

REPORT
IN THE MATTER OF:
THE PROPOSED CREATION AND ESTABLISHMENT OF CASWELL
SPECIAL FIRES PROTECTION SERVICE DISTRICT AS PROVIDED
FOR BY NORTH CAROLINA
GENERAL STATUTES ARTICLE 16, CHAPTER 153A.

Counties are authorized to and may define any number of service districts in order to finance, provide, or maintain for such districts services, facilities and functions related to fire protection pursuant to North Carolina General Statutes Article 16, Chapter 153A.

The Caswell County Fire Chiefs Association and Caswell Fire Protection Committee are of the opinion that such services can best be delivered via existing community volunteer fire departments that provide fire protection services acting as multiple-source, full service and comprehensive responding agencies. In response to these needs, the Board of Commissioners directed that this report be prepared as required by said Article 16.

A. PURPOSE

The purpose of the proposed new Caswell special fire protection and rescue service district would be to contract with and provide financial support for the Volunteer Fire Departments, by and through the Volunteer Fire Departments, to provide fire protection services to Caswell County as a multiple-source, full service and comprehensive responding agencies. The creation of the new service district for Caswell County will offer a uniform taxing structure as well as a multiple source response.

B. BOUNDARIES

The area is composed of the entire portion included inside the boundaries of Caswell County excluding the incorporated limits of both Yanceyville and Milton unless the incorporated entities pass a resolution to accept the Special Fire Protection Service District and excluding the existing fire protection service district of Casville.

C. POPULATION

The proposed district lies in Caswell County. The current resident population is approximately 21,514 which is about 55 persons per square mile.

D. APPRAISED VALUE OF PROPERTY IN THE PROPOSED DISTRICT

Records on file with the Caswell County Tax Office indicate the appraised value of property subject to taxation in the proposed district is \$1,564,500,000. The current tax rate levied in the proposed Special Fires Protection Service District is 67.9¢. Given the current valuation of this taxable property in the proposed district at a County collection rate of approximately 97.65%, the district currently yields approximately \$10,373,316 in general fund revenues.

E. COUNTY TAXES IN THE DISTRICT

The present tax rate levied County-wide are at a rate of .0.6790 per \$100 valuation. There are no city taxes or special use district taxes in the proposed district.

F. THE ABILITY OF THE PROPOSED DISTRICT TO SUSTAIN ADDITIONAL TAXES

There is currently 1 tax districts served by 1 volunteer fire department. Taxes are levied in these districts for levels of fire protection at .0235 per \$100 valuation.

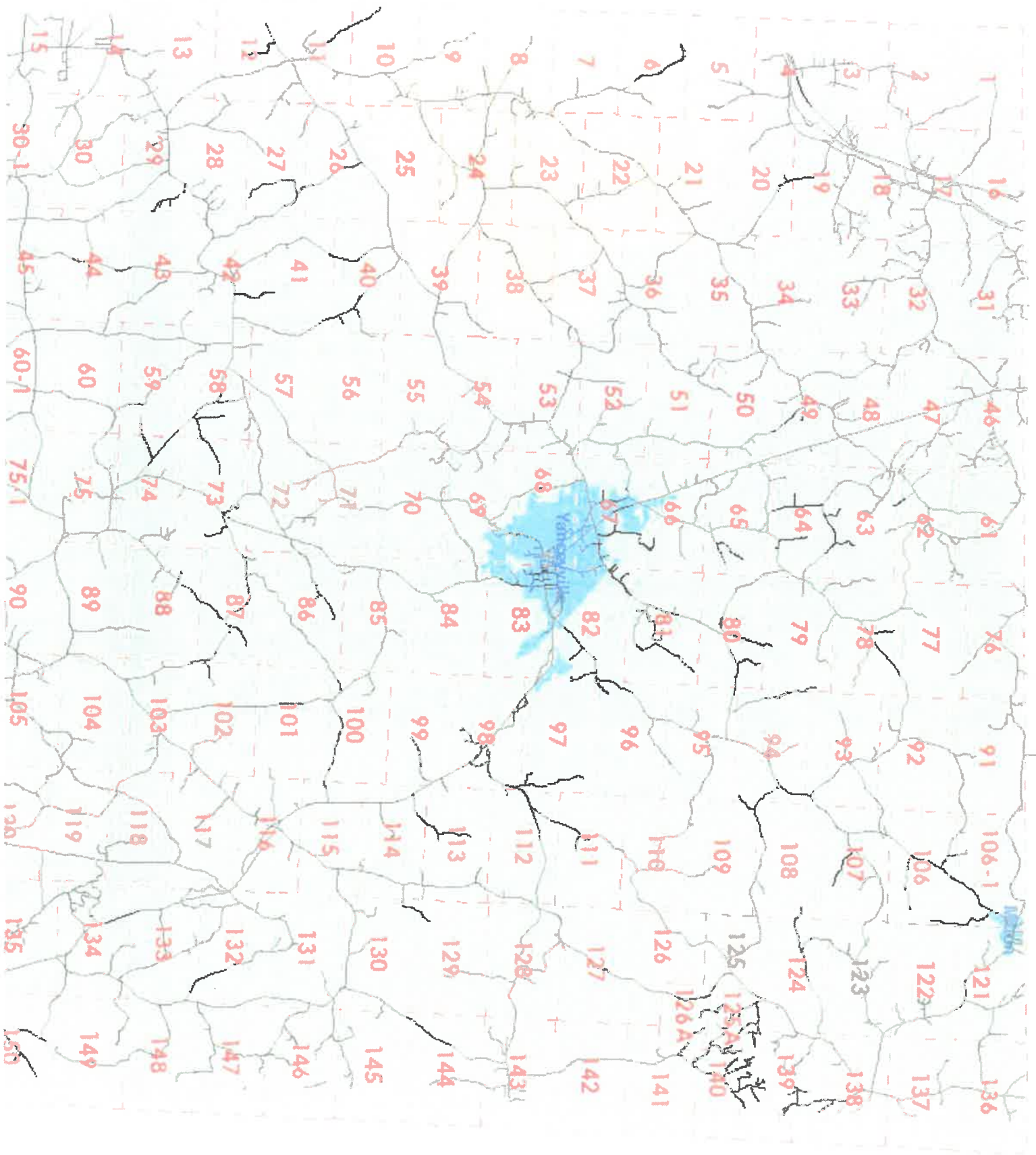
The tax rates in the current Chapter 69, Article 3A Rural Fire Protection Districts are capped by statute at either 10¢ or 15¢.

A county service district created in accordance with Chapter 153A, Article 16 is not subject to the Chapter 69, Article 3A cap of 10¢ or 15¢ as indicated above, but is instead limited as provided by G.S. §153A-307. That limit is up to a combined rate of one dollar and fifty cents (\$ 1.50) on the one hundred dollars (\$100.00) appraised value of property subject to taxation in accordance with G.S. §153A-149. The tax rate is set by the Board of Commissioners.

There is no reason to find that the residents of the proposed new Caswell Special Fire Protection and Rescue Service District could not support and pay a service district tax at a rate at or above other service districts in the County.

G. PLAN FOR PROVIDING SERVICES

1. Purpose. To describe the operations of the Caswell Volunteer Fire Departments (the "Departments") to provide Fire Protection to the Caswell Special Fire Protection and Rescue Service District.
2. Each Volunteer Fire Department is governed by a Board of Directors that conduct annual meetings and receive input from the community. Each Volunteer Fire Department shall contract with the County for the services they provide. Performance standards and accounting transparency shall be addressed in the contract.
3. Plan. All operational plans for providing services in the district shall be in compliance with Standard Operating Guidelines compiled in accordance with the Office of the State Fire Marshal.
4. Fire Protection. The service district consists of an area that is 428 square miles in size. There are currently ten (10) Volunteer Fire Stations and two (2) sub-stations in close proximity to the District that are staffed with by volunteer personnel and equipment at each station. The stations are strategically located to ensure the appropriate equipment and response times are for the best of the community that it serves. Each station is equipped with at least one Engine Company and one Tanker that are staffed by volunteers to provide protection from all fires in the district.





CASWELL COUNTY LOCAL GOVERNMENT

PUBLIC HEARING NOTICE

The Caswell County Board of Commissioners will conduct a Public Hearing on **Monday, May 1, 2017 at 6:30 PM in the Caswell County Historic Courthouse**, for the purpose of hearing from members of the public on the subject of establishing a new Fire Protection Service District within Caswell County pursuant to Article 16 of Chapter 153A of the North Carolina General Statutes.

A map of the proposed Fire Protection Service District is included with this Notice. The report caused to be prepared by the Caswell County Board of Commissioners pursuant to N.C. Gen. Stat. § 153A-302(b) is available for public inspection in the office of the Clerk to the Board of Commissioners.

All interested parties are invited and encouraged to attend this public hearing and participate in the discussion on the proposed establishment of a Fire Protection Service District within Caswell County.

Kenneth D. Travis, Chairman

Caswell County Board Of Commissioners

CASWELL COUNTY PROPOSED FIRE PROTECTION DISTRICT FAQ's

What is a Fire Protection Service District?

A Fire Protection Service District is a service district created to finance, provide or maintain fire protection services for the residents and businesses of Caswell County located within the boundaries of the proposed Fire Protection Service District.

What areas are included in the Fire Protection Service District?

The proposed Fire Protection Service Tax District includes the unincorporated areas of Caswell County with the exception of the area within unincorporated Caswell County currently served by the Casville Volunteer Fire Department.

How will the proposed Fire Protection Service District be funded?

The County may levy property taxes within defined service districts in addition to those levied throughout the County, in order to finance, provide or maintain for the districts services provided therein in addition to or to a greater extent than those financed, provided or maintained for the entire County.

In addition, the County may allocate to a service district any other revenues whose use is not otherwise restricted by law. The County may also issue its general obligation bonds under the Local Government Bond Act to finance services, facilities, or functions provided within a service district.

If the County levies property taxes specifically for the proposed Fire Protection Service District in the future, how will the tax revenue collected be distributed to individual contracting fire departments operating within the Fire Protection Service District?

The Caswell County Board of Commissioners will have the responsibility to allocate any revenue from any Fire Protection Service District tax to provide, maintain or let contracts for the services for which the residents of the district are being taxed, within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

When will the Fire Protection Service District go into effect?

If created by the Caswell County Board of Commissioners prior to July 30, 2017, the district will take effect on July 1, 2017.

What happens to the existing rural fire tax district?

The existing rural fire tax district for the Casville area will remain in existence. The tax rate for that existing district will be considered by the Caswell County Board of County Commissioners annually during its budget process in the same manner as past years.

How does this proposed change affect the County's existing volunteer fire departments?

The most significant change for County volunteer fire departments will be the source of revenue from the County used to fund the contracts for fire protection services between the County and each volunteer fire department.

During the current fiscal year, fire protection services in the County are funded by the following sources: receipt of a portion of property tax revenue from the County's general

ad valorem tax levy, the \$15 Vehicle Registration Tax (Car Tax) and monies received through fundraising efforts of the volunteer fire departments. Taxes levied within the proposed Fire Protection Service District must be expended only to fund the authorized services in the district. If levied, a fire protection service district tax would provide a dedicated source of tax revenue to provide a recurring funding stream for the provision of fire protection services in the district.

Why is the Fire Protection Service District being considered?

Some property owners do not reside within the County boundaries and do not register their vehicle within Caswell County, but receive fire protection services from a volunteer fire department without paying the Car Tax. Some volunteer fire departments are supported by substantial fundraising efforts that provide for the funding of essential fire protection services. Some volunteer fire departments are unable to rely upon consistent fundraising revenue to fund the needs of the department. These situations combined create funding disparities in the various volunteer fire departments.

Furthermore, 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, water rescue, confined space rescue, hazardous materials response, fire and life safety education programs, and response to an ever-increasing number of various fire and other alarms. The provision of these services within the district requires increasing financial resources.

Taxes generated through a levy in the Fire Protection Service District are intended to generate sufficient revenue to provide an equitable and consistent level of funding the volunteer fire departments providing fire protection services under contractual agreement with the County for the benefit of the residents in the Fire Protection Service District.

If I live in a municipality, how will the Fire Protection Service District affect me? Territory lying within the corporate limits of a town, city or sanitary district may not be included in the service district unless the governing body of the Town, City or sanitary district agrees by resolution to be included.

If a municipality elects to join the service district and provides a proper resolution to the Board of County Commissioners, property within the municipality would be subject to the same Fire Protection Service District tax levied by Board of Commissioners for the proposed service district.