Paul L. Evans STATE REPRESENTATIVE DISTRICT 20



Joint Committee on Ways & Means Co-Chair, Public Safety Subcommittee on Ways & Means Joint Transportation Committee House Committee on Emergency Management, General Government, and Veterans

HOUSE OF REPRESENTATIVES

January 10, 2024

Senate Natural Resources and Wildfire Committee Oregon State Senate Oregon State Capitol 900 Court Street NE Salem, Oregon 97301

Ref: Establishment of a Statewide Public Safety Authority (for sustainable wildfire preparation, mitigation, response, and recovery funding)

A Shared Problem

Our people and place face a growing threat to our lives and livelihood. Our forests are changing; the combined impacts of global climate change, outdated theories of land management based upon varying methodologies of intervention, and a cauldron of associated factors have brought us to an undeniable "new" reality: wildfires in Oregon are now earlier, larger, longer, and more destructive than we have historically experienced. All Oregonians are directly or indirectly negatively affected. It is time for us to recognize wildfires for what they now are – a clear and present danger – to our shared public safety and security. As such, wildfire risk meets all the tests of a significant problem warranting a serious, sustainable solution.

A Two-Step Solution

To begin with, there are several different ways to solve the problem identified. There is no perfect answer for developing and then implementing a serious, sustainably funded strategic course of action. However, given our community values and current political realities, there is a two-step solution that could – and would – provide a permanent solution. This solution meets the tests of rational, reasonable, and responsible action.

The First Step

LC 22 – Is a referral to the voters for the establishment of a new dimension to the Property Tax. It provides a vehicle for the creation of a statewide public safety authority empowered to levy "across the board" assessments from property taxes, capped at not more than \$.25/\$1,000 per annum. This solution, as drafted, will not impact existing property tax realities as it is assessed outside BM 5 and BM 47/50 changes. It will not impact compression, and it will not differentiate among rates.

If passed, funds could be levied on an annual basis (consistent with property tax assessments and payments). All funds channeled into one of two specific accounts: one with an emphasis on "inside the wildland urban interface," the other "outside the urban interface." This solution provides a best-case

Office: 900 Court St NE, Salem, OR 97301 - Phone: 503-986-1420 District phone: 971-273-0014 - Email: rep.paulevans@oregonlegislature.gov

strategy for funding directly impacted areas, while concurrently supporting added capacities in areas often relied upon during state-directed responses (the Emergency Conflagration Act).

The Second Step

LC 23 – Is a statutory mechanism for implementing the referral upon passage. It represents a comprehensive approach including relevant stakeholders. It empowers a Task Force with the authority to create the associated formulaic funding structures as well as the systems required to ensure effective and transparent execution. And it sets a timeline for implementation.

Over the past two years (since the working group began work on establishing a fair, functional, and sustainable funding approach), several items have been agreed upon and would be codified through the processes empowered through LC 23. Among these include:

- A formulaic approach that includes at least three elements: a baseline of funding for all certified fire response organizations (set around \$200,000 in 2024 dollars), a population "factor" and associated risk elements outlined through the official State of Oregon Wildfire Risk Mapping system.
- A split in funding between local/regional and statewide priorities
 - o 20% for statewide public safety priorities
 - o 80% for local/regional providers for priorities focused upon preparation, mitigation, response, and recovery efforts.
- A regular review of funding levels, outcomes, and strategic gain

A Synthesis

LC 22 and 23 are drafted to provide a complimentary (two-step) solution to an emergent threat to our people and place. If the referral passed, the maximum (at the \$.25/\$1,000 rate) potential funds for meeting the challenges of wildfire resilience would be around \$250,000,000 per Biennium. This is based upon an estimation of \$125,000,000 per annum. Property taxes are assessed annually, allowing for even greater flexibility: the authority could dial the levied taxes down after initial mitigation programs yield sufficient benefit. And again, the rate would be set by the elected members of the statewide public safety authority – and could be well under the cap established in the Constitution – but could NEVER be over that amount.

Once levied, the funds would be funneled to the appropriate accounts and apportioned out based upon formulas established through statute. Over time, the Legislature would also have some flexibility in the definition of terms associated with public safety, should the wildfire threat significantly lessen at some point in the future. That said, the origin and intent of this proposal is focused upon structural and systemic support (through sustained funding) for wildfire resilience. With care, this approach can provide necessary public safety funding to stabilize and sustain badly needed capabilities and capacities needed across the state (in different, but equally urgent need).

LC 22 and LC 23 are interdependent. As drafted, there is no LC 23 Task Force absent statewide passage of the referral at the ballot. And yet, with passage of LC 23 in the 2024 Session we can provide the stakeholder community with a swift, thoughtful path toward operationalizing a funding mechanism for accelerating our wildfire resilience posture upon passage of the referral. This approach provides the stakeholder community with a path for swift implementation as well as the necessary sideboards to ensure the will of the voters remains "supreme."

Conclusion:

There are alternative solutions to the problem we face. However, there are none that provide for a comprehensive, voter-approved, permanent outcome, except this approach. In sum, this solution offers:

A solution providing the voters of Oregon with an opportunity to determine the relative fairness of an "across the board" funding mechanism.

A solution providing the voters with clear language regarding the function of a funding mechanism as well as the purpose for the funds.

A solution that reflects a "shared burden" instead of penalizing a singular community of interest or industrial sector.

And, a solution providing the voters with clarity of intent; a solution securing form and function within the Oregon Constitution (as well as a "cap" on levied rates), and a flexibility through statute for effective, efficient implementation.

Thank you for considering this proposal.

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Respectfully,