



# Fire Service Funding Recommendations

- Restructure the arbitrary 1% property tax growth cap
  - Fire agencies are subject to wage and benefit increases far beyond a 1% increase, and many agencies are seeing double-digit percentage increases in service and call demands from year-to-year, making the current growth rate unsustainable.
  - Fire agencies purchase products, equipment, and services that follow cost-of-living increases.
  - The 1% limit means reduction of service and older equipment and vehicles.
- Remove the constitutional super-majority requirement for Maintenance and Operational (M&O) levies
  - Fire agencies occasionally use an M&O levy, primarily to fix or replace existing capital items.
  - Fire agencies almost always have the support of their community; however, outside factors like confusion from a seldom-used levy, can result in greater than 50% support and still mean defeat
- Remove the constitutional super-majority requirement for fire service bond votes
  - Fire agencies typically use bonds to fund major facility renovations or new construction
  - Fire agency needs to provide adequate services typically happen before the full impact of new housing or large commercial developments occur
- Create a sales tax incentive for regionalization
  - Fire agencies requested sales tax as a revenue in the original regional fire authority (RFA) legislation
  - RFA formation is risky and labor-intensive, and the lack of a new funding source can mean there is little incentive to move away from traditional fire districts
  - Early adopters have seen benefits to regionalization, such as creating economies of scale and streamlining service provision; a new funding incentive would likely result in more rapid regionalization across the state
- Move fire service jurisdictions outside the \$10 constitutional property tax limit
  - Fire agencies generally have high support within their communities and often create a pro-rationing issue with subordinate levies.
  - Fire agencies could help negative impacts of pro-rationing by being outside the \$10 limit
  - The \$1.50 gap that would be created inside the \$10 limit by such a move could be structured to meet funding needs as determined by the legislature.