

Chair Nathanson

Vice Chairs Pham and Reschke

Committee members

For the record My name is Rob Bullock, and I am the Fire Chief for Douglas County Fire District No. 2 and Winston-Dillard Fire District.

I would first like to thank you for taking the time to let me speak on behalf of SB 1582A. This is an important piece of legislation that helps close a loophole of current legislation and effects fire districts around the state.

I would like to reiterate that this is a statewide issue and not just a local issue and is something that needs to be corrected at the state level. This is not an issue for one single county, but all counties state-wide. If this is sent back to the local level, you could possibly see up to 36 different solutions. The best solution is to correct this issue at the state level and SB1582A does that. It leaves the decision with the District's governing body, removing local government elected officials, and makes the fire district responsible for providing the maps and legal descriptions to the DOR and the County Assessor's office.

Yes, there is an existing annexation process to allow homeowners to opt into the fire districts. The annexation process is extremely burdensome and time consuming for all the homeowner, the District and the Counties. The cost to annex properties also varies between Counties. One County charges anywhere from \$2,000-\$18,000 (depending on size or assessed value of your property. For homeowners that actually do want to become part of the fire district, it's cost prohibitive for them to do so. This is a no-win situation for the fire district and the homeowner.

Additional attempts to correct the issue have also been made as this situation was brought to light several years go, with different Fire Chiefs and different district board members. Originally the fire district learned of this issue when they were trying to create a 195 agreement with the city to deal with how future annexation would be handled relating to fire protection. A 195 agreement is essentially an intergovernmental agreement that would establish a written process and agreement of actions and process when cities annex properties away from fire districts. At that time the city pointed out the fact that the fire district had properties within the district response area that were not paying taxes. The city was not willing to work on a 195 agreement until that problem was fixed, as they pointed out that was a bigger financial drain on the fire district than the land the city was annexing and removing from the district. Cities have and regularly use their ability to annex property without owner consent. As a side note there has still be no movement on the negotiations for a 195 agreement.

The fire district board and administration at that time confirmed what the city had said and began to determine how to correct the issue. Many items that have been suggested through testimony have been tried. Letters have been sent to property owners advising them they are not in the fire district, explained the benefits of being in the district, and inviting them to join. FD2 even offered to cover the county fees. This resulted in a few property owners joining. This letter was repeated. After no results from the second letter a third letter was sent advising these properties that they were not in the district and **may not** get a response from the district. This letter was met with much resistance and even some intimidation from prominent community members. Another District board and administration attempted to remedy the issue, this time with notifications to insurance and mortgage companies indicating owners were not in the district and the district **may not** respond to calls (another suggestion mentioned in the hearing). Logistically this option is not a sustainable option since insurance agencies are not public record and people often change. This again was met with community outcry, outrage, accusations, cease and desist orders, and a visit from a county elected assessor threatening to refuse to collect and distribute fire district tax dollars if we did not stop these notifications and attempts to annex properties in. Through these processes and communication with other agencies it was determined this was not just a local issue as many believe, but a statewide issue that many departments face. I believe some agencies do not even know about this issue since most assume that if a house is built across the street from a fire station it would be in the fire district. As we can see, that is not always true.

As it relates to billing, the last two bills sent out by my district have not been paid and have been sent to collections. The property owner on one of the bills sent a letter stating the bill was out of line and ridiculous, while the other property owner just never replied. It has been mentioned that a lien could be placed on these properties. Yes, a lien could be placed on the property but the only time that action would require payment is if that property owner tried to do something financially on that property (sell, refinance etc). Placing a lien on the property is also costly in legal fees and recording fees. Another financial issue for the fire district to burden. The real issue with billing is that it is not equal and fair to those that are and have been paying taxes to ensure the fire and life safety infrastructure is in place when needed. We continue to hear how it is not fair to those being brought into the district, but it has not been discussed how unfair it is to those that have been paying to ensure protection is available for the non-district properties.

Rural Fire Protection Districts were originally created to fight fires in the rural areas outside of cities and were essentially a subscription service and at that time the fire department most likely knew everyone they served or were volunteers with the departments. They protected rural farm and ranch lands. As populations have grown so have rural communities. With urban sprawl, residential rural 2.5- and 5-acre developments, the population density has increased. Along with this growth so have the responsibilities and tasks of the rural fire protection districts. Increasing call volumes as well as an increase in providing first response medical, while waiting for ambulances. While yes there are still some rural fire protection districts that

solely protect rural farming and ranching properties, the majority are experiencing the increased rural residential growth to include not just single-family dwellings but multi-family housing, manufacturing, strip-malls, and more.

Unfortunately, current statutes have left loopholes where people can choose to be in or choose not to be in the fire districts. SB 1582 will correct these loopholes that have created many issues. The first issue is that many of the properties are mixed in with properties that have chosen to be in the fire district, how do you determine in an emergency if that property is in or out and who wants to take the liability of making a mistake. The second issue is that these properties that have chosen to be out of the fire district are receiving the services but yet have not contributed to the infrastructure needed to provide these services. Third, many of these properties not only receive a response, but they also receive the insurance benefits because of their proximity to a fire station. I have been told firsthand by both property owners and insurance companies that they know they will get a response so why join the Rural Fire Protection District and pay taxes. This is not fair nor equitable to the neighbor who is paying.

It is surprising that if I build a house, I automatically get assessed County taxes, school district taxes, water district taxes, sewer district taxes, and road maintenance district taxes if they are available in the area I build in, but I have a choice on fire and life safety. Can you imagine if everyone was given a card each year to choose what taxes they wanted to pay and yet receive the services either way, how would we fund anything?

Yes, a fire district can bill a property owner for the response if it is determined that they are not in the fire district, but collecting is a different story and many fire districts are not equipped to pursue this. If everyone used the "send me a bill if I use the service" philosophy, there would be no services available to provide. We need everyone to contribute to the infrastructure so that it is available when needed, neighbors supporting neighbors.

This bill does not change the type of properties a fire district can collect taxes on, it still follows the chapters within ORS 477 and 478, this just allows fire district to bring in the eligible island properties and fringe properties that are receiving services yet not contributing to the infrastructure.

This bill also does not require a fire district to use it, if they do not feel they can provide a service to their residents then they can choose not to use it. While it is understood that some of the more rural departments have ISO ratings of 8 or 9, many of the fire districts have ISO ratings of 4, 5, and 6 and a few are even in the 2 to 3 range. It also does not mean fire districts are going to run out and build new fire station to create a land grab, fire stations are expensive to build and equip vs the tax dollars from a few residents.

We have heard on several occasions that it would give fire district a power no other local government has, yet cities regularly annex land into the city without a vote of those affected. When these city annexations take place, it takes tax dollars away from the fire districts but yet those same lands continue to contribute county taxes.

The permanent Tax rate that any taxing district can charge were set by Oregon Voters years ago (1990 and 1997, respectively) with Measures 5 and 50 which not only set the maximum permanent tax rate for all entities it also limited the annual increase on property values that can be taxed, which is why on tax bills you see market value and assessed measure 50 values. The only way these can be changed is through an additional levy. The change with this bill is that all of the eligible properties within a fire district pay the same tax rate to support the infrastructure and response, not an increase or change to the permanent rate.

In closing I would like to point out that this bill is being supported by OFCA, OSFFC, OFDDA, SDAO, and there has been written testimony in support of this bill from several fire departments from around the state. I ask that this committee move SB1582A out of committee with a do pass recommendation to the House Floor.

Thank you again for you time.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rob Bullock". The signature is written in dark ink and is positioned below the typed name.

Rob Bullock