

Please SUPPORT
HB 1013 – Emergency Services and
Urban Renewal Authorities
Representative Sonnenberg

BACKGROUND: Urban Renewal Authorities are tools that were designed to help revitalize local communities. When an URA is put in place, the taxes to the local districts are froze and the URA receives all of the additional tax revenue generated for that area. That money is then used for the improvements in those respective authorities.

PROBLEM: The problem arises when a taxing district such as a fire district or other emergency services district lose that increased revenue when they are expected to meet the increased demands of the new revitalized community. They are denied any increase of their small portion of the tax revenue so they may be able to upgrade and meet those needs.

For example: If 160 acres of farm ground pays \$400 a year in taxes, a 5.5 mill levy would send \$22 to the fire district. As it is now, if a Walmart came in on that property and the taxes jumped to \$42,000, that fire district would not get a penny more. This bill would allow that fire district to keep \$2310 (just their 5.5 mills of the total taxes).

SOLUTION: This bill allows that fire district or other emergency services district to utilize their share of the taxes to fulfill their charge to the increased demands of the URA. Imagine if the URA built a three or four structure building on the farm ground in the example and expected the fire department to service that building with equipment designed for smaller buildings. There would be no additional funds to meet the additional demands.

ARGUMENTS AGAINST: Opponents will argue that this takes needed funds away from that URA and that those special districts can already negotiate for funds from that URA.

ANSWERS: Those emergency services taxing districts need those funds to meet the increased demands of the revitalized communities. They can not negotiate because they have no power to negotiate. For a successful negotiation, both would have to compromise and there is no incentive for the URA to negotiate, rather dictate. The much needed funds that would be lost for the URA would be minimal while the emergency services districts would be one step closer to meeting their charge.

If HB09-1013 is enacted, the changes in the previous example would be that the emergency services district would receive \$2,332 while the URA's total would be \$39,668. **This bill would not affect municipal fire departments.**