



OREGON STATE SENATE
900 COURT STREET ST NE
SALEM, OREGON 97301

February 23, 2022

Chair Nathanson, Vice-Chair Pham, Vice-Chair Reschke and members of the committee,

Thank you for your consideration of SB 1582 A in support of rural fire protection districts (RFPDs). I want to respond on the written record to some concerns I have heard about the bill.

- *No other district can do this.*
 - This is correct, but this is also an issue wholly unique to rural fire protection districts and a loophole unique to their chapter in statute. The Special Districts Association of Oregon is also supportive of the bill.
- *This is an “urban” legislators’ solution to a rural problem brought by a single district.*
 - This should not be about territorialism. On the record, there are several RFPDs in support. This bill was crafted by and for RFPDs. The Oregon Fire District Directors Association, Oregon Fire Chiefs Association, and Oregon State Fire Fighters Council are also in support.
- *A property owner’s property tax will increase.*
 - An owner’s property tax may increase, but only if they are not already paying the tax. This is a tax equity issue. Those whose property tax would increase are those whose neighbors are already paying it and the only reason they are not is because of a loophole that benefits them simply because their property was unimproved when the RFPD was created (as far back as the 1950s). Chief Bullock has submitted for the record maps from Douglas County Fire District #2 that show exactly what we’re talking about: arbitrary properties in between other properties that are not paying into the district when their neighbors are. Some of these properties are even directly across the street from or next to a fire station. ([Maps linked here.](#)) This is just a small sampling of this statewide issue. Also, note that statute (ORS 478.010) only allows an RFPD to assess “any structures subject to damage by fire” (“improvements” is the term of art used for these) plus up to five acres of land around the structures. If the land is barren, there is no tax. And if it is a hundred-acre farm with a barn on it, only the barn and five acres around it may be assessed.
- *RFPDs would be able to do this without a vote.*
 - Yes, they would. These properties are already able to self-annex in and many RFPDs have attempted at their own expense to get these property owners to self-annex, but they largely refuse because they are getting the service and insurance discounts without having to pay. In statute, county governing bodies have the authority to annex RFPD land without a vote already. Last session, the Association of Oregon Counties objected to their duties under SB 605 after being asked to be kept in the bill. This session, we worked with the Department of Revenue and the Assessors Association (both on record as neutral on the bill) to develop this language that works without the counties being involved in the annexation process. The AOC has said on the record that while they are still opposed to the bill, they “appreciate the improvements” that took them out of the process.
 - **ORS 478.115: County governing body to determine territory of district.** Subject to the provisions of ORS 478.010 [defining land that may not be in an RFPD], a county governing body may, under ORS 198.705 to 198.955 [“special districts generally, miscellaneous matters” about procedure], include in or exclude from a proposed district, or territory proposed to be annexed to a district, such territory as it determines.
- *An RFPD can currently annex with support from property owners.*
 - Yes, they can, but the property owners don’t want to pay for what they’re already getting for free (see above). Further, both counties and cities can already annex without a vote, and they do.

- *Districts can bill for services delivered outside the district.*
 - Yes, they can. But it has been stated in testimony many times, and I have noted this very clearly in testimony and on the floor since last year, that the state-set rate is not nearly enough to even cover costs. Plus, property owners frequently don't pay and the RFPDs don't have the resources to go after them, and it frankly isn't worth it for them to do so anyway. Some property owners don't have the means to pay the bill while others just don't want to and they know they can get away with it. And if their house has just burned to the ground even though the RFPD responded and did everything they could, they're going to be even less inclined to pay and even less likely to have the means to do so. Pay-as-you-go is a wholly inadequate and unsustainable way to support emergency services.
- *Current statute is sufficient to solve this problem.*
 - Absolutely not. Current statute effectively provides three options: (1) property owners benefitting from the loophole decide to self-annex; (2) there is an annexation election where the beneficiaries of the loophole who don't want to self-annex would have to vote to join the district; or (3) the county governing bodies who are refusing to close this loophole on their own decide to close it. Not to mention, this is a problem created by a loophole created by the legislature and it is the legislature's responsibility to fix it, particularly since the only other entities who can – the county governing bodies – won't.
- *This is "taxation without representation."*
 - All RFPDs have boards of directors who are elected by their constituents, just like all members of the legislature are elected by our constituents. RFPD Directors are good people who are just public servants who want to help save the lives and properties of their neighbors.
- *Residents can do a cost-benefit analysis to decide if they want to join the RFPD.*
 - The residents who would be affected by the bill are getting the benefits without having to pay the cost. They are not paying into the district for services and insurance discounts they are receiving.
- *The seven road-mile radius is arbitrary.*
 - It is not. The seven road-mile distance from a fire station described in the bill is based on the distance from a fire station recognized by the Insurance Services Offices as qualifying as protected for insurance rating.
- *This would impose a burden on counties.*
 - It would not. In fact, it would alleviate the burden on counties and streamline the process when using the provisions of the bill. The bill suspends certain provisions of statute and has the RFPD do the work a county would ordinarily have to do – language crafted with the RFPDs, County Assessors and the Department of Revenue. Quoting from our LC Attorney, "Reviewing ORS 198.705 to 198.955, I see obligations imposed on counties as a result of elections, petitions, or resolutions of a district. None of those obligations will apply under SB 1582-A." The costs associated with these proceedings that would ordinarily fall on a county also no longer apply.

Colleagues, I reiterate that this is a simple and solid fix to this problem that, at best, is severely inhibiting the ability of RFPDs to respond to fires and, at worst, is literally bankrupting them. This is a statewide problem. You have heard from RFPDs around the state that they need this bill to protect their communities. Please do not hesitate to reach out to my office with any questions. If I have missed addressing any concerns you have, I would be happy to do so. This is a solid bill that directly addresses an identified problem with a clean solution. RFPD Directors, Chiefs and Fire Fighters support this bill and I urge your support of SB 1582 A too.

Sincerely,



Lew Frederick
State Senator
District 22 – N & NE Portland