30.

k. With regard to the Fifth District Fire Department, it is contemplated that the Butler County Sheriff will be paying the fire dues/subscriber fees upon properties located in the Beaver Dam/Cromwell Fire District to the Fifth District Volunteer Fire Department. After deducting the amount due the

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Butler County Property Valuation Administrator under Section 5 (a) of this Ordinance the Fourth District Volunteer Fire Department is directed to forward said amounts to the Bear Creek Fire Department. Other than the deduction for the payment to the Butler County Property Valuation Administrator, there should be no further deductions including but not limited to any deduction for insurance under Section 5 (e). All amounts owed shall be paid to the appropriate fire district by May 1st of each year and within thirty (30) days of receipt for any monies received between May 1 and September 30.

6. **NOTICE:** All property owners who "opt-out" of the membership are specifically put on notice, pursuant to KRS 75.450, that should a fire, or other non-medical incident, occur on his/her property, the property owner could face charges from the district of a minimum of \$500.00.
7. **OPT-IN:** Any property owner who desires to have fire membership dues/subscriber fees added to a tax bill may do so by filing a Petition to "Opt-In" (attached for reference as Exhibit 2) with the Butler County Property Valuation Administrator's office.
8. **SEVERABILITY:** The provisions of this ordinance are severable. If any sentence, clause or section or part of this ordinance or the application thereof, is for any reason found to be unconstitutional or invalid, such unconstitutionality or invalidity shall not affect or repeal any of the remaining sentences, clauses or sections, or parts of this ordinance.

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9. **CONFLICTS:** All other ordinances or parts thereof, in conflict, therewith, are to the extent of such conflict, hereby repealed.
10. **EFFECTIVE DATE:** This ordinance shall become effective immediately upon passage and publication.

The first reading of this Ordinance was held at the meeting of the Butler Fiscal Court on the 8 day of August, 2016.

Initial publication of the Ordinance occurred in the Butler County Banner newspaper after the first reading on the _____ day of _____, 2016.

A second reading of the Ordinance was held at the meeting of the Butler Fiscal Court on the _____ day of _____, 2016.

Adopted by the Fiscal Court of Butler County, Kentucky on the _____ day of _____, 2016.

BUTLER COUNTY FISCAL COURT

DAVID FIELDS
Butler County Judge Executive

ATTESTED:

SHERRY JOHNSON
Butler Fiscal Court Clerk

Final publication occurred on the _____ day of _____, 2016.

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**PETITION TO REQUEST REFUND OF
MEMBERSHIP DUES/SUBSCRIBER FEES
"OPT OUT" REQUEST FORM**

I hereby request that the membership dues/subscriber fees, paid by me for my property located at _____ Tax Bill No. _____, be refunded.

I understand that by requesting this refund, I am opting out of the membership of my local Volunteer Fire Department. I understand that in the event of a fire or other emergency, the Volunteer Fire Department will respond, but I will owe a minimum of either \$500.00 or \$1,000.00 (depending upon the type of facility located upon the property), plus additional possible expenses incurred, to the Volunteer Fire Department for their service.

Furthermore, I understand I will be opted-out for future years and must take affirmative steps to opt-in for future years.

The refund check should be made payable to _____, and mailed to the following address:

I am attaching a copy of my paid tax bill receipt which shows that I have paid the membership dues.

Tax Map Number of Property
(may be found on tax bill)

Signature of Requesting Party

Address: _____

Telephone Number: _____

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**PETITION TO PLACE FIRE MEMBERSHIP DUES/SUBSCRIBER FEES
ON TAX BILL
"OPT-IN REQUEST FORM"**

I hereby request that the fire membership dues/subscriber fees, paid by me for my property located at _____, be placed on my tax bill for collection.

I understand that by requesting this action, I will no longer receive a bill for fire dues for membership, but my property tax bill will include payment for fire dues and will be due at the time my property taxes are paid. I understand that once this action is taken, in order to remove the amount from my tax bill, I will be required to complete a petition to request to opt-out.

Tax Map Number of Property
(may be found on tax bill)

Signature of Requesting Party

Address: _____

Telephone Number: _____