



**House Local Legislation Reported Substitute for
HB325**

A BILL

TO BE ENTITLED

AN ACT

Relating to Lawrence County; to provide for the formation of fire districts by the county commission; to provide for the funding of fire districts by voter approval of fire protection fees with collection by the revenue commissioner; to provide for election procedures; to further preserve the rights and obligations of existing fire districts; to repeal Act 92-409 of the 1992 Regular Session (Acts 1992, p. 838); and to amend Sections 45-40-141.02 and 45-40-141.04, Code of Alabama 1975, to make changes conforming to Act 93-533 of the 1993 Regular Session (Acts 1993, p. 878), Sections 3 and 5.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act applies only to Lawrence County.

Section 2. For the purposes of this act, the following words have the following meanings:

(1) COMMERCIAL BUILDING. Any building, structure, or other improvement to real property used for a commercial or business purpose. If there is more than one business, occupation, or enterprise occupying the building or structure, each business, occupation, or enterprise shall be treated as a



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separate commercial building for the purposes of assessing a fire protection fee. The definition includes any structure in which commercial, industrial, or other nonresidential activity is conducted.

(2) COUNTY ASSOCIATION. Lawrence County Firefighters and Rapid Responders Association, Incorporated.

(3) COUNTY COMMISSION. The Lawrence County Commission.

(4) DWELLING. A structure that is intended to be used as a residence, regardless of whether the structure is also used as a business, including all of the following:

a. A structure or improvement assessed for purposes of ad valorem taxation as Class III single-family, owner-occupied, residential property.

b. A unit in a condominium, duplex, or apartment building.

c. Any manufactured home, mobile home, house trailer, or camper with living quarters which has a connection to a sewer or septic tank and electricity.

(5) ELIGIBLE MEMBER. An individual who has a business or a dwelling that is in the service area of a fire district and who is not in arrears on any assessed fire protection fee.

(6) LARGE COMMERCIAL ENTERPRISE. Any commercial building as defined in this section that encloses an area of 50,000 square feet or more and which is occupied by one entity for use as a plant, assembly facility, warehouse, distribution center, or other commercial, industrial, or nonresidential activity.

(7) SERVICE AREA. A territory that is under the fire



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protection of a volunteer fire department, municipality, or a fire district. The territory that comprises a fire district.

(8) UNINCORPORATED AREA. Any territory outside of the corporate limits of a municipality, regardless of whether the territory is within the municipality's police jurisdiction.

(9) VOLUNTEER FIRE DEPARTMENT. A volunteer fire department that is a member in good standing of the county association and is certified by the Alabama Forestry Commission pursuant to Section 9-3-17, Code of Alabama 1975.

Section 3. (a) A fire district in the county shall provide fire protection services within its service area for fires and related emergency incidents that are not the primary responsibility of law enforcement or emergency medical services.

(b) The county commission may request the county association to develop a written plan for fire districts in the county that provides for all of the following:

(1) Procedures for the number and selection of a board of directors and officers.

(2) Procedures for operations, funds management, and accounting.

(3) Procedures for the county association to monitor compliance with the plan.

(4) Procedures for dissolution.

Section 4. (a) A fire district may be created when the board of directors of a volunteer fire department submits a request to the county association to incorporate the department as a fire district, and the county association



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forwards the request to the county commission with a recommendation for approval.

(b) The request by a volunteer fire department to the county association shall include all of the following:

(1) A concise legal description of the service area of the proposed fire district, including a map delineating the fire district boundaries.

(2) Bylaws that provide for a board of directors, including the number, method of election, and governance, in accordance with the requirements adopted by the county association pursuant to Section 3 or as otherwise required by Section 6.

(3) The location of the fire district headquarters.

(4) A plan for dissolution of the fire district, including the distribution of fire district funds and property, in accordance with the requirements adopted by the county association pursuant to Section 3 or as otherwise provided by Section 16.

(5) A request by the board of directors of the volunteer fire department to the county commission that it adopt a resolution that authorizes incorporation of the fire district.

(c) Upon adoption by the county commission of a resolution authorizing incorporation of a fire district, the board of directors of the volunteer fire department shall file with the judge of probate of the county a certificate of incorporation that shall include all of the following:

(1) The names of the individual board members



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organizing the district with a statement that each is a qualified elector of the county.

(2) The fact that the fire district is to be perpetual, subject to dissolution in accordance with the requirements adopted by the county association pursuant to Section 3 or as otherwise provided by Section 16.

(3) A copy of the request to create a fire district that was submitted to the county association and forwarded to the county commission, containing the information described in subsection (b).

(4) A certified copy of the resolution of the county commission authorizing incorporation of the fire district.

(5) A certificate from the Secretary of State that the proposed name of the fire district is not identical or nearly similar to that of any other corporation organized under the laws of the State of Alabama.

(6) The notarized signatures of the individual board members organizing the district as presented in subdivision (1).

Section 5. (a) The geographical boundaries of a fire district shall be the existing service area of the volunteer fire department as defined by the Lawrence County E-911 District on the effective date of this act.

(b) In any case in which an unincorporated area is within the service area of a municipality on the effective date of this act, the fire district and the municipality may enter into a cooperation agreement to determine whether all or a part of the unincorporated area will be under the fire



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protection of the fire district or the municipality.

(c) A municipality that provides fire protection within its corporate limits as of the effective date of this act shall not be included in a fire district unless the governing body of the municipality adopts a resolution requesting that all or a part of its service area be added to a fire district and the request is approved by both: (i) the county commission; and (ii) the fire district.

Section 6.(a) The number and selection of the fire district board of directors and officers shall be governed by this section unless requirements are adopted by the county association pursuant to Section 3.

(b) The existing members of the board of directors of the volunteer fire department that incorporates the fire district shall serve for one year as directors of the fire district. After that time, the board of directors shall be constituted pursuant to subsection (c).

(c) (1) After the incorporating board of directors, the board of directors may be comprised of an odd number of members, of which there shall be no fewer than three.

(2) The members shall each meet each of the following qualifications: (i) be over 21 years of age; (ii) be a qualified elector in Lawrence County; and (iii) be a resident of the fire district.

(3) The members of the board of directors shall be elected for a term of four years, except that for the first elected members of the board of directors, at least one shall be chosen for a two-year term, at least one shall be chosen



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for a three-year term, and at least one shall be chosen for a four-year term.

(4) The members of the board of directors shall be elected at a meeting of the fire district by secret ballot of eligible members from among the individuals nominated from the floor.

(5) A vacancy on the board may be filled by a qualified individual appointed by the board until it shall be filled by election at the next meeting for the unexpired term.

(6) The board shall select a president, secretary, and treasurer who shall not receive any compensation but may be reimbursed for expenses incurred in the performance of their duties.

Section 7. Subject to any limitation or restriction adopted by the county association pursuant to Section 3, a fire district shall be a public corporation with powers that include, but are not limited to, all of the following as necessary to accomplish its purpose of providing fire protection and related emergency service:

(1) To sue or be sued in its own name in civil actions, except as otherwise provided in this act, and to defend civil actions.

(2) To adopt, use, and change a corporate seal.

(3) To adopt and amend bylaws for regulating its operations.

(4) To acquire, by purchase, gift, lease, devise, or otherwise, any real, personal, or mixed property.

(5) To enter into any contract, agreement, lease, or



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other instrument, or to take any other action that may be necessary or convenient.

(6) To borrow money or to assume the payment of debt obligations, and to pledge all or any part of its revenue, or to encumber all or any part of its property, for the purpose of securing payment of the principal or interest of any loan or obligation.

(7) To levy and collect a fire protection fee pursuant to Section 11.

(8) To hire attorneys and other contractors to provide services.

(9) To enter into an agreement of mutual assistance or cooperation with political subdivisions, entities, other fire districts or volunteer fire departments, or first responder and emergency medical service providers.

(10) To purchase insurance.

(11) To invest any funds that are in excess of those needed to maintain operations and satisfy obligations, in bonds of the United States, the State of Alabama or any political subdivision thereof, or in any interest-bearing account insured by the FDIC.

(12) To sell or donate any property that is obsolete or is no longer needed.

(13) To pay salaries to agents or employees subject to Section 9(c).

Section 8. The Legislature declares that a fire district organized under this act protects the health, safety, and welfare of the public, thus providing a governmental



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function, and shall not be subject to the following:

(1) Liability for any tort committed by any director, agent, servant, or employee of the district in the furnishing of fire protection and emergency response for which immunity is provided by Section 6-5-336, Code of Alabama 1975, the Volunteer Service Act.

(2) Taxes levied by any county, municipality, or other political subdivision of the state, including, but not limited to, license, utility, and excise taxes imposed for engaging in its operations or any fees, costs, or taxes related to incorporation or the recording of any document in the office of the judge of probate.

Section 9. (a) Funds, including fire service fees, shall only be expended by the fire district for fire protection and emergency response purposes, which may include vehicles, equipment, clothing, supplies, training, and insurance.

(b) Funds may not be expended for food, fundraising events or activities, or dress uniforms.

(c) Three years after incorporation of a fire district, and upon certification by the county association that a fire district is fiscally stable, salaries may become approved expenses.

Section 10. (a) A fire district shall manage and account for its funds in compliance with all of the following:

(1) Section 9.

(2) The current Volunteer Fire Department Financial and Compliance Guidelines of the Department of Examiners of Public



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Accounts.

(3) The standards established by the county association pursuant to Section 3, which shall include the requirements contained in subsections (b) and (c).

(b) The fiscal year of a fire district shall start on October 1 and end the following September 30.

(c) (1) a. No later than December 1 of each year, a fire district shall file a financial report with the county commission that shall present for the previous fiscal year receipts and expenditures, uncommitted funds, and unspent funds that are obligated.

b. At least three directors of the county association shall audit the report required under paragraph a. for completeness, accuracy, and compliance with the requirements and guidelines under subsection (a).

c. The financial report and accompanying audit report to be signed by the auditors shall be posted on the website of the county commission for at least 60 days and conspicuously posted on at least four buildings within the fire district which are frequented by the public.

(2) a. If an election has been set on a proposed change to a fire service fee pursuant to Section 11, no more than 60 days nor less than 30 days before the election, the fire district shall submit to the county commission a balance sheet and a projected financial report for the current fiscal year, in the same format as required under paragraph (c) (1) a., which presents the financial condition of the fire district with and without the projected income from the proposed change.



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b. The balance sheet and projected financial report may be audited as provided in paragraph (c)(1)b.

c. For at least 30 days before the election, the balance sheet, projected financial report, and any accompanying signed audit report shall be posted on the website of the county commission and conspicuously posted on at least four buildings within the fire district which are frequented by the public.

Section 11. (a) A fire protection fee may be levied by a fire district for the purpose of funding fire protection services to each dwelling and commercial building in a fire district.

(b) A fire district may not levy a fire protection fee unless the fee has been approved by a majority of the votes cast by the qualified electors residing in the fire district according to the following steps:

(1) The fire district board of directors may determine the proposed amount of a fire protection fee to be assessed annually, which may not initially exceed one hundred dollars (\$100).

(2) When the fire district board of directors determines the proposed amount of a fire protection fee pursuant to subdivision (1), the board may also determine the proposed amount of a fire protection fee that applies to any large commercial enterprise in the service area, which shall be: (i) a multiple of the fee proposed in subdivision (1); and (ii) only assessed upon approval of the fee proposed in subdivision (1).



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(3) Immediately upon determination of the proposed amount by the fire district board of directors, the county commission, by resolution, shall request the judge of probate to call an election in the fire district on each of the following questions as applicable:

a. "Do you favor the assessment of a fee in the amount of \$___ annually on each dwelling and commercial building, [and a fee in the amount of \$___ on each large commercial enterprise], to be collected with property tax payments by the county revenue commissioner for the purpose of funding fire protection services in this fire district?

Yes___ No___."

b. "Do you favor raising the existing fire protection fee from the current amount of \$___ annually to the amount of \$___ annually on each dwelling and commercial building, [and from the current amount of \$___ annually to the amount of \$___ annually on each large commercial enterprise], to be collected with property tax payments by the county revenue commissioner?

Yes___ No___."

(4) If a majority of qualified electors in the fire district approve the levy of the fire protection fee, another election on the levy of a fire protection fee may not be held within five years of the election. If a majority of qualified electors in the fire district disapprove the levy of the fire protection fee, another election on the levy of the fire protection fee may not be held within two years of the election.

(c) Upon approval by a majority of qualified electors



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in the fire district, the fire protection fee shall be assessed on each commercial building and dwelling in the fire district, except for the following:

(1) A church, school, hospital, or senior care facility.

(2) A structure used for fire protection or emergency medical services.

(3) A structure used primarily in a farm operation as defined in Section 18-1A-3, Code of Alabama 1975.

(4) A structure or any part of a structure occupied by a political subdivision of the State of Alabama or the federal government.

(5) Any structure owned and used exclusively by any fraternal veterans organization, community service organization, or fraternal lodge as provided in Section 40-9-1, Code of Alabama 1975.

(6) Any structure owned or used by the Alabama National Guard.

(7) A principal residence of any individual who is granted an exemption from paying ad valorem property tax on the grounds of permanent and total disability or who is 65 years of age or older having a net taxable income of twelve thousand dollars (\$12,000) or less as provided under Sections 40-9-19 and 40-9-21, Code of Alabama 1975.

(8) Unimproved timberland.

(d) (1) Any fire protection fee levied pursuant to this section is a special assessment and not a tax.

(2) The fire protection fee shall be assessed on the



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basis of a year beginning October 1 and ending September 30, with an initial fire protection fee or a new rate to be assessed starting on the October 1 immediately following approval by the qualified electors.

(3) The fire protection fee shall be levied and assessed at the same rate for a commercial building and for a dwelling, and a fire protection fee applicable to a large commercial enterprise shall be levied and assessed in the same amount on each commercial building that meets the definition of a large commercial enterprise.

(4) In the case of a commercial building in which more than one business, occupation, or enterprise is being conducted, a separate fire protection fee shall be assessed on each business, occupation, or enterprise.

(5) A fire protection fee shall be collected by the county revenue commissioner at the same time and in the same manner as ad valorem property taxes unless a dwelling is a motor vehicle under Article 5, Chapter 12, Title 40, Code of Alabama 1975, in which case the fire protection fee shall be collected at the same time and in the same manner as the annual registration fee.

(6)a. A fire district board may impose a reasonable late fee, subject to approval by the county commission, when an individual or entity is delinquent for more than 90 days in paying an assessed fire protection fee.

b. A fire district may undertake debt collection efforts for an assessed fire protection fee that is delinquent and any late fee, with recovery of costs and attorney fees



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incurred in collection.

(7) The county revenue commissioner shall distribute the fire protection fee revenue to the fire district within 30 days of the last day of the period for collection under subdivision (5).

Section 12. (a) Any election that may be necessitated by requirements adopted by the county association pursuant to Section 3, or any election authorized by Section 11, may coincide with a general election, or may be a special election, which shall be held on a date not less than 30 days nor more than 90 days from entry of the order of the election by the judge of probate.

(b) An election shall be governed by the laws applicable to qualification and registration of electors, polling equipment, election management, canvassing, and election officers as regulated under Title 17, Code of Alabama 1975.

(c) In the case of an initial election for a fire protection fee as provided in Section 11, the expenses for advertising and holding the election shall be paid out of the general fund of the county, and for any subsequent election pursuant to Section 11, the expenses for advertising and holding the election shall be shared equally by the general fund of the county and the fire district.

(d) (1) The judge of probate shall give notice of an election authorized under Section 11 or otherwise by publication that shall include: (i) the election date; (ii) the service area affected by the election; and (iii) the



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question to be decided by the qualified electors.

(2) Publication of the notice shall include all of the following methods:

a. On the website of the county commission for no less than 30 days before the election date.

b. In a newspaper of general circulation in the county on the same day for three consecutive weeks, with the final publication to be no less than 10 days before the election date.

c. In a conspicuous place on at least four buildings within the fire district that are frequented by the public.

Section 13. (a) The powers and obligations of any fire district existing in the county on October 1, 2025, as specified in its certificate of incorporation, bylaws, existing contracts, and debts, and as provided under Chapter 89, Title 11, Code of Alabama 1975, shall not be affected or impaired by this act.

(b) Notwithstanding Section 11(b), the established annual amount of any fire protection fee or service fee assessed by a fire district that is in existence on October 1, 2025, remains in effect, and the fee may be assessed and collected pursuant to Section 11(c) and (d).

(c) Any fire district existing in the county on October 1, 2025, may comply with any plan for fire districts adopted by the county association as described in Section 3.

Section 14. Any individual serving as chief of a fire district created pursuant to this act, at the request of the State Fire Marshal, shall provide support and assistance in



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carrying out the duties imposed by Article 1, Chapter 19,
Title 36, Code of Alabama 1975.

Section 15. The individual firefighters who serve as
personnel of fire districts in the county, regardless of
whether the fire district is created pursuant to this act,
shall not be considered employees, agents, or servants of the
county, and the members of the county commission and the
employees of the county shall not be liable either in their
official capacity or their private capacity for the actions of
the individuals affiliated with fire districts.

Section 16. (a) A fire district may be dissolved
pursuant to this section unless procedures for dissolution are
adopted by the county association pursuant to Section 3.

(b) A fire district may be dissolved by a resolution of
the county commission in response to a request by the district
board of directors which has received the approval of the
county association.

(c) The dissolving fire district shall transfer any
funds and property remaining after the satisfaction of the
district's outstanding debts or obligations to the county
association, which, within 90 days, shall redistribute to any
fire district, volunteer fire department, or municipal fire
department that is providing fire protection to the service
area of the dissolved district.

(d) The assessment of any fire protection fee to be
collected for the fiscal year current upon dissolution shall
cease unless the incorporation of a successor fire district is
authorized by the county commission within 60 days of the



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county commission's resolution dissolving the fire district.

Section 17. The fire services protection fee in effect which is provided for the county association and the volunteer fire departments by Act 93-533 shall not be affected or impaired by this act.

Section 18. Act 92-409 of the 1992 Regular Session (Acts 1992, p. 838), providing for the levy of a fire protection services fee, which was never ratified as a constitutional amendment as required by Section 12 of that act, is expressly repealed.

Section 19. Sections 45-40-141.02 and 45-40-141.04, Code of Alabama 1975, are amended to read as follows to conform to Act 93-533 of the 1993 Regular Session (Acts 1993, p. 878), Sections 3 and 5:

"§45-40-141.02

For the purposes of this part, the following words ~~shall~~ have the following meanings:

(1) COMMERCIAL BUILDING. Any building that houses one or more separate business ~~enterprise~~enterprises that ~~are required by law to~~ purchase and display a business license applicable to each business enterprise. In the case of a commercial building with more than one business located in the building, a separate fee shall be assessed on the building for each business located in the building~~-,~~ but in no case shall a fee be assessed more than one time on the same place.

(2) DWELLING. Any building, structure, or other improvement to real property used for, or expected to be used as, a dwelling or residence for one or more human beings,



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including specifically, but not limited to:

a. Any building, structure, or improvement assessed for purposes of state and county ad valorem taxation as single-family, owner-occupied residential property.

b. Any other residential building with each residential unit to be considered a separate dwelling.

c. Any mobile home or house trailer."

"§45-40-141.04

The fee provided in this part shall be levied, collected, administered, and enforced as closely as possible at the same time, in the same manner, and under the same requirements and laws as state ad valorem taxes. Any exemption of property from ad valorem tax shall be recognized in determining whether the fee provided by this part is due. The officials collecting or assessing the fee shall be entitled to the same fees and compensation as are provided for collecting and assessing ad valorem taxes. The proceeds of the fee shall be paid into the county general fund. Within 30 days after payment into the county general fund, the county governing body shall pay the funds to the Lawrence County Firefighters and Rapid Responders, Inc., hereafter referred to as the county association. The county association shall distribute the funds among all eligible volunteer fire departments as follows:

(1) Fifty percent of the money shall be divided equally among all eligible volunteer fire departments.

(2) Fifty percent of the money shall be divided according to a percentage based upon the number of owners of



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533 dwellings and commercial buildings in a fire district compared
534 to the total number of owners of dwellings and commercial
535 buildings in the county as a whole. The county association may
536 establish rules and procedures regarding the transfer,
537 accounting, and handling of the funds, and the assessing of
538 administration costs."

539 Section 20. This act shall become effective on October
540 1, 2025.