

Special Edition

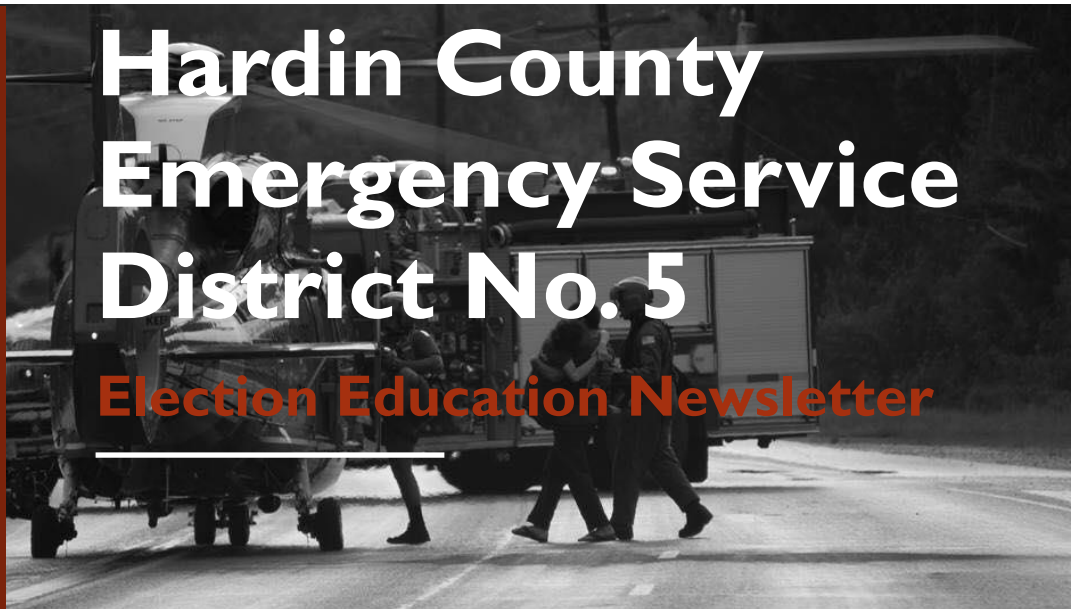
10/20/2021

**Sales and Use Tax
Proposition on the
November 2, 2021
Ballot**

The Board of Commissioners of Hardin County Emergency Service District No. 5 has called for a sales and use tax proposition to be placed on the November 2, 2021 ballots. If approved by voters, the funds will be used to address the needs of the District.

Hardin County Emergency Service District No. 5

Election Education Newsletter



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What is Hardin County Emergency Service District No. 5?

Hardin County Emergency Service District No. 5 (HCESD 5 or the District) provides fire protection, emergency medical services, search and rescue, and hazardous materials response for an area of approximately 140 square miles and serves a population of approximately 8000. It provides services for the city of Sour Lake, communities of Pinewood and Pine Ridge and surrounding areas.

Hardin County ESD 5 was originally created by voter approval in 1985 as Hardin County Rural Fire Prevention District No. 5. These districts were authorized by the Texas Legislature in 1949 to allow for establishment and funding of fire protection services in rural areas not receiving municipal fire protection. Following establishment and with voter approval, these fire prevention districts were allowed to collect a maximum of \$0.03 per \$100 of property value from ad valorem taxes.



In 2003 the Texas Legislature determined that the role of Rural Fire Prevention Districts needed to be expanded to include emergency medical and other services in addition to fire protection. The Legislature consequently abolished Rural Fire Prevention Districts and replaced them with Emergency Service Districts. All Rural Fire Prevention Districts existing at that time were automatically changed to Emergency Service Districts. Additionally, legislation allowed for, with voter approval, a maximum of \$0.10 per \$100 of property value to be obtained from ad valorem taxes.

Funding obtained through these taxes covers the cost of station construction and maintenance, apparatus purchase and repair, personnel, equipment, dispatch services and training; all necessary components for operation of ESD 5. Recently, these tax revenues alone have become insufficient for meeting the financial needs of the District and additional funding sources are being sought.

For many years the Board of Commissioners of Hardin County ESD No. 5, through sound financial management, have managed to provide quality services for the community with the current ad valorem tax rate of \$0.10 per \$100 of property value. However, in recent years, issues such as rising costs for repair of facilities and equipment; increase in salaries, insurance, fuel, and utility costs; and increased costs for compliance with legal mandates have increased the expense of providing these services.



Election Day:

November 2, 2021

Sour Lake Community Center

7:00 am to 7:00 pm



Questions & Answers

Q: Why is the ESD considering calling a sales tax election?

A: Hardin County ESD No. 5 hopes to find revenues through voter approval for implementation of a 2% sales tax in areas not currently collecting it. Revenue from this tax will allow the District to continue supplying fire protection and emergency medical services at current levels. We must continue to employ firefighters/medics to complement Volunteer responders and provide them the tools they need to protect the community.

HCESD No. 5 will respond to approximately 900 calls for Emergency assistance in 2021. Most of the calls will be EMS related (about 800). The average cost to the District for an EMS response is about \$1000. Although HCESD No. 5 charges for EMS services, it only receives about \$210 per call or approximately 21%.

In its long-term strategic plan, ESD5 has found the need to replace two front-line engines, an EMS unit, and remodel Fire Station 1 in the coming years. In addition, recent NFPA requirements mandate replacement of SCBA (Breathing apparatus) at an approximate cost of \$260,000. Also, a fully equipped fire engine, such as those that need to be replaced, can routinely cost as much as \$500,000 while an EMS unit, around \$185,000.

Q: How much money will the sales tax increase provide?

A: An estimated \$100,000 a year.

Q: Will this affect my property taxes?

A: There will be no property tax increase

Q: Can the election affect my homeowner insurance?

A: Possibly. Many insurance companies rely on an independent rating agency – the Insurance Services Office, Inc. or ISO – to determine the risk of fire damage in an area. The lower the ISO rating, the lower homeowner premiums are. Hardin County ESD 5 works hard to keep a low rating for the district and low premiums for homeowners.

Staffing, equipment, and station locations are key components of the ISO rating, and ESD 5 hopes to maintain its assets to assure the lowest possible homeowner insurance premiums.

Sales Tax Basics

In Texas, the sales tax on covered items cannot exceed 8.25 percent. Of that, 6.25 percent goes to the State of Texas. The remaining two percent is reserved for local governments, such as ESDs.

Currently, in our area, consumers pay 6.25 percent in sales tax outside the city limits of Sour Lake, and 8.25 percent within the city limits. Most residents are used to paying the 8.25 percent, because much shopping is done inside the Sour Lake city limits which is already at their maximum rate. As such, increasing the taxes within Hardin County for businesses located within HCESD No. 5 but outside the Sour Lake city limits would mean the full proposed increase of 2% of sales tax goes straight to the District.

If voters approve a two percent sales tax in Hardin County Emergency Services District No. 5, most residents of ESD 5 will notice little change. Most residents shop in Beaumont, Lumberton, and Sour Lake where the sales tax is already at the maximum 8.25 percent.

Adoption of the Sales Tax reduces the reliance on property tax to fund HCESD 5's firefighting and emergency medical response services.

Minutes Count

When it comes to fire protection, quick response is essential to save lives and protect property.

In a wildland fire, the burn area can double between thirty seconds and four minutes. At that rate, a one-acre fire can become a 16,000-acre fire in an hour.

When responding to an emergency medical services call, the need for speed is even more critical. HCESD No. 5 knows that minutes count:

- ❖ The chances of survival of a heart attack drop seven to ten percent every minute.
- ❖ Within four to six minutes, permanent brain damage can occur, and the patient can die.
- ❖ After ten minutes, few resuscitation attempts are effective.

