

***RUTHERFORD COUNTY
FIRE PROTECTION SERVICE DISTRICT REPORT***



PREPARED BY RUTHERFORD COUNTY FIRE MARSHAL'S OFFICE

July 2012

Fire Protection Service District Report

The purpose of this report is to provide information concerning the creation of Service Districts for fire protection and the effects of this on property owners and fire departments. Its intent is to provide direction for how the County may assist in providing a reduction in fire insurance premiums to approximately 3,045 property owners.

In preparing this report, the standards set out in N.C.G.S. 153A-302(a) were all reviewed and considered, including:

- (1) The resident or seasonal population density of the proposed district.
- (2) The appraised value of property subject to taxation in the proposed district.
- (3) The present tax rates of the county and any cities or special districts in which the district or any portion thereof is located.
- (4) The ability of the proposed districts to sustain the additional taxes necessary to provide the services planned for the district.
- (5) If it is proposed to furnish water, sewer, or solid waste collection service in the district, the probable net revenues of the projects to be financed and the extent to which the services will be self-supporting.
- (6) Any other matters that should be established.

Each of these standards has been met with these proposed fire protection service districts.

The existing rural tax districts have been in existence since the 1960s. Certain areas of the county have experienced more tax base growth than others. In addition, there is a combination of four and five mile districts. Residents of the county that are beyond five road miles from a rated fire station receive fire protection; however, are not eligible for a reduction in their insurance premiums.

Maps outlining current districts are not standardized and most are hand drawn which makes it impossible to identify who is inside a fire district. Tax district and insurance district maps are not identical which means a property owner could live in one insurance district and pay taxes to another fire department.

Fire protection in Rutherford County is currently provided by fourteen volunteer and four municipal fire departments. All of these departments respond to calls outside their primary district and provide automatic and mutual aid to other departments and agencies.

Primarily, services provided by the County volunteer fire departments are dependent upon tax revenue generated within the individual fire districts. The departments submit budgets based on individual needs within their respective districts.

The mission of progressive fire departments is expanding in scope. In addition to the traditional fire suppression services, modern fire departments are providing emergency medical care, response to vehicle accidents, rescue operations, hazardous materials response, fire and life safety education programs and response to an ever-increasing number of various fire and other alarms.

This proposed change would allow for insurance, tax and service district lines to be synonymous. Everyone living within six road miles from a rated fire station as shown by Geographic Information System (GIS) mapping would pay a tax rate approved by the Board of Commissioners and be eligible for a reduction in business and homeowner insurance premiums.

Fire protection in the proposed districts would be provided in a similar manner as it is now. Rutherford County would contract with each fire department to provide services in their respective fire protection services districts and a designated portion of the Outside Response Area.

It is the recommendation of the Rutherford County Fire Departments that the Rutherford County Board of Commissioners call for a public hearing for the purpose of establishing newly created service districts for fire protection as outlined in GS 153A-301.

This request for your consideration is based on the following reasons:

1. Approximately 3,045 property owners outside an approved fire insurance district will be include in the service district giving them eligibility for reduced insurance premiums.
2. Since 1994, fire departments have been providing services at a reduced cost; however, property owners do not have the benefit of reduced insurance premiums.
3. There is and continues to be a demonstrable need for providing fire protection services in those areas of Rutherford County not presently in an insurance district or municipality.
4. It is impractical to provide those services on a countywide basis.
5. It is economically feasible to provide the proposed services in the district without unreasonable or burdensome annual tax levies.
6. There is a demonstrable demand for the proposed services by persons residing in the district.

Following is additional information that will be important for you to review as you consider this request.

FREQUENTLY ASKED QUESTIONS

What is a Fire Protection Service District?

The Fire Protection Service District is a service tax district created to finance fire protection to the residents of Rutherford County's fire districts.

What areas will be included in the Fire Protections Service Tax District?

The Service Tax District includes all property within six miles of a rated fire station. Additionally, all property outside of six miles is in a tax district called Outside Response Area.

What is an Outside Response Area?

An Outside Response Area is comprised of all properties in the County which are outside of six miles of a rated fire department. All this area will be considered one service district. This area will be taxed at a minimal rate due to the fact that it does not qualify for reduced insurance premiums; however, fire protection and other emergency services are provided by the fire departments. The County Fire Chiefs will develop a budget for this area as has been submitted previously and a rate will be set by the Board of Commissioners.

How will the money collected from these taxes be distributed to individual contracting fire departments?

Fire departments submit budget requests annually to the Fire Marshal's Office. Budgets are included in the County's annual budget package. The County Commissioners make the final decision on appropriations. This is the process we are currently using.

What will happen to the existing rural fire tax districts?

The existing rural fire districts will remain in existence. The fire tax rates in each of these districts will be set to "0".

What are the advantages for the fire departments?

Insurance, tax and response districts will be identical. Maps can be easily updated and vital information such as hydrant locations, landing zones and automatic aid zones can be identified.

If I live in a municipality, how will the Fire Protection Service District affect me?

Municipal fire departments will continue to provide services to their citizens.

In addition, the County will contract with each municipal fire department to provide fire protections service within designated portions of a Service District. The municipal fire departments will submit a budget and a rate will be set by the Board of County Commissioners.

INSURANCE COMPARISON

HOME VALUE	CLASS 9E	CLASS 10	SAVINGS	*FIRE TAX
\$100,000.00	\$491.00	\$613.00	\$122.00	\$64.00
\$200,000.00	\$836.00	\$1,044.00	\$208.00	\$128.00
\$300,000.00	\$1,167.00	\$1,458.00	\$291.00	\$192.00

NOTE AVERAGE COUNTY FIRE TAX RATE FOR YEA 2012--2013 IS .064 CENTS PER \$100.00 VALUATION

INFORMATION FOR THIS REPORT PROVIDED BY THE FOLLOWING INSURANCE PROVIDERS
ALLSTATE, FARM BUREAU, ERIE, STATE FARM



Training & Inspections

Wayne Goodwin | Commissioner of Insurance

Tim Bradley | Assistant State Fire Marshal

February 1, 2012

Roger Hollifield
294 Fairground Rd.
Spindale, NC 28160

Dear Roger,

I have reviewed the maps of Rutherford County 6 mile fire insurance district. I did not find any area that was beyond 6 miles from their stations at the time of this review. The only issue that needs to be resolved before the Commissioners approve the maps is the establishment of the rural district for Forest City.

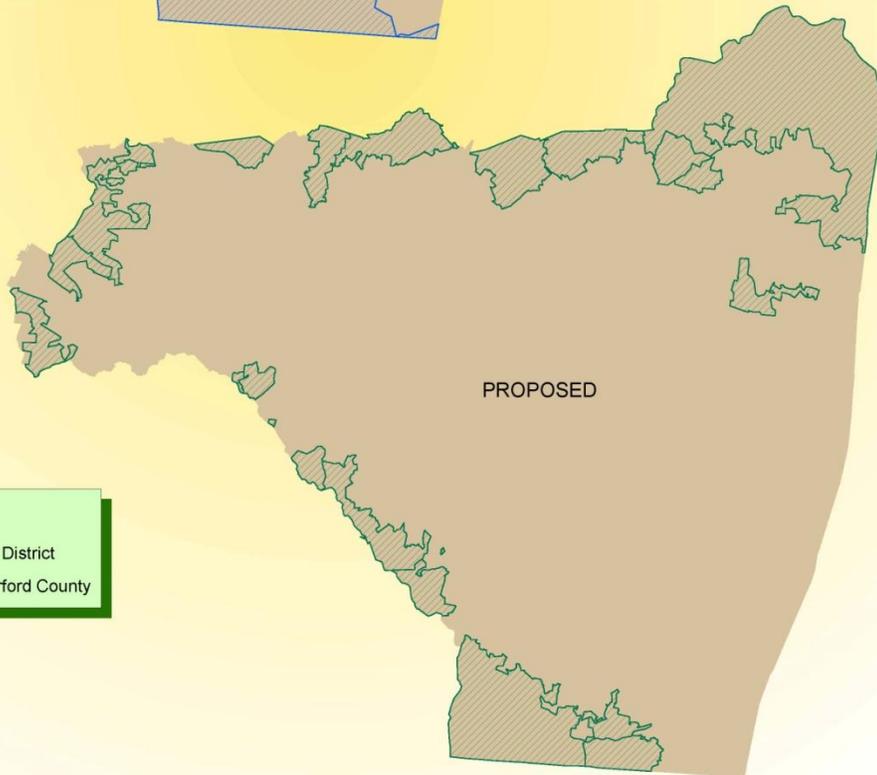
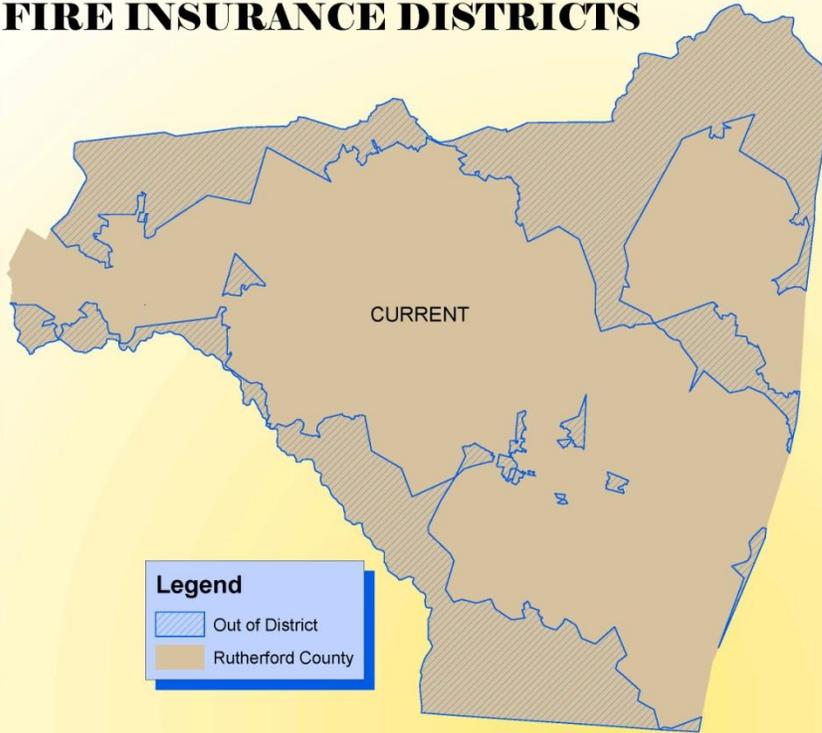
Thanks for all your hard work on this project, if you have any questions please feel free to give me a call.

Vernon Ward
Office of State Fire Marshal
Rating Inspector

919-605-6474

FIRE INSURANCE DISTRICTS

COMPARISON OF
CURRENT OUT
OF DISTRICT
AREAS
VS
PROPOSED OUT
OF DISTRICT
AREAS



**RESOLUTION OF THE RUTHERFORD COUNTY BOARD OF COMMISSIONERS
ABOLISHING EXISTING FIRE PROTECTION SERVICE DISTRICTS**

WHEREAS, Rutherford County currently has a combination of service districts created pursuant to North Carolina General Statute 153A-301 and rural fire protection districts created pursuant to North Carolina General Statute 69-25, et. seq.; and

WHEREAS, because fire protection service districts and rural fire protection districts abut each to the other, to extend, reduce or consolidate the various district boundaries is impractical and prohibitive under the existing circumstances pursuant to the North Carolina General Statutes; and

WHEREAS, Rutherford County Commissioners agree to proceed with a proposal to abolish existing fire protection service districts within Rutherford County, assess a zero tax levy for the rural fire protection districts, and to create new fire protection service districts within Rutherford County; and

WHEREAS, North Carolina General Statute 153A-306 provides that the Board of Commissioners, may, by resolution , abolish a particular service district and that there are no outstanding bonds or notes issued to finance projects in the district; and

WHEREAS, the existing fire protection service districts are not longer needed as the Rutherford County Board of Commissioners will create new fire protection service districts to fund the full cost of fire protections service through individual service district tax levy; and

WHEREAS, Rutherford County has no outstanding bonds or notes issued to finance fire protection projects in the existing fire protection service districts; and

WHEREAS, Rutherford County Board of Commissioners conducted a public hearing pursuant to North Carolina General Statute 153A-306 providing an opportunity for citizens to appear and be heard concerning the subject proposal.

NOW THEREFORE, BE IT RESOLVED BY THE RUTHERFORD COUNTY BOARD OF COMMISSIONERS, that all existing fire protection service districts are hereby abolished effective June 30, 2013 at 11:59 p.m.

ADOPTED this the ____ day of September, 2012

Approved: _____

Chairman Julius Owens
Rutherford County Board of Commissioners

ATTEST: _____

Clerk to the Board

(Seal)

RUTHERFORD COUNTY BOARD OF COMMISSIONERS
R E S O L U T I O N
APPROVING INSURANCE DISTRICT BOUNDARIES

WHEREAS, Chapter 153A-233 of the North Carolina General Statutes authorizes the Board of Commissioners of any County to designate the boundaries of fire insurance districts for the purpose of insurance grading; and

WHEREAS, the fire district boundaries in the unincorporated portion of Rutherford County need to be revised to change the way they have historically been described by a point to point description, to maps created using the GIS system, and to reflect annexations by municipalities in the County; and

WHEREAS, the Rutherford County Fire Marshal has caused to be created new fire insurance district maps using the GIS system as shown in Exhibit "A"; now, therefore, be it

RESOLVED that the Rutherford County Board of Commissioners approves the boundary lines of the fire insurance districts as shown in Exhibit "A", exclusive of current or future municipal town limits, and as represented in the GIS produced maps certified by the County Fire Marshal.

ADOPTED this the ____ day of September, 2012.

Approved: _____

Chairman Julius Owens

Rutherford County Board of Commissioners

ATTEST: _____

Clerk to the Board

(Seal)

RUTHERFORD COUNTY BOARD OF COMMISSIONERS
RESOLUTION
APPROVING SERVICE DISTRICT BOUNDARIES

WHEREAS, Chapter 153A-301 of the North Carolina General Statutes authorizes The Board of Commissioners of any County to define any number of Service Districts in order to finance, provide, or maintain for the Districts Fire Protection services, facilities, and functions in addition to or to a greater extent than those financed, provided or maintained for the entire County.

WHEREAS, fire district boundaries in the unincorporated portion of Rutherford County need to be revised to change the way they have historically been described by a point to point description, to maps created using the GIS system, and to reflect annexations by municipalities in the County; and

WHEREAS, accurate mapping through the County GIS system has revealed overlapping areas of coverage for some rural fire protection districts and has further revealed other areas in which the rural fire protection district boundaries are not consistent with the fire insurance district boundary lines, and

WHEREAS, the boundaries of the existing rural fire protection districts in the unincorporated portion of Rutherford County need to be revised to correct discrepancies in the maps of such districts and to reconcile such districts with fire insurance district lines; and

WHEREAS, there is a demonstrable need for providing fire protection in the several districts comprising Rutherford County and it is impracticable to provide those services on a countywide basis; however, it is economically feasible to provide the proposed services in the district without unreasonable or burdensome annual tax levies through the creation of Fire Service Districts as described in G.S. 153A -301 *et seq.* and as there presently exists demonstrable demand for the proposed fire protection services to those persons residing in the districts. Further, it is concluded that a plan for providing fire protection in this area shall be through contracts with various departments and paid for through an annual tax levy not to exceed .15 per \$100 valuation to be levied upon property in the district; and

WHEREAS, notice of the public hearing for the creation of such Fire Service Districts has been provided by publication of notice of hearing and also provided by U.S. mail to the owners as shown by the County tax records of all property within the proposed fire service districts and that such public hearing has been conducted;

WHEREAS, the Rutherford County Fire Marshal has caused to be created new fire service district maps using the GIS system as shown in Exhibit "B"; now, therefore, be it

RESOLVED that the Rutherford County Board of Commissioners approves the boundary lines as shown in Exhibit "B", and as represented in the GIS produced maps certified by the County Fire Marshal, with the effective date for the creation of such districts to be July 1, 2013.

ADOPTED this the ____ day of September, 2012.

Approved: _____

Chairman Julius Owens

Rutherford County Board of Commissioners

ATTEST: _____

Clerk to the Board

(Seal)