



HB 4097: Local firefighting deserves a comprehensive examination

Testimony for the House Revenue Committee – Jody Wisner – 2.10.2022

I am writing on behalf of Tax Fairness Oregon, a network of volunteers that advocates for a rational and equitable tax code. We oppose HB 4097, which would provide nonrefundable, \$1,000 General Fund tax credits to volunteer firefighters.

My father, a farmer near Blythe, California, was a volunteer firefighter. We heard the alarm from our home, three miles from the station. Emergencies within 8-10 miles were the reach. The fire station with one employee was paid for by the local fire protection district. It wasn't supported by the folks who lived in town with their own fire stations and paid employees, or by the California General Fund.

Fire districts are a local responsibility, paid for with local taxes and voter-approved levies. Under the bill, the state would begin paying for them. If communities with volunteer fire protection services want to attract and retain firefighters, we suggest they propose local levies to fund payments or give their volunteers property tax breaks, rather than turn to the General Fund.

Rep. Cate and others who testified suggested this is a recruitment tool, but no evidence was presented that shows that gathering volunteers is any harder now than when I was a kid. Nor was any evidence presented that an annual \$1000 would impact recruitment. Without strong evidence, this should be tried on a pilot basis, as a study with three or more fire protection districts, not enacted without evidence as a provision that will be politically impossible to end.

Much of the submitted testimony supports the bill. Of course, officials in Oregon localities would like the state to pay for local services and legislators appreciate a chance to support a popular idea. But the hearing record underscores the inadequacy of the bill.

If one supposes that compensating volunteers is to become a state responsibility, then funding through Ways and Means is the appropriate means, not a tax credit that gets baked into the budget for six years. If the tax code is judged to be the means, then it is incumbent on the Revenue Committee to examine the issue and address it effectively. Volunteerism seems to be part of Oregonians' DNA (as it is elsewhere in the country and the world). But if the legislature wants to address demands on the volunteer community, should it stop with fire fighters? What about the rural EMTs who now get a \$250 credit for volunteer service? All kinds of local social services organizations rely on volunteers. Should the state support them too?

On Wednesday the state economist reminded us that, despite projected budget surpluses, we can anticipate a reversal when the Fed's anti-inflation steps begin to bite. It behooves the legislature to be judicious amid ephemeral good times.

As a majority of the committee appeared to remain enthusiastic, we would suggest amendments.

First, make the provision a pilot study with a grant so the idea can be studied, or at least a refundable tax credit with an income cap, so that relatively wealthy people who serve as volunteers don't get a payment they don't need and that isn't a motivation for service.

Second, the qualifications for the \$1000 are loose. SECTION 2 (3)(c) requires participation in a "community engagement event," a term not defined. Rep. Cate's explanation that volunteer fire chiefs are accustomed to these practices was not reassuring. That qualification should be deleted, or defined and require 20 or more hours of service.

We would likely support a more comprehensive effort to address fires. But the legislature should have a clearer idea of the problem and how it can be best addressed, not rely on anecdotes that this one is a great idea.

We read the bills and follow the money