PS/MFP Committees #2
October 1, 2009

MEMORANDUM

September 29, 2009

TO: Public Safety Committee
Management and Fiscal Policy Committee

FROM: Minna Davidson, Legislative Analyst

SUBJECT: Consolidated Fire Tax

The following individuals are expected to be present:

Richard Bowers, Fire Chief, Montgomery County Fire and Rescue Service (MCFRS)
Joseph Beach, Director, Office of Management and Budget (OMB)
Blaise DeFazio, Management and Budget Analyst, OMB

During the Public Safety Committee's review of the FY10 MCFRS operating budget, the Committee discussed the Executive's assumptions about the use of his proposed Emergency Medical Services Transport (EMST) fee (which the Council did not implement), and the alternative of increasing the Fire Tax to produce the revenue needed to fund the MCFRS budget. Executive staff noted that the Fire Tax is part of the mix of property taxes that must be adjusted to remain within the Charter limit. If the Fire Tax is increased, another area funded by property tax must be decreased in order to remain within the Charter limit.

Committee members raised questions about the Fire Tax, and the value of having a "dedicated" tax that is fungible with other property taxes when the budget is developed. The Committee requested that further discussion of the Fire Tax be scheduled for a joint Public Safety and Management and Fiscal Policy Committee meeting after budget season.

The October 1 discussion will follow up on the Public Safety Committee's request. The packet includes background on the fire tax and the overall County tax structure, and poses some questions involved in considering possible alternatives to the current separate Fire Tax. For reference, County Code Section 21-23, *Taxation*, and 21-24, *Fire Tax Funds*, are on © 1-2.

Background on the Fire Tax[1]

Since the late 1800s Montgomery County has had fire fighting companies. At first these organizations were entirely community based, relying on funds and volunteer firefighters from the communities they served. In 1927, companies began accepting public funds, first in the form of grants, and later as revenue from fire taxes levied in the communities they served. By the late 1960s, there were sixteen fire tax districts.

In the early 1970s, the Council enacted legislation which, among other things, established a process to reduce the number of fire tax districts by creating two fire tax classes: Consolidated and Individual. Any local fire and rescue department (LFRD) with a tax rate equal to or exceeding a "trigger rate" of 21 cents per $100 assessed valuation of taxable property was to be included in the Consolidated Fire Tax District (CFTD). Once an LFRD was in the Consolidated Fire Tax District, it was to remain there permanently, and its response area became an integral part of the CFTD. As a result of this legislation, ten LFRDs were moved into the CFTD: Bethesda, Burtonsville, Cabin John, Chevy Chase, Glen Echo, Hillandale, Hyattstown, Sandy Spring, Silver Spring, and Takoma Park.

Those LFRDs whose tax rates were below the trigger rate remained as individual fire tax districts until their tax rates reached the trigger rate. When the CFTD was created, six individual fire tax districts remained: Damascus, Gaithersburg, Kensington, Laytonsville, Rockville and Upper Montgomery.

Over the years following the establishment of the CFTD, the trigger rate was raised to 26 cents. Nonetheless, four additional LFRDs became part of the CFTD: Damascus, Gaithersburg, Kensington, and Laytonsville. In the early 1990s, the Council enacted Bill 60-91 which created a countywide Fire Tax District, incorporating the last two remaining individual fire tax districts, Upper Montgomery and Rockville, into the CFTD in 1992 and 1993 respectively.

In the early 1970s, a County Department of Fire and Rescue Services was established to provide Code Enforcement and Fire Prevention, Communications, and Training to support the LFRDs' field operations. These functions were initially funded from the County's General Fund, as was the Fire and Rescue Commission which was established in the late 1970s. At about the same time as the Council established the countywide Fire Tax District, the Council also enacted Bill 62-91 which transferred the General Fund expenses for fire and rescue services to the Fire Tax District Fund.

In general, changes in the funding structure for fire and rescue services have been controversial. A 1967 law which would have implemented several significant changes to the fire and rescue system, including changes in the funding structure, was successfully petitioned to referendum and defeated by more than a two-to-one majority. The bill to increase the "trigger" rate for the CFTD to 26 cents passed on a 5-1-1 vote but was vetoed by the Executive. The Council then unanimously overrode the veto. The initial bill to create a countywide Fire Tax District and to fund all fire and

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[1] Historical information has been extracted from Office of Legislative Oversight Report No. 91-3, *Financing Fire and Rescue Services and Related Activities,* which the Council requested to help determine whether the then two remaining individual fire tax districts should be incorporated into the Consolidated Fire Tax District. To provide a sense of the concerns at the time, the Report's Summary and Major Conclusions/Recommendations are attached on © 6-7.

rescue services from the Fire Tax was rejected by a unanimous vote of the Council. After receiving OLO Report No. 91-3 on fire and rescue service financing, the Council ultimately approved Bills 60-91 and 62-91.

Current County Tax Structure

The analysis in this section was prepared by Council Analyst Charles Sherer as background for a previous Committee review of this issue.

The Council sets property tax rates to provide property tax revenue for four agencies: County Government, Montgomery County Public Schools, Montgomery College, and the Maryland National Capital Park and Planning Commission. The taxes are shown below. Number 1 is for General Fund activities in County Government, MCPS, and MC. Numbers 2-8 are for other funds in County Government, and number 9 is for MNCPPC.

Each fund has its own revenues, expenses, and reserve. Numbers 1-3 and 9a below are Countywide, which means that all residents pay them. The rest of the rates are not Countywide, which means that whether residents pay or do not pay these rates depends on where the property is located. The rates are aggregated on property tax bills and are referred to as "County Property Tax".

The taxes are:

1. General Fund County tax (for a wide variety of services, such as Montgomery County Public Schools; Montgomery College; and various services provided by County Government, such as police, libraries, transportation, health, consumer protection, environmental protection, and social services)
2. Mass Transit tax
3. Fire tax
4. Recreation tax
5. Storm Drainage tax
6. Three Urban District taxes (Bethesda, Silver Spring, Wheaton)
7. Two Noise Abatement District taxes (Bradley and Cabin John)
8. Four Parking Lot District taxes
   (There are also two Development District taxes, for the Capital Improvements Program)
9. Three taxes for MNCPPC:
   a. Advance Land Acquisition tax
   b. Metropolitan tax (for Parks)
   c. Regional tax (for Planning)

The following explanation may assist in understanding the complexity of the County's accounting structure.

a. Resources in the General Fund support part of the budget for County Government, part of the budget for MCPS, and part of the budget for the College; and most of the Debt Service Fund (this fund also gets resources from other tax supported funds and enterprise funds).

With respect to County Government, some parts of County Government are separate funds with their own dedicated tax rates and other revenues to pay for their expenses: the Mass Transit Fund, the Fire Tax Fund, the Recreation Fund, the three Urban District Funds, and the two Noise Abatement District Funds. However, if any of these funds has a shortfall in revenues or increased expenses that exceed its reserve, then the General Fund would provide the necessary funding. This has happened for the Fire Tax Fund on occasion.

b. The General Fund reserve will be used, if necessary, to offset shortfalls in revenue and/or supplemental appropriations for the General Fund parts of County Government, MCPS, and Montgomery College. Also, as noted above, the General Fund is the "lender of last resort" for other County Government funds.

c. MNCPPC is a separate agency with three tax-supported funds: for Parks, for Planning, and for Advance Land Acquisition, each of which has its own dedicated tax rate and other revenues to pay for its expenses.

How does the Council set the tax rates? The process is explained below.

1. The Council projects resources in major categories, such as property tax, income tax, transfer tax, and recordation tax. The largest single revenue is property tax. The Council decides how much property tax the County will collect. Options include keeping the tax rates the same as the previous year (referred to as "current rates"), reducing tax rates and/or giving tax credits to reach the Charter limit, and anywhere in between current rates and the Charter limit.

2. The Council subtracts the planned reserve from the resources in step 1, and the remainder is available for appropriation. The Council then decides how to allocate the appropriation among the agencies and funds, based on the Council's priorities.

3. The final step is to calculate the tax rate for each fund that will result in the total amount of property tax the Council agreed to collect in step 1 **and** will also provide a reasonable reserve in each fund. The intent is that the reserve in each fund should be 2.5%-3.0% of resources. In some years, the percentage reserve is slightly higher or lower in some funds, because the Council can only change the tax rate in increments of one-tenth of one cent (0.1¢), and the resulting change in reserve is a large percentage of these relatively small budgets. The sum of the reserves in each fund will be 5% to 6% amount of reserve. This step allocates the total reserve among the funds.

Separate Special Tax or General Fund?

At various times, questions have arisen, either formally or informally, about whether it is necessary to have a separate countywide Fire Tax. Most of the time, these questions have focused on the advantages and disadvantages of having a countywide special tax, versus funding the fire and rescue service from the General Fund.

Council staff analysis provided by Mr. Sherer discusses the advantages of merging the Fire Tax into the General Fund.

Why is there a separate Fire Tax Fund? Having a separate fund "makes sense" if the fund is not countywide, in which case residents who live within the boundaries of the fund, and who benefit from the fund's services, pay a property tax for the service. But residents who do **not** live within the boundaries of the fund, and who do **not** benefit from the fund's services, do **not** pay a property tax for the service. In other words, the reason for having separate rates for the funds which are not countywide is so that residents who do not receive a service do not pay tax for that service. The Fire Tax Fund used to consist of many individual districts, with residents of each district paying a different tax rate to finance its fire and rescue station(s). However, in 1992, the Council approved Bill 60-91 which established a countywide Fire Tax District.

When a fund is countywide, the rationale for having a fund that is separate from the countywide General fund is unclear. From a budgetary perspective, there is no rationale for having a separate Fire Tax Fund, since it is a countywide fund. Having separate countywide funds serves no purpose and unnecessarily complicates the County's tax structure. The separate fund could be merged into the General Fund, to achieve the following benefits.

- Having fewer funds would simplify the tax structure, consistent with a principle suggested by GFOA.
- Having fewer funds is administratively more efficient and easier for the public to understand.
- Having fewer funds strengthens the General Fund by increasing its reserve, which in turn gives more flexibility in using the reserve to offset revenue shortfalls and/or to fund supplemental appropriations. This is because the reserve in the General Fund can be used for other funds, but the reserve in other funds can only be used in that fund.

What are the benefits of having a separate countywide fund? None, in Council staff's view. Having separate funds does not increase (protect) or decrease the County's commitment to any service. The Council's discussion and decision on how much to appropriate for each service is not affected by whether or not there is a separate fund. Every year, the Council makes its funding decisions based on available resources, the various competing needs, and the Council's priorities, not on whether a particular service is in the General Fund or in a separate fund. The appropriation for any fund is the same whether it is a separate fund or a department in the General Fund.

As the adjacent table shows, other departments already in the General Fund are larger than Fire (and Mass Transit) Also, MCPS and the College are not only larger but are **not** separate funds. They do not have separate tax rates – rather, they receive funds from the General Fund. If these agencies and departments are not separate funds, why should Fire be a separate fund?

Agency or Department	FY 10 appropriation ($millions)
MCPS	$2,020.1
Police	246.3
College	217.5
HHS	194.1
Fire	193.0
Mass Transit	108.5

LFRD Response

In general, LFRDs have been opposed to eliminating the separate Fire Tax. In a letter in response to an MFP Committee exploration of the issue in 2004, the President of the Bethesda Fire Department strongly opposed incorporating fire and rescue funding into the General Fund (© 3-5). His reasons for continuing to maintain a separate Fire Tax included: increasing accountability and visibility for the special fund function, and making certain that the funds are not fungible for other purposes. He also noted that the Fire Tax supports services provided in partnership by the County and the LFRDs which, in his view, is a specific purpose that is separate from other General Fund services. He felt that a special tax was needed to enable the Council and the public to know how much fire and rescue services cost, and to decide whether these costs are commensurate with the level of service needed or desired. Even with a separate Fire Tax, he noted his opinion that the budgeting practice at the time did not provide sufficient funding for the fire and rescue service. While no other letters were included in the file on this issue, Council staff believes that the Bethesda Fire Department's letter reflects the views of most, if not all, LFRDs.

Most Recent Committee Review

On October 30, 2006, the MFP and Public Safety Committees discussed the Fire Tax Fund. Among other things, the Committees expressed interest in reducing the number of separate special funds to simplify the tax structure. They thought that some of the special funds were outmoded, and the structure was confusing for taxpayers who wanted to understand the County's budget. The Committees thought that these changes should be made over time. The Committees have not discussed this issue since the 2006 meeting.

Next Steps

For the October 1 session, the Committees will have an opportunity to consider whether they want to explore any changes to the current fire tax structure, and if so, which issues the changes should address. Some questions for the Committees to consider are listed below.

1. Does a separate Fire Tax still provide a benefit to the Fire and Rescue Service, or is it outmoded a this point?

2. If a separate Fire Tax is no longer the best approach, should the Fire and Rescue Service budget be incorporated into the General Fund? This would require a change in law.

3. While it might seem problematical that the current "dedicated" Fire Tax Fund is fungible with other funds when the budget is being developed, this situation is no different than the situation for other budgets with a source of funding that is subject to the Charter Limit. Even without a Charter Limit, there might be a concern about the overall increase in the budget from one year to the next, including any increase in the fire and rescue budget. Is the Fire and Rescue Service unique in some way that would justify different budgeting limits than, for example, for the Police?

4. If the Committee is interested in a dedicated Fire Tax that is not fungible with other funds during budget development, what should be the strategy?

   - Amend the Charter to exempt the Fire Tax from the Charter Limit. This would require that County voters approve a Charter ballot question.

   - Establish an alternative funding source for the Fire and Rescue Service that is not an ad valorem property tax. One option might be a user fee such as an EMS transport or fire suppression fee. This would require a change in law plus administrative changes to implement and collect the fee.

After the Committees have an opportunity to discuss these options and refine any requests for further exploration of these issues, Council staff will follow up accordingly.

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Sec. 21-23. Taxation.

(a) *Fire Tax District.* A fire tax district, comprising the entire County, includes all real and personal property assessed for County tax purposes.

(b) *Tax levy and collection.* The County Council may levy a tax on each $100 of the assessed value of taxable property in the fire tax district at a rate to yield an amount that the Council finds sufficient to fund:

(1) the management, operation, and maintenance of all fire and rescue services;

(2) the purchase (including debt service), construction, maintenance, and operation of real and personal property necessary or incidental to fire and rescue services;

(3) the operation of the Commission and the Fire and Rescue Service;

(4) all tax-supported expenditures of the local fire and rescue departments; and

(5) awards for the Length of Service Awards Program.

The fire tax must be levied and collected in the manner that other county real property taxes are levied and collected and have the same priority rights, bear the same interest and penalties, and in every respect be treated the same as other county real property taxes. (1980 L.M.C., ch. 64, § 3; 1988 L.M.C., ch. 14, § 10; 1992 L.M.C., ch. 7, § 1; 1992 L.M.C., ch. 8, § 1; 1998 L.M.C., ch. 4, § 1.)

Editor's note-Section 21-23, formerly §21-4R, was renumbered and amended pursuant to 1998 L.M.C., ch. 4, § 1.

Sec. 21-24. Fire tax funds.

(a) *Distribution.* The County must pay all appropriated funds budgeted for use by a local fire and rescue department at least on a monthly basis to the department in accordance with a projected monthly schedule or approved budget submitted by that department before the start of the fiscal year. At the request of a local fire and rescue department, the County, as a service to that department, may retain, disburse, and account for any fire tax funds budgeted for use by that department.

(b) *Expenditures and investments.* The treasurers, as authorized by the local fire and rescue department, must pay all proper costs, expenses, claims and demands necessary for the maintenance, equipment, and operation of the local fire and rescue department. Any money which the County retains on behalf of the local fire and rescue department must be invested in the County's investment fund. The proceeds from those investments must be credited to each local fire and rescue department for the next fiscal year after the funds were invested. Proceeds must be credited to each local fire and rescue department in proportion to the amount of funds retained and invested by the County.

(c) *Treasurer's bond.* Each local fire and rescue department must provide a corporate bond to the County approved by the Director of Finance conditioned on the faithful discharge of the duties of the treasurer. The Director may approve a blanket corporate bond covering one or more local fire and rescue departments.

(d) *Audit.* Financial transactions involving County fire tax funds must be included in the annual

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audit required by the Charter. Copies of the annual audit must be provided to the County Council, each local fire and rescue department, and the Commission. (1980 L.M.C., ch. 64, § 3; 1988 L.M.C., ch. 14, § 11; 1992 L.M.C., ch. 7, § 1; 1992 L.M.C., ch. 8, § 1; 1998 L.M.C., ch. 4, §1; 2004 L.M.C., ch. 5, § 1.)

Editor's note—Section 21-24, formerly §21-4S, was renumbered and amended pursuant to 1998 L.M.C., ch. 4, §1.

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October 12, 2004

Honorable Marilyn J. Praisner, Chair
Management and Fiscal Policy Committee
MONTGOMERY COUNTY COUNCIL
100 Maryland Avenue
Rockville, MD 20850

Re: Fire District Fund

Dear Ms. Praisner:

This letter responds to yours of August 9 to the Fire Administrator and the presidents of the local fire and rescue corporations on the same subject.

I am opposed to eliminating the distinction between taxes designated as Fire District Fund and taxes designated as General Funds. Separate funds are meant to increase visibility and accountability and to make sure the monies received are not fungible. Given the Executive's and Council's expressed passions during the debates on Bill 36-03 for increasing accountability in the operation of the fire and rescue services, then the Council's efforts should focus on getting the Fire tax levy increased to cover the real cost of providing fire and rescue services, not on arguing whether this levy should be eliminated and made less fungible.

This said, the following two points raised in your letter in support of eliminating this distinction are particularly troubling:

1. The contention that "having a separate county-wide fund for Fire ... serves no fiscal purpose and unnecessarily complicates the County's tax structure" misrepresents the letter and spirit of *Montgomery County Code* Article 21, Sections 22 through 24. These sections stipulate that taxes designated as Fire District Fund are to be imposed to fund fire and rescue services provided by the MC Fire and Rescue Service in partnership with local private fire and rescue corporations. This distinguishes these taxes having a specific purpose from taxes designated as General Funds which are to be imposed to support many undifferentiated governmental services. The facts that since 1992 all County residents pay a Fire tax and that

the Fire tax rate is uniform across the County do not obviate the need for the Council to impose a tax to fund fire and rescue services specifically. The Council as well as County residents should know how much these services are costing and decide whether these costs are commensurate with the level of service needed or desired.

2. The contention that "Council's appropriation for Fire would be the same whether it were a separate fund or a department in the General Fund. We base our decision of how much to appropriate for all services on our assessment of relevant needs and available resources, not on whether the service does or does not have a separate fund." is misleading. It is obvious from a review of pending proposals by the Executive such as those contained in *Montgomery County Fire and Rescue Report: Emergency Medical Services Ambulance Transport Fee*, August 2004, offered in support of MC Bill 32-04 "Ambulance Transport Fees," and in the memorandum of 4/7/04 from the Chief Administrative Officer to the County Council President responding to the Council's OLO report, *A Study of the Inspection, Maintenance and Repair of Fire and Rescue Service Vehicles,* 1/7/04, that in recent years the Executive has not requested, and the Council has not appropriated sufficient funds for fire and rescues services even when there has been a separate Fire fund and an independent source of revenue, the Fire tax, to provide the necessary funds. Is it really likely that the Executive will request, and the Council will appropriate sufficient funds for fire and rescue services when the appropriation is to be funded entirely from the general real estate taxes and there are persistent pressures, including repeated initiatives placed on the ballots, to set artificial limits on the amount of general real estate taxes which can be levied?

Finally, let me note that the current budgeting practice followed by the Fire and Rescue Service even while there is a separate Fire District Fund does not serve well County residents, the Council, the Service or the local fire and rescue corporations because it obfuscates the financial needs of the Service and its local fire and rescue corporation partners. *Montgomery County Code* Article 21, Sections 22 through 24 require *inter alia* that:

a. Each local fire and rescue corporation supported in whole or in part with tax funds must prepare an annual budget and submit it to the Fire Administrator (the Fire Chief, after 1/1/2005);
b. The Fire Administrator (the Fire Chief after 1/1/2005) must submit to the Council through the Executive a unified Fire and Rescue Service budget which includes the budgets of the local fire and rescue departments;
c. The County Council must appropriate funds for fire, rescue and emergency medical services for the ensuing fiscal year to provide for:
(1) The management, operation, and maintenance of all fire and rescue services;
(2) The purchase (including debt service), construction, maintenance, and operation of real and personal property necessary or incidental to fire and rescue services;
(3) The operation of the Commission and the Fire and Rescue Service;

(4) All tax-supported expenditures of the local fire and rescue departments; and
(5) Awards for the Length of Service Awards Program.

d. The County Council may levy a tax on each $100 of the assessed value of taxable property in the fire tax district at a rate to yield an amount that the Council finds sufficient to provide the appropriated funds.

The letter and the spirit of these sections of Article 21 cannot be met if the Fire and Rescue Service continues its practice of requiring local fire and rescue corporations to prepare their annual budgets that they sum to an arbitrary total defined by the Service in order to be included in the Service's unified budget noted in paragraph 'b' above. For FY04 Bethesda was required by the Service to submit a budget totaling $293,930 exclusive of payroll costs. This "low balling" forced Bethesda in the 3rd quarter of FY04 to request a supplemental appropriation of $65,020 to cover increasing costs for station utilities, vehicle fuels and lubricants, medical equipment and supplies, and communications. For FY05 Bethesda was also required to submit an unrealistic budget, this time, once again totaling the inadequate sum of $293,930 exclusive of payroll costs. Since May 2004, Bethesda has been trying repeatedly to arrange a meeting with the Fire Administrator to demonstrate why Bethesda will require an additional infusion of about $90,000 or about $10,000 per month during the 2nd, 3rd and 4th quarters of FY05 in order to keep the apparatus fueled and operating and the facilities supplied with utilities. Bethesda has yet to be able to find any date between May and October acceptable to the Administrator for a meeting to discuss this situation; the last proposal for a date by the Administrator was the second day of Rosh Hashanah, a date which was inappropriate for me.

I hope the Council and the new Fire Chief do not plan on continuing this budgeting fiction.

Sincerely,

Donald M. Weinroth, PE
President

cc: Gordon A. Aoyagi, Fire Administrator
Thomas C. Carr, Chief, DFRS
Frederick H. Welsh, Acting Chief, DVFRS
Presidents, Local Fire and Rescue Corporations

I. SUMMARY AND MAJOR CONCLUSIONS/RECOMMENDATIONS

A. Summary

Since before the turn of the century, Montgomery County has had fire fighting companies. In their earliest organization, these fire fighting companies were truly community based, drawing necessary funds and volunteer firefighters from the immediate communities that they served. Beginning in 1927, companies began accepting public funds, first in the form of grants than as revenue from a fire tax levied in the communities the companies served.

In FY71, the Council passed legislation (Bill 39-71) which established two fire tax classes: Consolidated and Individual. Beginning in FY72, ten of the 16 fire departments were incorporated into the Consolidated Fire Tax District (CFTD), with a common fire tax rate, and the other six departments remaining as individual fire tax districts with varying fire tax rates. Over the next 20 fiscal years, four of these six departments have been incorporated into the CFTD. Today only Rockville and Upper Montgomery remain as individual fire tax districts.

When Bill 39-71 was enacted, Council established the sum of 21 cents per $100 of the assessed value of taxable property as the "trigger rate" to move into the CFTD. That rate was raised to 26 cents beginning in FY75, and has remained at 26 cents to this day.

In February 1991, at the request of the County Executive, the Council introduced Bill 4-91, which would establish a single County-wide fire tax district and make other legislative changes to the funding of County fire and rescue operations. In March 1991, Bill 4-91 was rejected by unanimous vote of the Council, and OLO was directed to conduct a study of all issues relating to financing fire and rescue services and report its findings to the Council. This OLO report complies with that directive.

B. Major Conclusions/Recommendations

1. During the twenty years since the enactment of legislation creating two classes of fire tax districts, Individual and Consolidated, there have been many changes, both intrinsic and extrinsic to the fire and rescue services, which have affected directly the administration, operation, and funding of those services.

- Among the changes intrinsic to the fire and rescue services has been the increase in mutual support and interdependence among fire departments in the delivery of those services.

- Among the changes extrinsic to the fire and rescue services has been the overall growth in the County's assessed value of property, a growth that has not been evenly distributed among the fire tax areas.

2. Under current legislation which sets the "trigger" fire tax rate for incorporation into the CFTD at 26 cents per $100 of the assessed value of taxable property, it is unlikely that Rockville will ever qualify for incorporation into the CFTD because of its disproportionately high assessable tax base.

3. Volunteer participation greatly benefits the County by reducing the number of paid firefighters/rescuers to staff the apparatus, which in turn reduces the operating budgets of the fire departments and ultimately the fire tax levies.

4. During the 20 years since creation of the two classes of fire tax districts, there has been a significant decline in the number of active volunteers, and a corresponding increase in the number of paid career employees in the fire and rescue services.

5. There is no empirical evidence to substantiate that incorporation into the Consolidated Fire Tax District has had any direct, negative impact on volunteer participation.

6. Based on its evaluation of the issues relating to financing fire and rescue services, OLO recommends that a single, County-wide fire tax would be the most equitable approach to funding all fire and rescue services and related activities. Specifically, OLO recommends that the County Council should consider enacting legislation amending Chapter 21 to:

- Establish a single fire tax district encompassing the entire County; and

- Direct that the tax levy on each $100 of the assessed value of taxable property within the newly established single fire tax district produce an amount that the Council finds sufficient to fund all activities relating to the fire and rescue service.