

Opinion: Revamped fire fee worse than current one

By George Runner

Better late than never, California lawmakers seem to be waking up to the reality that the illegal “Fire Prevention Fee” they enacted nearly two years ago is a complete fiasco. Even so, they are refusing to repeal it. Instead they are scheming up ways to replace the tax with yet another tax that’s even bigger than the first.

Where else but Sacramento would someone think the answer to a bad tax is to replace it with one even worse?

Assemblyman Wes Chesbro, who represents many rural taxpayers on California’s North Coast, is leading the charge to reinvent and expand the fire fee. His proposal (AB468) would replace the fire fee with a 4.8 percent “surcharge” on all insured homeowners and businesses in the state of California, regardless of location.



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A similar concept was proposed by Gov. Arnold Schwarzenegger in 2009 but was rejected by the Legislature.

These payments, averaging \$48 per policy and totaling an estimated \$480 million per year, would find their way to a “Disaster Management, Preparedness, and Assistance Fund.” The

fund would benefit bureaucracies, like CalFire, that are involved in the state's disaster preparedness efforts.

If you want to discourage an activity, you tax it. Mr. Chesbro's proposal would make it more costly for Californians to maintain insurance coverage on their property, punishing them for being responsible. Our laws should encourage good behavior, not discourage it.

Call it what you will, this new "surcharge" is really just the fire fee all over again – this time on steroids. It aims to repackage, rebrand and expand a tax that to date has been a colossal failure. Although the new tax will lessen annual payments for current fire fee payers, it will dramatically expand the number of overtaxed Californians who are forced to pay even higher taxes.

The original fire tax was supposed to bring in \$84 million in revenue from more than 825,000 rural California taxpayers. Due in part to billing errors and bad addresses, the state has spent millions and only collected about \$75 million.

This new tax would cost California property owners six times more money than the original. About 10 million people would be impacted—twelve times as many as right now.

The Legislature passed the original fire fee by a simple majority vote rather than the required two-thirds vote for new taxes. That's why the Howard Jarvis Taxpayers Association, with my full support, has filed a class action lawsuit against the state of California.

As currently drafted, Chesbro's legislation would also only require a simple majority vote, rather than the two-thirds vote clearly required by Proposition 26. It's hard to imagine the Legislature would replace an illegal tax with an illegal tax, but stranger things have happened in Sacramento.

It remains to be seen what Gov. Jerry Brown will do if it

passes the Legislature. Some also speculate the Governor will propose sweeping changes to the fire fee when he unveils his May budget.

Despite significant media coverage, to date the governor has mostly tried to brush off growing concerns about the fire fee and CalFire. In January, the agency was forced to admit the existence of a secret \$3.66 million slush fund. In February, the agency was faulted by the Legislature's attorneys for illegally diverting fire fee funds to pay for wildfire investigations. The governor dismissed these revelations as "boring."

Since the original fire fee passed, Californians have voted twice to send billions of additional tax dollars to Sacramento. Some now believe the state's budget is balanced and could even see surpluses in the next few years.

Public safety is the first priority of government. The heroic men and women who fight wildfires and respond to emergencies and natural disasters deserve our full support.

But that doesn't mean they need new taxes. Public safety should be first, not last, in line for existing public dollars. If the state's emergency readiness lacks adequate funding, we need to do a better job prioritizing the billions of dollars the state is currently spending.

With this in mind, the Legislature would do best to repeal California's illegal fire tax and stop thinking about replacing it with a tax that's six times worse.

George Runner represents more than 9 million Californians as a taxpayer advocate and elected member of the State Board of Equalization.