Handout 4B Policy Case Studies Case Study #8

## **Firefighting Fee in California**



Wildfire in California (Source: U.S. Bureau of Land Management, Wikimedia Commons)

Trinity County, CA—The cost to fight and contain wildfires is high in California. Between June 2011 and June 2012, the cost of fighting wildfires was over \$131 million. This was up from the previous year's cost of \$90 million. In the five-year average from 2007 to 2012, there were 4,226 fires and 196,554 acres were burned. Casualties included all types of wildlife, rangeland, watersheds, cattle, ranches, homes, forests, and wildlife habitat. Fire suppression poses great danger to firefighters, as well.

At the same time, California has been experiencing large budget shortfalls. Expenses have exceeded revenues for the state. The high cost of fighting fires every summer has contributed to economic strain. In an attempt to control this budget expenditure, the governor has instituted a new fee for property owners who live in areas of the state susceptible to wildfires. These areas include mountains, forests, scrub-brush lands, and the open spaces of rural California. The property owners in areas of high fire-risk will each be billed \$150 annually for fire prevention and firefighting.

State officials have said that the new fee will help cover the cost of fire prevention for people who build homes in rural areas where the state government, and not the local or county government, has responsibility for putting out fires. The California State Board of Equalization, the state agency that collects tax dollars to provide revenue for state and local governments, will

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collect this fee from residents. The \$150 fee is levied on each habitable residence on the property and will result in some property owners paying even more.

California citizens who live within the boundaries of cities will not be billed, and a large group of rural property owners is outraged. They believe it is unfair to impose a fee on a select group of citizens who own rural property near national and state forests. One county official in mountainous Trinity County stated: "If we are being taxed for living in the rural north where we are surrounded by national forests, perhaps we should charge everyone in central and southern California for the water that they use from our northern mountains."

Many residents in rural communities across California say that this is a tax rather than a fee. If so, that would violate the state constitution, as new taxes require a two-thirds vote of the legislature to implement, and this fee has not had legislative approval.

The Howard Jarvis Taxpayers' Association has filed a class-action lawsuit on behalf of the owners of nearly a million parcels around California. They argue that the legislature ran afoul of the state constitution when it imposed this new annual parcel tax on residents in areas where the state has responsibility for fire suppression. The governor should have mustered the required two-thirds vote of the Assembly and Senate. They say that lawmakers tried to evade that law by calling the assessment "a fee for a specific service" rather than a "tax."

Opponents of this fee also note that 90 percent of those who will get billed already pay local taxes for fire services. The State Board of Equalization has responded to this by allowing those who already pay local taxes for fire services to receive a \$35 discount on their bill.

Opponents also argue that the fee will have a negative impact on short-staffed county offices. "This is going to be a nightmare for county assessors and counties as a whole," said Tom Bordonaro Jr., San Luis Obispo County assessor and president of the California Assessors' Association. "We're expecting the phones to ring off the hook and, to be honest with you, we're not sure how helpful we're going to be able to be." Bordonaro said he and other assessors do not know how the state is determining the number of habitable structures on a property. It may be difficult to clearly define "habitable," and some structures will undoubtedly be mislabeled.

In spite of the objections of many rural communities, some rural residents accept the reasoning behind the fee. A resident who lives in the foothill community of Garden Valley sees no problem with an extra assessment for those who willingly live in wildfire country. "It's for our protection," the resident says, "and I don't see why we shouldn't pay if it is going for a good cause and it may help to keep my home safe."

State officials expect the fee to generate about \$85 million annually. An official statement from the office of Cal Fire, a division under the California Department of Forestry and Fire Prevention, reports: "This fee will fund a variety of important fire prevention services within the SRA [State Responsibility Area] including brush clearance around communities on public lands, along roadways and evacuation routes; and activities to improve forest health so the forest can better withstand wildfire."

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