HJR 201, HB 4075 February 13, 2024 Representative Paul Evans

"Insanity is Doing the Same Thing Over, Again and Again, and Expecting a Different Result" – Albert Einstein

"You are What You Do, Not What You Say You Do." - Carl Jung

"There are Risks and Costs to Action. But they are far Less than the long-range Risks of Comfortable Inaction." – JFK

"By failing to prepare you are preparing to fail" – Benjamin Franklin

- Overview
- Explanation of The Problem
- Explanation of Critical Background
- Explanation of the Proposed Solution
- Top 10 Myths about HJR 201 (and HB 4075)
- The Predictable Consequences of Inaction (Again)
- Questions



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Overview

- We Have A Problem That Warrants An Appropriate Response
 - HJR 201/HB 4075 Provides an Extraordinary Response for Extraordinary Realities
 - HJR 201/HB 4075 Provides a Statewide Solution for Statewide Challenges
 - HJR 201/HB 4075 Provides a Rational Plan for Stabilizing the Property Insurance Market through Targeted Risk Reductions
 - HJR 201/HB 4075 Provides Stable Funding for Building and then Sustaining a Statewide Wildfire Resilience Culture
 - HJR 201/HB 4075 Provides a Solution that Respects "Checks & Balances"
 - HJR 201/HB 4075 Provides the People of Oregon with THE CHOICE for Implementation or the Status Quo
- The Only Wrong Answer, Is NO Answer



- Explanation of The Problem
 - Catastrophic Wildfires are the NEW NORMAL Not an Aberration
 - Global Climate Change is Transforming our Environment, and with it, Challenging What We Used to Know
 - Our People and Places are at Increasing Risks from Direct/Indirect Wildfire Impacts
 - Oregonians are ALREADY Paying Higher Insurance Costs, and Many, Many More will Lose the Ability to Get Insurance IF WE CONTINUE THE STATUS QUO
 - Oregon has NO Plan for Paying for Continuing the Work Continuing the Wildfire Mitigation, Prevention, Preparedness, or Response Functions Paid for with SB 762
 - We Responded to the Fires Appropriately, Then (Like Always) We Promptly Moved On WITHOUT A Plan
 - Decades of Talk, Years of Studies, Reams of Reports, Task Forces, and Work Groups have Achieved VERY LITTLE Measurable Progress –
 - ORDINARY JUST ISN'T SOLVING THE PROBLEM
 - EVERYBODY KNOWS IT Even the Folks who are Conveniently Absent from this Discussion
 - A Real Solution requires A <u>SIGNIFICANT</u> Amount of Resources
 - Insurance Fees Invite Retaliatory Challenges Fiscal as well as Legal
 - State General Fund (Combined Income Taxes, Lottery Revenues, and Other Funds) NOT Sufficient for a Scalable, Stable Funding Framework (largely because of transfers to Local Governments) *
 - Kickers Are Not Sustainable; When We Did Have An Extraordinarily Large Kicker Wildfire Funding was Expressly Prohibited from Discussion because of Partisanship
 - We Do Not Have a Sales Tax, and Excise Taxes Would Not Raise Sufficient Funding without Crippling Industry and Small Businesses



- Explanation of Critical Background I.
 - Passage of BM 5 and BM 47/50 Transformed Statewide Revenue Structures and Systems Effectively Constraining Property Taxes
 - Constitutional and Statutory Requirements
 - · Resulting in Significant Redirection of Revenues from Inherently "Statewide" Functions of Government
 - Estimated Doubling in Real Terms, Above Inflationary Impacts, State Funding for K-12
 - Dramatic Decreases in Higher Education, State Police, and Interstate Transportation Because of Redirection of Funds for Local Government Requirements
 - Local Government became Increasingly Dependent Upon "State" Funding
 - Recent Inflationary Pressures have Compelled Reductions in Public Safety staffing in Cities and Counties
 - The Existing Framework cannot adjust for Beyond 3% Cost Increases
 - The People living in Cities, Counties, Schools, and Special Districts across the State of Oregon will benefit from a more robust statewide resilience framework we serve the same people Oregonians
 - A False Narrative took Hold: That Local Government somehow, for some reason, holds Domain over Property Taxes
 - Prior to 1990 There was a rationale for Maintaining Property Taxes for Local Government, and Income (among other types) Taxes for Statewide Priorities – The Lines Were Much Clearer
 - BM 5, BM 47/50 Put Local Government on a Path toward Financial Insolvency because of a lack of adjustment tools for periods (like the recent contagion) of High Inflationary Pressures
 - When Local Government Fails, the Public Expectation is the State as a Safety-net the nets are old, the holes are getting Bigger
 - Preventative Steps save Scarce Resources over the Long-term; Oregonians will benefit from re-thinking old paradigms
 - An Old Firefighter Saying, "150 years of Tradition Unimpeded by Progress."

- Explanation of Critical Background II.
 - There is NO Legal or Moral Law, Rule, or Policy that Expressly Prohibits Property Taxes being Used for Shared Statewide Benefits
 - We DO Share a Legal and Moral Duty to Protect Lives and Property
 - OSPSA Would NOT Change the Existing Property Tax Hydraulics Think of a Small Layer of Frosting atop a Marble Cake the Cake Remains the Cake
 - The Legislation was Purposefully Crafted to Preserve Existing Structures
 - The Legislation was Purposefully Crafted to Provide the People with a Choice and a Task Force Empowered to Develop the Framework for Implementation
 - The Public must Affirm or Deny the Vision; That vision requires a series of steps including a framework for Effective Execution That is why the Two Steps
 - The Oregon Statewide Public Safety Authority Respects the Vital Role played by cities, counties, schools, and Special Districts that is precisely why it was written in a manner that preserves the existing property tax regime
 - OSPSA is the product of a Work Group comprised of Mostly Local/Regional Government experts
 - Nobody loves this approach, but there IS NOT a viable BETTER Alternative
 - Any who suggests the OSPSA would deny, or even lessen, the ability of local government to control their own funds is Either Ignoring the text of the Legislation, or Knowingly Misinterpreting the language



- Explanation of The Proposed Solution
 - HJR 201/HB 4075 Provide a Mechanism for Raising Necessary Funding for Public Safety, Rural Fire Protection Districts, and Fire Departments
 - HJR 201/HB 4075 Provides for an <u>Independently Elected Board</u> to Determine Annual Rates for Confronting our Challenges; this board will help provide oversight for Measurable Outcomes of Risk Reductions, Insurance Rates Stabilization, and Statewide/Regional/Local Preparedness, Response, and Recovery Operations
 - HJR 201/HB 4075 Provides a Revenue Stream that <u>DOES NOT Directly or Indirectly Impact Existing Property Tax Rates</u> (Or Compression Dynamics)
 - HJR 201/HB 4075 Provides for Equal Distribution of Revenues Between Spaces "Inside the Wildland Urban Interface," and "Outside the Wildland Interface" Improving BOTH Rural and Urban Wildfire Capacities
 - HJR 201/HB 4075 Provides the People of Oregon with a Straightforward Approach to a Statewide Challenge Transparent and Trackable
 - <u>Bottom line</u>: HRJ 201/HB 4075 Built for Necessary Adjustments A Blended Approach Respecting BOTH <u>The Will of the People to Affirm/Deny the Vision</u>, and a <u>Thoughtful Implementation Process for Continued Refinement</u>

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- Top Myths about HJR 201 (and HB 4075)
 - HJR 201/HB 4075 IS NOT NEEDED BECAUSE WE HAVE ENOUGH FOR THE JOB Fire Departments, Districts, and DOF JUST WANT MORE Without Sufficient Justification HJR 201/HB 4075 Gives the Governor TOO Much Power
 - HJR 201/HB 4075 Gives the Legislature TOO Much Power
 - HJR 201/HB 4075 Costs TOO Much because Oregon Is Already the "Highest Tax State" in the Union
 - HJR 201/HB 4075 Removes Local Control from Cities and Counties
 - HJR 201/HB 4075 Empowers Portland Politicians To Raise Taxes on Rural Oregonians
 - HJR 201/HB 4075 Risks Throwing Seniors and Working Families out of their homes
 - Wildfires are a RURAL PROBLEM ONLY
 - The Insurance Industry Does NOT NEED Stabilization They are Rich Enough to Absorb the Accelerated Risks stemming from the Dramatic Changes in our Natural Environment
 - A Singular Rate across the State of Oregon is Unfair Even if Used to Transform our Resilience Posture and Keep Property Insurance Rates Lower
 - Populated areas Should NOT Subsidize Unpopulated Areas
 - Property Taxes CANNOT BE USED FOR STATEWIDE Policies or Programming
 - The Definition of Public Safety, Rural Fire Protection Districts, and Fire Departments is TOO Narrow, TOO Broad, and/or TOO Fuzzy
 - The Task Force Membership outlined in HJR 201/HB 4075 to Develop the Implementation Process is TOO Big, TOO Small, and /or IT's Just NOT Right

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- The Predictable Consequences of Inaction (Again)
 - We are Living on Borrowed Time Floods, Fires, Seismic Events, and Tsunamis are coming Building Wildfire Capabilities improves All-Hazards Capabilities
 - HJR 201/HB 4075 Provides us with the Best, the Only, the Most Appropriate path forward it Provides the People of Oregon with the opportunity to Give Direction: Towards a Path of Resilience, or a Path of Inaction
 - I urge all of us to Remember the Fundamental Truths at Heart of this Discussion Today
 - Progress Will Require a Little More Investment
 - There is no "FREE" Lunch, Never
 - There is are "Deep pockets" to Pin the Costs of Resilience Upon
 - A Superior Alternative has not been Offered yet



- <u>Four BIG Questions</u> should Determine whether HJR 201 Should, or Should not, be Passed onto the 2024 Ballot:
 - Do You Believe Wildfires are a Significant "Statewide" Problem?
 - Do You Believe the Solution provided Is a Responsible path forward; a Strategy that keeps faith with our Duty to Protect our People and Places, as well as ensure the Primary AUTHORITY of Oregon Voters?
 - Do You Believe, Can you Identify for anyone, anywhere, A Superior Alternative to the Strategy at the heart of HJR 201/HB 4075
 - Do You Believe allowing MORE Time to pass will Make anything better? Will Doing NOTHING Result in <u>Fewer Lives</u> lost in the next Catastrophe or More Lives Lost?

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• Questions