PUBLIC POLICY POSITION PAPER



04/16/13

C.A.R.'S POLICY OF OPPOSING THE FIRE FEE PREVENTS EFFORTS TO REDUCE THE AMOUNT OF THE FEE

THE QUESTION

Should C.A.R.'s policy in support of eliminating the State Responsibility Area Fire Prevention Fee be modified to also allow supporting efforts to reduce the amount of the fire fee?

ACTION

Optional.

POSITION

- 1. Support legislation which would reduce the amount of the fire fee while maintaining policy in opposition to the fire fee.
- 2. Do nothing; thus, retaining complete opposition to the fire fee.
- 3. Other.

DISCUSSION

The State Responsibility Areas (SRAs) contain approximately 31 million acres – primarily privately owned timberlands, rangelands and watershed areas. There are an estimated 825,000 habitable structures in the SRAs. While CalFire's original mission was to prevent and suppress wildland fires, the department now expends considerable resources protecting homes in the SRAs from wildfires, as well as acting as first responder for medical emergencies and other non-wildfire matters. In 2010-11, it's estimated that fire protection expenditures reached \$750 million.

In an attempt to recover some of these costs, the Legislature passed and the Governor approved emergency legislation during the summer of 2011 that imposed an annual fire prevention fee not to exceed \$150 on structures located in the SRAs to pay for fire prevention activities in the SRAs. Ultimately, the state Board of Forestry promulgated regulations for the SRA Fire Prevention Benefit Fee ("the fire fee") which provide for a \$150 fee for each habitable structure located within the SRA; if the structure is located within the

boundaries of a local fire protection agency, the owner will receive a reduction of the fee of \$35 per habitable structure.

At the Fall 2011 C.A.R. business meetings there was extensive discussion of the fee particularly that it constituted double taxation for those homeowners already living within – and paying for services from – a local fire protection agency. As a result, the Board of Directors approved the following motion: That C.A.R. "SUPPORT" legislation that would eliminate the State Responsibility Area Fire Prevention Benefit Fee.

Legislation has been introduced – which C.A.R. has supported – to eliminate the fee. However, those measures have lacked sufficient legislative support and, as a result, have not been approved. It has become clear that, absent identifying revenues to replace those that would be lost by elimination of the fire fee, the Legislature and Governor will not support elimination of the fee.

Since elimination of the fire fee is extremely unlikely to occur given the state's fiscal condition, it may make sense for C.A.R. to consider modifying its policy on the fee. As matters currently stand, C.A.R.'s policy on the fire fee prevents supporting legislation that would reduce the amount of the fee. While these measures would not eliminate the fire fee, they would reduce the amount of the fee which may serve to satisfy opponents to the fee to some extent.

It could be contended that modifying C.A.R. policy in this manner will undermine C.A.R.'s bargaining position on this issue. If supporters of the fire fee know that C.A.R. is willing to compromise on the amount of the fee, then C.A.R. cannot contend that it is essential that the fee be eliminated. However, maintaining a policy of support for complete elimination of the fee which appears unobtainable precludes supporting efforts to "fix" the fee.

As noted above, the double taxation of individuals living within the SRA and a local fire protection agency is probably the principal argument against the fee. Legislation was introduced last legislative session to credit homeowners with whatever fee they paid to fund the local agency up to \$150. Similarly, a bill

was introduced this year to exempt a property owner of a habitable structure located within both a SRA and a local fire district from paying the fee.

Current C.A.R. policy prevents supporting such measures. Should C.A.R. modify its policy regarding the fire fee to also support any measures that would reduce the amount of the fee or exempt a homeowner from paying the fee?