



# TACIR

The Tennessee Advisory Commission  
on Intergovernmental Relations



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226 Capitol Boulevard Bldg., Suite 508  
Nashville, Tennessee 37243-0760  
Phone: (615) 741-3012  
Fax: (615) 532-2443  
www.tn.gov/tacir

## MEMORANDUM

**TO:** Commission Members

**FROM:** Lynnisse Roehrich-Patrick  
Executive Director *Lynnisse*

**DATE:** 13 September 2012

**SUBJECT:** Fire Service Update

House Joint Resolution 204 by Representative Hayes (2011) directed TACIR to study

- the collection methods and charges imposed by local governments, especially in rural and suburban areas, for fire service, whether provided by a paid or volunteer fire department;
- the overall impact on local governments when their respective jurisdictions are not protected by a fully funded fire department; and
- the impact of making fire service an essential service provided by local governments.

House Joint Resolution 204 was not adopted by the Senate, but the Commission chose to proceed with the study.

### Current Law

Fire departments in Tennessee may be public or private. Public fire departments include county and city fire departments, as well as fire utility districts. Private fire departments may be for profit or not for profit. Current law authorizes a number of funding methods:

- **General Fund Revenue:** Counties and cities can use general fund revenue to fund fire service.
- **Differential Property Tax Rates:** Counties can create fire tax districts with differential property tax rates earmarked for fire service. These revenues may be used to fund public or private fire departments.
- **Fees:** Counties, cities, and fire utility districts can charge fees for fire service.
- **Incident Charges:** The legislature has authorized only one utility district (Blount County) to charge non-subscribers for service after it has been provided. Private fire departments also have this option.
- **Donations:** All fire departments can accept donations.

**Fire Funding Methods Available**  
*With Relevant Sections from the Tennessee Code Annotated*

FUNDING MECHANISM	TYPE OF FIRE DEPARTMENT			
	PUBLIC			PRIVATE
	County	City	Utility District	
General Fund Revenue	5-8-107	6-2-201	not applicable	5-9-101(23); 6-54-111 by contract with local government
Differential Property Tax Rates	5-17-105 through 107	not applicable		
Fees	5-16-101(b)(2)	6-2-201(14); 6-19- 101(14); 6-33- 101(a)	7-82-302	*
Incident Charges	not applicable	not applicable	only available in Blount County under 7-82-313	*
Donations	5-8-101(b)	5-17-101(d)(4)	7-82-304 (12)(b)(3) can only be used toward charitable purposes	5-9-101 (23)

\* As private entities, private fire departments can charge fees.

Not every fire department uses all of the funding methods available to it. Different options are used in different areas. For example, Cheatham County established fire tax districts in 2001; and Shelby County uses an urban type public facilities fee to provide fire service to unincorporated areas of Shelby County and Lakeland. Where a county or city is already providing fire service, they cannot also charge an incident fee. Moreover, under current law cities cannot establish fire tax districts in which they could apply differential property tax rates to fund fire service.

**Making Fire Service an Essential Service**

The terms “essential service” and “fully funded fire department” used in House Joint Resolution 204 are not defined in the resolution or in current law. Moreover, no other essential services are defined in current law. Therefore, based on conversations with the legislative sponsors, fire officials, and lobbyists, we interpreted “essential service” to mean a mandatory service and “fully funded” to mean publicly funded.

Evaluating the effect of making fire service mandatory and publicly funded would require defining some minimum level of service and costing it out. For example, the average cost of a fire engine ranges from \$125,000-\$200,000, and the average cost for protective gear for a fire fighter is \$10,000. But how many fire engines do we need, and how many fire fighters do we need to equip?

As shown in the map attached, nearly the entire state is covered by some form of fire protection, but it varies from highly sophisticated in the most urban areas to very limited in the most rural areas. Consequently, costs vary from place to place. The average cost per capita for fire service in 2007 was \$38 for a total of \$560 million statewide. Bringing the entire state up to that level would cost an additional \$24 million.

### **Next Steps**

The research plan for this project calls for a draft for Commission review and comment at the next meeting and a final draft at the Winter 2012 meeting.

Attachment.

## Area within Five Miles of Fire Stations (2008)

