

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 567

(Frederick County Delegation)

Environmental Matters

Budget and Taxation

Frederick County - Firefighting, Rescue, and Ambulance Services

This bill repeals the specific requirements for which funds generated by the special taxing district for fire and rescue services in Frederick County may be used. Under the bill, the Frederick County Commissioners may use the funds generated by the special taxing district for fire and rescue services within the special taxing district.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: None.

Local Effect: If the Frederick County Commissioners vote to do so, more operating expenditures related to fire and rescue services could be charged to the county's special fire tax fund instead of the county's general fund. Consequently, fire tax rates would need to increase to cover these additional expenditures.

Small Business Effect: None.

Analysis

Current Law: The Frederick County Commissioners are authorized to establish, by ordinance, a special taxing district for fire and rescue services, under specified circumstances. The commissioners may only use the funds generated by the fire and rescue services special taxing district for (1) compensating fire and rescue personnel; (2) training personnel involved in fire and rescue services, including volunteers; (3)

purchasing fire and rescue equipment or real property to be used for fire and rescue services; (4) constructing fire and rescue services buildings; and (5) making capital improvements to fire and rescue service facilities.

Local Fiscal Effect: According to Frederick County, operating expenses for fire and rescue services are currently funded through the county's general fund, and total approximately \$8.4 million in fiscal 2007. The county has urban and suburban special taxing districts for fire and rescue services, where a separate fire tax based on property assessments is levied. Under the bill, more operating expenditures related to fire and rescue services could be charged to the special fire tax fund, rather than the county's general fund. While the bill does not cause an increase in revenues, the county advises that the result of shifting these expenses to the fire tax fund from the general fund could necessitate an increase in the fire tax rate to cover these costs. According to the county, an increase in the county's special tax rates, however, could lead to a decrease in the county's general tax rates.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Frederick County, Department of Legislative Services

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ncs/hlb

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