

**M e m o r a n d u m**

To: Honorable Jerome E. Horton, Chairman  
Honorable Michelle Steel, Vice Chair  
Honorable Betty T. Yee, First District  
Senator George Runner, Second District  
Honorable John Chiang, State Controller

Date: June 11, 2012

From: David J. Gau, Deputy Director  
Property and Special Taxes Department



Subject: **Fire Prevention Fee Program Implementation**  
**Board Meeting – June 27, 2012**  
**Item P4 – Property and Special Taxes Deputy Director’s Report**

Assembly Bill (AB)x1 29, authorized a new State Responsibility Fire Prevention Fee (FPF) to be assessed on habitable structures located within State Responsibility Areas (SRA) in order to pay for fire prevention activities in the SRA that specifically benefit owners of those structures. The Board of Equalization (BOE) is required to annually assess and collect the FPF on behalf of the Department of Forestry and Fire Protection (CAL FIRE) in accordance with the Fee Collection Procedures Law. The FPF for the 2011/2012 fiscal year is \$150.00 for each habitable structure located within a SRA. There is also a \$35.00 fee credit, prescribed by regulation, which may be applicable for each habitable structure, if the structure is also located within the boundaries of a local agency that provides fire protection services.

CAL FIRE provided the BOE with a list of 826,477 names and addresses of feepayers that are identified as owing the FPF and the amount of the fee(s) to be assessed. BOE is responsible for registering and maintaining feepayer accounts based on the list provided by CAL FIRE, as well as issuing Notice(s) of Determination (billings), refunds, adjusting liabilities and performing fee collection duties. CAL FIRE is responsible for evaluating all petitions and claims for refunds submitted in regard to the FPF assessed.

FPF program implementation has been underway since the beginning of the year. The program roll-out was divided into two implementation phases. Phase I develops the registration and account maintenance functions and Phase II develops the billing and appeals functions into the Integrated Revenue Information System (IRIS). Implementation of these two phases has been in cooperation with CAL FIRE to ensure the program remains on schedule and billings are issued in a timely manner.

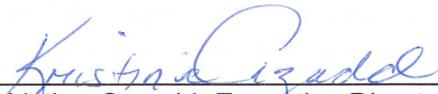
We expect to begin the automated registration of the identified feepayers beginning July 9, 2012 with the first mailing of billing notices scheduled for early August. The billings will be issued, in alphabetical order, by county. The billings and redetermination notices will display CAL FIRE’s name and contact information, including a toll-free phone number. All other notices issued will display BOE’s standard contact information. The billings will contain the “standard” bill notes that address payment of the fees, application of interest and penalties, and provide instructions for filing a petition. Additional information will be provided including the number of structures to be assessed the fee and the dollar amount of the fee credits, if any.

CAL FIRE, with BOE assistance, is currently designing an insert that will also be included with the billing providing the feepayer with a brief explanation of the FPF. We are also working to develop a special notice regarding the FPF and proposed billing schedule of mailing dates by county. The mailing schedule will be posted on the BOE website and updated frequently as billings are scheduled to be printed and mailed out.

BOE's initial funding for FY 11/12 has been provided by CAL FIRE through an Inter-Agency Agreement, but BOE costs on and after July 1, 2012 will be reimbursed through direct appropriation. Our Budget Change Proposal for FY 12/13 and ongoing resources was approved by both the Assembly and Senate Budget Committees for the full amount of funding requested.

In summary, the FPF program implementation is progressing on schedule. If you would like additional information on implementation or have questions relating to the FPF, please contact me at 445-1516 or Lynn Bartolo at 322-9550.

cc: Ms. Regina Evans  
Mr. Joel Angeles  
Mr. Alan LoFaso  
Mr. Sean Wallentine  
Ms. Marcy Jo Mandel  
Ms. Kristine Cazadd, MIC 73  
Mr. Randy Ferris, MIC 83  
Ms. Lynn Bartolo, MIC 57  
Ms. Joann Richmond, MIC 80

Approved:   
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Kristine Cazadd, Executive Director