

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7054**

**BILL NUMBER:** HB 1365

**NOTE PREPARED:** Apr 21, 2011

**BILL AMENDED:** Apr 12, 2011

**SUBJECT:** Volunteer Fire Department Recovery of Costs.

**FIRST AUTHOR:** Rep. Dodge

**FIRST SPONSOR:** Sen. Zakas

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

- (1) Allows the first responding volunteer fire department to recover attorney's fees and costs incurred by the department in an action to recover unpaid service charges.
- (2) Prohibits a volunteer fire department funded by taxes imposed by a unit or by a contract with a unit from imposing a charge on persons who reside or pay property taxes in the unit unless the spill or chemical or hazardous material fire poses an imminent threat to persons or property.
- (3) Provides that a bill for a service charge by a volunteer fire department must contain: (a) verification that the bill has been approved by the chief of the volunteer fire department; and (b) language indicating that correspondence from the person being billed regarding the bill should be directed to the department.
- (4) Provides that all bills sent by an agent of a volunteer fire department must be approved by the chief of the volunteer fire department before it is sent to the person being billed for services, and specifies that the chief of the volunteer fire department must review a bill before authorizing an agent to proceed with collection efforts for that bill.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Currently, volunteer fire departments are able to file civil actions to recover unpaid service costs against responsible parties involved in specified fires the volunteer fire department responds to and assists in some capacity to extinguish, contain, or clean up. This bill will allow volunteer fire departments to also recover additional costs of maintaining civil actions; namely, attorney fees and other costs associated with the civil action. This may increase revenue local fire departments receive; however, actual increases are unknown and would depend on the decision of local volunteer fire departments to seek civil remedy and judgment issued in the civil case.

**State Agencies Affected:**

**Local Agencies Affected:** Volunteer fire departments.

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 232-9559.