



# CECIL COUNTY, MARYLAND

## DEPARTMENT OF FINANCE

### FISCAL NOTE

#### SUMMARY OF LEGISLATION

SPONSOR: Council President Meffley at the request of the County Executive

#### **RESOLUTION NO. 61-2019 – SUPPLEMENTAL APPROPRIATION – FUND BALANCE – VOLUNTEER FIRE SERVICE**

**SYNOPSIS:** A resolution to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland for the fiscal year ending June 30, 2020 in order to provide the Volunteer Fire Service Department Budget within the General Fund additional expenditure appropriation authority in the amount of \$232,338. The additional expenditure authority will provide funding for the allocation budget to fund the error by the Maryland State Assessment Office in the assignment of fire district codes to new County properties for the four prior fiscal years (FY2016-FY2019).

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**FISCAL IMPACT SUMMARY:** The approval of this bill will have a net fiscal impact on the Cecil County of \$232,338 by expending the FY2020 assigned fund balance (Budget Stabilization Reserve Fund) designated by the County Executive to provide additional budget for the Volunteer Fire Company's annual allocation as required by County Code Section 49-1.

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#### FISCAL ANALYSIS:

Cecil County Code Chapter 49-1 reads as follows:

A.

The County shall levy on the assessable property in Cecil County, annually, the sum equivalent to \$0.024 per \$100 of assessed valuation of taxable property within the County for the purpose of assisting in the maintenance and operation of nine volunteer fire or fire and ambulance companies in Cecil County.

B.

The levy shall be made June 1 and the sum of money to be paid by the County to each volunteer fire or fire and ambulance company shall be paid on or before September 1 of the fiscal year for which levied.

C.

Amount.

(1)

The sum of \$29,600 shall be allocated among the nine volunteer fire companies as follows:

(I) Cecilton Fire Company, Inc.	\$3,100
(II) Charlestown Fire Company, Inc.	\$3,000
(III) Chesapeake City Fire Company	\$3,200
(IV) Community Fire Company of Perryville	\$2,900
(V) Hack's Point Fire Company	\$2,400
(VI) North East Fire Company	\$3,600
(VII) Rising Sun Fire Company	\$3,600
(VIII) Singerly Fire Company of Elkton	\$4,200
(IX) Water Witch Fire Company at Port Deposit	\$3,600

(2)

The sum of \$9,000 shall be allocated to support ambulance service as follows:

- |   |         |
|---|---------|
| (I) Cecilton Fire Company, Inc.               | \$1,000 |
| (II) Charlestown Fire Company, Inc.           | \$1,000 |
| (III) Chesapeake City Fire Company            | \$1,000 |
| (IV) Community Fire Company of Perryville     | \$1,000 |
| (V) Hack's Point Fire Company                 | \$1,000 |
| (VI) North East Fire Company                  | \$1,000 |
| (VII) Rising Sun Fire Company                 | \$1,000 |
| (VIII) Singerly Fire Company of Elkton        | \$1,000 |
| (IX) Water Witch Fire Company at Port Deposit | \$1,000 |

D.

Allocation.

(1)

The amount equivalent to \$0.02 per \$100 of assessed valuation of taxable property in the County minus the \$38,600 required in Subsection C of this section shall be allocated among the nine volunteer fire companies in the exact proportion which the assessed valuation of taxable property within the district served by each volunteer fire company bears to the assessed valuation of taxable property within the County.

(2)

The district served by each volunteer fire company shall be determined by the Cecil County Firemen's Association and the assessed valuation of taxable property within each district shall be certified by the Supervisor of Assessments for Cecil County based on the date of finality prior to the fiscal year in which the distribution is to be made.

E.

The sum equivalent to \$0.004 per \$100 of assessed valuation of taxable property in the County shall be distributed by the County to the nine volunteer fire or fire and ambulance companies in equal allocations.

F.

In order to be eligible for any of the funds provided for in this section, each of the nine volunteer fire or fire and ambulance companies named herein shall meet the minimum specifications and standards approved by the Cecil County Firemen's Association.

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The County Administration was contacted by a fire company and asked to check if new County properties were being accurately allocated to the correct fire district. This question stemmed from the amount of new commercial property along the Route 40 corridor most specifically between North East & Perryville and those new entities requiring support from the local fire company. As the County relies on the information from the Maryland Department of Assessment and Taxation to determine eligibility and valuation, the request was forwarded to the State for review. It was discovered that a number of new properties, including some of the commercial properties along Route 40 did not have a fire district code assigned to them. Without the fire district code, the properties in question were not allocated to any fire company for FY2020.

The State immediately began a review to be certain all properties in Cecil County accurately reflect a fire district code and assured the County the reason for the error has been addressed. A new report was provided to the County by the State and the FY2020 allocation was recalculated. The checks, including the corrections, were mailed to the nine fire companies prior to the September 1 deadline.

Once the error was detected for FY2020, the County then began to question how many years had the fire codes been missing from County properties. Again the State Assessment Office went back and within their system, had the ability to

go back to the prior four fiscal years and recalculate the assessments within the nine fire company districts and provided the information to the County in order to recalculate the amount due for the prior four fiscal years to each fire company.

The attached schedule shows the results by fire company based on the revised assessment numbers provided to the County:

<b>FIRE COMPANY</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>TOTAL</b>
<b>CECILTON</b>	897.53	1,766.90	2,036.28	4,099.29	8,800.00
<b>HACK'S POINT</b>	821.17	639.56	1,271.54	1,769.38	4,501.65
<b>CHESAPEAKE CITY</b>	1,130.03	525.74	2,318.01	2,225.91	6,199.69
<b>SINGERLY</b>	3,150.03	1,328.39	4,974.41	7,873.23	17,326.06
<b>NORTH EAST</b>	6,203.06	5,459.67	7,876.46	7,995.63	27,534.82
<b>CHARLESTOWN</b>	26,779.13	13,412.17	35,209.11	40,687.99	116,088.39
<b>WATER WITCH</b>	2,808.99	2,177.78	3,992.16	4,002.49	12,981.43
<b>PERRYVILLE</b>	(603.39)	1,252.62	14,136.42	15,180.98	29,966.63
<b>RISING SUN</b>	1,478.90	1,303.56	1,720.41	4,435.67	8,938.54
	<b>42,665.45</b>	<b>27,866.38</b>	<b>73,534.81</b>	<b>88,270.56</b>	<b>232,337.21</b>

In conversations about the issue of fire district codes and the assignment to new properties, the Administration brought the Department of Land Use and Development into the conversation. They recommended a note be placed on the subdivision plat at the time of formation and included in the information transmitted to the local assessment office when a new property is identified and approved. The fire chiefs are included in this information of new addresses and they will be able to see the fire district code identified on new property.