



## Responsible Budget Would Eliminate Fire Fee

By George Runner

In the middle of California's driest winter on record and following an active fire season, our state must provide the firefighting services Californians need and expect.

That's why I recently sent a letter to Governor Brown urging him to eliminate the controversial (and probably illegal) Fire Prevention Fee. I also asked him to restore full funding to CAL-FIRE in the revised version of his 2014-15 budget proposal. In this time of drought, CAL-FIRE must have the reliable funding it needs to fulfill a mission that benefits all Californians.

Remember, the fire fee doesn't pay one cent toward fighting fires, but rather backfills budget cuts made to CAL-FIRE years ago. The third set of bills is currently scheduled to go out in early March.

The fire fee is a bad tax, not just because of the unnecessary burden it places on taxpayers, but because it is horribly inefficient to collect. From the beginning, the process of collecting the Fire Prevention Fee has been lengthy and expensive, proving it is a poor method for funding CAL-FIRE's fire prevention efforts.

Each year the Board of Equalization is required to mail nearly 800,000 bills on behalf of CAL-FIRE to Californians who own habitable structures in the State Responsibility Area (SRA).

In the 2012-13 fiscal year, the Board of Equalization spent more than \$8 million and CAL-FIRE more than \$9 million to administer the fire fee. That's more than \$17 million in new expenses for the state for just one year's billings. It is a gross understatement to say this does not make good fiscal sense.

In a recent supplement budget report, staff notes that the fee "has created a substantial workload that could not be absorbed by the BOE."

Staff blames the program's administrative complexity and \$1.7 million in cost overruns on numerous factors, including the delay of initial billings, a high protest rate, collection actions, errors in CAL FIRE's data file, high rates of returned mail and an extremely high volume of phone calls and correspondence not typical of other tax programs.

To demonstrate just how fiscally unsound the program is, let's compare some numbers.

The Board of Equalization collects only **\$75 million** from nearly 800,000 fire fee payers. In contrast, the Board of Equalization collects approximately **\$20 billion** from nearly one million sales tax permit holders (i.e. traditional retailers).

If we were to redirect the staff currently working on the fire fee to, for example, collecting unpaid taxes from the illegal underground economy, the state would experience a far greater benefit.

Given questions about the law's legality, the state also faces mounting costs and growing exposure as a class action lawsuit brought by fee payers moves forward. Should the courts strike down the fee, which seems likely, the state will need to provide refunds to property owners.

Rather than continue to pick the pockets of rural Californians, a responsible budget will restore CAL-FIRE's full funding using existing revenue. This will save the state the costs of continuing to administer, collect, litigate, and likely refund this illegal and inefficient tax.

The fire fee continues to place more burdens and costs on both CAL-FIRE and the State Board of Equalization, without providing additional firefighters, air protection or even a single hose – despite our state's increased firefighting expenses this year due to drought conditions.

The fiscally responsible thing to do is eliminate this foolish tax.

*George Runner represents more than nine million Californians as a taxpayer advocate and elected member of the State Board of Equalization. For more information, visit [boe.ca.gov/Runner](http://boe.ca.gov/Runner) or [calfirefee.com](http://calfirefee.com).*