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HOUSE BILL 429
Committee Substitute Favorable 3/29/07
Senate Finance Committee Substitute Adopted 7/25/07
Fourth Edition Engrossed 7/27/07

Short Title: Canal Dredging Fee/Brunswick Fire Fees.

(Local)

Sponsors:

Referred to:

March 1, 2007

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWNS OF OCEAN ISLE BEACH, EMERALD ISLE, AND HOLDEN BEACH TO SET CANAL DREDGING FEES BASED ON A PROPERTY OWNER'S FRONTAGE ABUTTING A DREDGING PROJECT, AND TO MODIFY BRUNSWICK COUNTY'S FIRE PROTECTION FEES.

The General Assembly of North Carolina enacts:

SECTION 1. Section 3 of S.L. 2004-104 reads as rewritten:

"SECTION 3. Fees. – The fees imposed by the municipality may not exceed the cost of providing for the dredging of the canals within the municipality. The fees shall be imposed on owners of each dwelling unit or parcel of property that could or does benefit from water access through the canal system on the ~~island~~. island and shall be made on the basis of one of the following:

(1) The frontage abutting the project at an equal rate per foot of frontage.

(2) Per unit or parcel of property."

SECTION 2. Section 1 of S.L. 1999-323, as amended by S.L. 2001-74, reads as rewritten:

"Section 1. Fee-supported fire districts.

"Section 1.(a) Request for Fee-Supported District. – A county may create a fee-supported fire district for insurance grading purposes if it receives one of the following:

(1) A written request to create the district signed by at least two-thirds of the members of the board of directors of a fire department that contracts with the county to provide fire protection within an area of the county.

(2) A petition requesting creation of a district signed by fifteen percent (15%) of the resident freeholders living in an area in the county. The petition must describe the area to be designated as the district.

1 **"Section 1.(b)** Creation of Fee-Supported District. – Upon receipt of a request as
2 provided in subsection (a), the county may adopt a resolution establishing a
3 fee-supported fire district and imposing annual fees for the provision of fire protection
4 services within the district. The fee may be established or changed only after the county
5 board of commissioners has received the recommendations of the committee for that
6 district, established under subsection (b1) of this section. The district may not include
7 any area that is within (i) a tax-supported fire district established under Article 3A of
8 Chapter 69 of the General Statutes; (ii) a county service district established under
9 Article 16 of Chapter 153A of the General Statutes for fire protection purposes; or (iii)
10 another fee-supported fire district. The district may not include any area that is within
11 the corporate limits of a municipality unless the governing body of the municipality
12 agrees to the inclusion. However, it is not necessary to obtain the consent of a
13 municipality if the municipality has not levied a tax, performed any official act, nor held
14 any elections within a period of 10 years preceding the adoption of the resolution
15 including the area within the district.

16 **"Section 1.(b1)** Committee for District. – Each district shall have a committee to
17 allow local control over the fee-setting process. In each district that does not include any
18 territory in a participating municipality, the committee shall consist of five members as
19 follows: The Fire Chief, the member of the board of county commissioners in whose
20 electoral district more than fifty percent (50%) of the land area of the district lies, a
21 community member chosen by the Fire Department Board of Directors, a community
22 member chosen by the board of county commissioners, and the Fire Marshal. In each
23 district that does include any territory in a participating municipality, the committee
24 shall consist of members as follows: The Fire Chief, the mayor of each participating
25 municipality in the district, the member of the board of county commissioners in whose
26 electoral district more than fifty percent (50%) of the land area of the district lies, a
27 community member chosen by the Fire Department Board of Directors, a community
28 member chosen by the board of county commissioners, and the Fire Marshal. In either
29 type of district, the Fire Marshal shall chair the committee, but may vote only to break a
30 tie. The committee shall conduct an inquiry into the amount of funds required by the
31 district to meet its needs, and shall make findings on the issue. The committee will
32 communicate these findings to the board of county commissioners and recommend a
33 fee. The board of county commissioners will then set the fee. The same process shall be
34 used for changes to the fee once established.

35 **"Section 1.(c)** Fees. – The fees imposed by the county may not exceed the cost of
36 providing fire protection services within the district and may be imposed on owners of
37 all real property that benefits from the availability of fire protection and on owners of all
38 manufactured or mobile homes that benefit from the availability of fire protection. For
39 the purpose of this section, the term 'fire protection' includes furnishing emergency
40 medical, rescue, and ambulance services to protect persons in the district from injury or
41 death. The county shall establish a schedule of fees for different classes of property and
42 the fee for each class of property shall be proportional to the estimated cost of providing
43 fire protection services to that class of property. The schedule of fees shall include the

1 following classes of property and the fee on each class of property shall not exceed the
2 following maximums:

- 3 (1) A single-family dwelling or manufactured or mobile home, and
4 appurtenant structures, plus up to five acres of surrounding land. The
5 fee on this class of property may not exceed:
- 6 a. Fifty dollars (\$50.00) per site per year for homes ~~1,500-1,000~~
7 square feet of heated floor area or less.
 - 8 b. One hundred dollars (\$100.00) per site per year for homes
9 greater than ~~1,500-1,000~~ square feet of heated floor area but less
10 than ~~2,500-2,000~~ square feet of heated floor area.
 - 11 c. ~~One hundred fifty dollars (\$150.00)~~ Two hundred dollars
12 (\$200.00) per site per year for homes ~~2,500 square feet of~~
13 ~~heated floor area and above 2,000~~ square feet or greater of floor
14 area but not greater than 3,000 square feet of heated floor area.
 - 15 d. Three hundred dollars (\$300.00) per site per year for homes
16 greater than 3,000 square feet of floor area but not greater than
17 4,000 square feet of heated floor area.
 - 18 e. Four hundred dollars (\$400.00) per site per year for homes
19 greater than 4,000 square feet of floor area but not greater than
20 5,000 square feet of heated floor area.
 - 21 f. Five hundred dollars (\$500.00) per site per year for homes
22 greater than 5,000 square feet of floor area but not greater than
23 6,000 square feet of heated floor area.
 - 24 g. Six hundred dollars (\$600.00) per site per year for homes
25 greater than 6,000 square feet of floor area but not greater than
26 7,000 square feet of heated floor area.
 - 27 h. Seven hundred dollars (\$700.00) per site per year for homes
28 greater than 7,000 square feet of floor area but not greater than
29 8,000 square feet of heated floor area.
 - 30 i. Eight hundred dollars (\$800.00) per site per year for homes
31 greater than 8,000 square feet of heated floor area.
- 32 (2) Unimproved land other than the five acres of land classified as part of
33 a single-family dwelling or manufactured or mobile home. The county
34 may establish a maximum fee for unimproved land as follows:
- 35 a. Up to five acres, ~~five dollars (\$5.00)~~ ten dollars (\$10.00).
 - 36 b. Five acres or more but less than 25 acres, ~~ten dollars~~
37 ~~(\$10.00)~~ twenty dollars (\$20.00).
 - 38 c. 25 acres or more but less than ~~100-50~~ acres, fifty dollars
39 (\$50.00).
 - 40 d. ~~100-50~~ acres or more but less than ~~500-100~~ acres, ~~one hundred~~
41 ~~twenty-five dollars (\$125.00)~~ one hundred dollars (\$100.00).
 - 42 e. 100 acres or more but less than 200 acres, one hundred fifty
43 dollars (\$150.00).

- 1 f. 200 acres or more but less than 300 acres, two hundred dollars
- 2 (\$200.00).
- 3 g. 300 acres or more but less than 400 acres, three hundred dollars
- 4 (\$300.00).
- 5 h. 400 acres or more but less than 500 acres, four hundred dollars
- 6 (\$400.00).
- 7 e-i. ~~500 acres or more, two hundred fifty dollars (\$250.00).~~five
- 8 hundred dollars (\$500.00).
- 9 (3) An animal production or horticultural operation. The fee on this class
- 10 of property may not exceed ten dollars (\$10.00) per site per year.
- 11 (4) A commercial facility other than an animal production or horticultural
- 12 operation. The fee on this class of property may not exceed for a
- 13 commercial facility:
- 14 a. Less than 5,000 square feet, ~~one hundred dollars (\$100.00).~~two
- 15 hundred dollars (\$200.00).
- 16 b. 5,000 square feet but less than 10,000 square feet, ~~two hundred~~
- 17 ~~dollars (\$200.00).~~four hundred dollars (\$400.00).
- 18 c. 10,000 square feet but less than 20,000 square feet, ~~five~~
- 19 ~~hundred dollars (\$500.00).~~eight hundred dollars (\$800.00).
- 20 d. 20,000 square feet but less than ~~50,000~~ 30,000 square feet, one
- 21 thousand dollars (\$1,000).
- 22 d1. 30,000 square feet but less than 40,000 square feet, one
- 23 thousand five hundred dollars (\$1,500).
- 24 d2. 40,000 square feet but less than 50,000 square feet, two
- 25 thousand dollars (\$2,000).
- 26 e. 50,000 square feet but less than ~~100,000~~ 60,000 square feet, ~~two~~
- 27 ~~thousand five hundred dollars (\$2,500).~~ three thousand dollars
- 28 (\$3,000).
- 29 e1. 60,000 square feet but less than 70,000 square feet, four
- 30 thousand dollars (\$4,000).
- 31 e2. 70,000 square feet but less than 80,000 square feet, five
- 32 thousand dollars (\$5,000).
- 33 e3. 80,000 square feet but less than 90,000 square feet, six thousand
- 34 dollars (\$6,000).
- 35 e4. 90,000 square feet but less than 100,000 square feet, seven
- 36 thousand dollars (\$7,000).
- 37 f. 100,000 square feet or over, ~~three thousand dollars~~
- 38 ~~(\$3,000).~~eight thousand dollars (\$8,000).
- 39 (5) A multiple-family dwelling. Each unit in a multiple-family dwelling
- 40 shall be treated as a single-family dwelling under subdivision (1) of
- 41 this subsection.
- 42 (6) Any other class of property selected by the county. The fee on these
- 43 classes of property may not exceed one hundred dollars (\$100.00) per
- 44 year.

1 (7) Outbuildings and special structures that fail to fall into any category
2 above will be classified based on the most appropriate category
3 determined by the specific use of the type of structure.

4 **"Section 1.(d) Billing of Fees.** – The county may include a fee imposed under this
5 section on the property tax bill for the real property, or the manufactured or mobile
6 home, on which the fee is imposed.

7 **"Section 1.(e) Use of Fees.** – The county shall credit the fees collected within the
8 district to a separate fund to be used only to furnish fire protection in the district. The
9 board of commissioners shall administer the fund to provide fire protection by one or
10 more of the following methods:

11 (1) Contracting with any municipality, any incorporated nonprofit
12 volunteer or community fire department, or the Department of
13 Environment and Natural Resources.

14 (2) Furnishing fire protection itself if it maintains an organized fire
15 department.

16 (3) Establishing a fire department in the district.

17 **"Section 1.(f) Audit of Fire Department.** – If the county contracts with a fire
18 department to provide fire protection services in a fee-supported fire district, the fire
19 department shall prepare an annual budget based on anticipated revenues and shall
20 submit the budget to the county for processing and approval through the county's
21 regular budget procedure. The fire department shall contract for quarterly
22 bookkeeping/accounting services from an independent accountant for each fiscal year
23 July 1 through June 30. The independent accountant must be approved in advance by
24 the County Finance Officer. The fire department is to submit all invoices, cash receipts,
25 bank statements with canceled checks or facsimiles, check registers or stubs, and other
26 financial source documents to the accountant within 15 days of the end of each fiscal
27 quarter. The accountant is to provide a monthly bank reconciliation for each month of
28 the quarter, an itemized schedule of all disbursements for the quarter, and an itemized
29 schedule of cash receipts for the quarter, a quarterly financial report, and a year-to-date
30 financial report directly to the County Fire Marshal's office within 45 days of the end of
31 each fiscal quarter. Funding will not be disbursed until the financial report is accepted
32 by the Finance Officer. The fire department agrees to contract for an independent
33 financial audit conducted by a certified public accountant in accordance with generally
34 accepted accounting principles, for each fiscal year July 1 through June 30 to be
35 completed by October 31 after that fiscal year and submitted to the Brunswick County
36 Emergency Services Department by November 10 following that fiscal year and will
37 comply with federal and State laws and regulations related to financial and compliance
38 audits. Towns will handle all financing and accounts that are spent for the town fire
39 departments. The Town will follow all accounting principles and practices as required
40 by the State of North Carolina. The Treasurer of any fee-supported department shall be
41 bonded for at least one and one-half times the department's annual budget. ~~Upon request~~
42 ~~of the county, the fire department shall make quarterly or semiannual reports to the~~
43 ~~county detailing its revenues, expenditures, and activities.~~ The county may audit the fire
44 department's financial records upon reasonable notice to the fire department. Any fees

1 collected by the county to be disbursed to a fee-supported department will be withheld
2 until all fiscal issues are resolved to the satisfaction of the County Finance Officer.

3 **"Section 1.(g)** Extension of Area of District. – The county may by resolution annex
4 to any fee-supported fire district any territory that it could include in a new district
5 under subsection (c) of this section, upon finding that:

6 (1) The area to be annexed is contiguous to the district, with at least
7 one-eighth of the area's aggregate external boundary coincident with
8 the existing boundary of the district; and

9 (2) The area to be annexed requires the services of the district.

10 The county may also by resolution annex to any fee-supported fire district any
11 territory it could include in a new district under subsection (c) of this section if
12 seventy-five percent (75%) of the real property owners in the territory to be annexed
13 have petitioned the board of commissioners for annexation to the service district.

14 The area of any fee-supported fire district may be increased by including within the
15 boundaries of the district any adjoining territory lying within a municipality if the
16 territory is not already included in another fire protection district, and both the
17 municipal governing body and the county commissioners of the county in which the
18 district is located agree by resolution to the inclusion. However, it is not necessary to
19 obtain the consent of a municipality if the municipality has not levied a tax, performed
20 any official act, nor held any elections within a period of 10 years preceding the
21 adoption of the resolution including the area within the district.

22 **"Section 1.(h)** Annexation of District. – When any portion of a fee-supported fire
23 district has been annexed by a municipality furnishing fire protection to its citizens, and
24 the municipality has not agreed to allow territory within it to be in the district, then the
25 portion of the district annexed is no longer part of a fee-supported district. For the
26 purposes of this section and regardless of the actual effective date of annexation, the
27 date of annexation shall be considered to be a date in the month of June. When any
28 portion of a fee-supported fire district is annexed by a municipality furnishing fire
29 protection to its citizens, there is debt associated with the prior fee-supported district
30 providing the fire protection to that area, an assumption of debt shall be paid to the
31 fee-supported district at a rate of not less than one-half the fees that are collected from
32 the annexed area for a period of not less than three years. This shall in no way limit or
33 restrict a municipality from contracting with a fee-supported district to provide fire
34 protection services nor shall it require a fee-supported district to provide fire protection
35 services without an additional contract.

36 **"Section 1.(i)** Abolition of District. – Upon finding that there is no longer a need for
37 a given fee-supported fire district, the board of commissioners may repeal the resolution
38 establishing the district and thus abolish the district.

39 **"Section 1.(j)** Administrative Oversight. – Each nonmunicipal department shall
40 bring any purchase in excess of ten thousand dollars (\$10,000) for approval to a fire
41 protection oversight board that is determined by the board of commissioners of the
42 county and is chaired by the Emergency Services Director or his designee. Failure to
43 adhere to the recommendations of the committee could lead to forfeiture of collected
44 fees. All departments that receive funding from a fee-supported district shall participate

1 in countywide strategic planning sessions conducted by the emergency services office
2 no less than once a year.

3 "**Section 1.(k)** Collection Remedies. – A county may foreclose fire fee liens under
4 any procedure provided by law for the foreclosure of property tax liens, except that: (i)
5 lien sales and lien sale certificates are not required, and (ii) foreclosure may be begun at
6 any time after 30 days after the due date. The county is not entitled to a deficiency
7 judgment in an action to foreclose a fire fee lien. The lien of fire fees is inferior to all
8 prior and subsequent liens for State, local, and federal taxes, and superior to all other
9 liens."

10 **SECTION 3.** Section 2 of this act becomes effective January 1, 2008. The
11 remainder of this act is effective when it becomes law.