



OLR RESEARCH REPORT

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TERMINATING FIRE DISTRICT

By: John Rappa, Chief Analyst

You asked if a fire district that votes to terminate its existence must reestablish itself if its host municipality refuses to assume the district's outstanding debt. The answer requires a legal opinion, which the Office of Legislative Research is not authorized to give. Consequently, you should not regard this report as one.

Under CGS § [7-329](#), a vote to terminate any special taxing district, regardless of the service it provides, does not terminate the district but authorizes its officers only to begin the termination process. The district terminates only when "all of its outstanding indebtedness is paid unless the legislative body of the town in which the district is located agrees in writing to assume such indebtedness." If the town refuses to assume that indebtedness, the district cannot terminate until it repays the debt.

Paying the outstanding debt or having the town assume it is the third step in a four-step statutory process for terminating a special taxing district. The process starts when the district's officers vote to terminate the district or 10% of the district's voters or 20 voters, whichever is less, petition for a special meeting to vote on terminating the district.

Either action requires the district's clerk to call a meeting for such purpose. The meeting notice must be signed by the district's officers and published in a newspaper as the law requires. But, the district must hold a referendum on termination instead if at least 200 district voters or 10% of all voters, whichever is less, petition for one at least 24 hours before

the meeting. In either case, the district's officers must "proceed to terminate the affairs of such district" if two-thirds of the voters at the meeting or in the referendum approve.

The voters' approval only authorizes the officers to begin the termination process; it does not terminate the district. Consequently, the third step involves wrapping up the district's affairs, which ends when the district either repays its debt or the municipality's legislative body agrees in writing to assume it.

The district officially terminates when either of these events occur and the officers complete their duties. At that point, the district's clerk must record a certificate of the termination vote in the municipality's land records and notify the Office of Policy and Management secretary about the termination.

The district continues to exist during the period between the termination vote and the recording of the vote's certificate in the land records. Presumably, it must continue holding annual meetings, electing officers, and adopting a budget and tax rate. But the law is silent on whether the district must do these things and continue providing the services for which it was formed. Arguably, the voters at the annual meeting could decide to reduce or eliminate services and set a tax rate needed to cover the district's reduced expenses.

JR:ro