



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

Date: January 17, 2012

To: Assemblyman Tim Donnelly

From: GEORGE RUNNER

RE: AB 23 (Donnelly) – SUPPORT

I am writing to urge your support of Assembly Bill 23. This legislation will repeal an illegal tax, the Fire Prevention Fee (ABx1 29, 2011), and ensure that rural Californians are not taxed a second time for services they are already paying for through local property taxes or special district taxes. It will also save the state the costs of collecting, litigating, and likely refunding this unpopular and unconstitutional tax.

Many counties, cities and districts contract with CAL-FIRE for fire protection services and pay a substantial fee funded through property taxes. The additional increased tax imposed by ABx1 29 places more burdens and costs on CAL-FIRE and the State Board of Equalization while providing no additional fire protection for Californians.

The first round of Fire Prevention Fee bills for the 2011-12 fiscal year was mailed to property owners late last year. As of this writing, the fee had collected \$68 million in payments, far short of the \$85 million assumed in the Governor's budget. 23% of all bills are currently overdue, indicating that the process of collecting the fee will be lengthy and expensive. In addition, the Howard Jarvis Taxpayers Association is currently challenging the fee in court on the basis that Abx1 29 unconstitutionally bypassed the 2/3 legislative vote requirement required for tax increases. If litigation is successful, the state will likely be required to repay fees already collected with interest.

Rather than picking the pockets of rural Californians as a means of balancing the State budget, the Legislature should repeal this tax and uphold the State Constitution. Improved fire protection—not illegal revenue increases—should be the aim of your legislative efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER
SECOND DISTRICT