

California Cap-and-Trade Bill Would Eliminate Controversial Fire Fee for Rural Landowners

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Tucked into a much-debated state bill that would renew California's cap-and-trade program to cut greenhouse gas emissions is an unheralded provision that may come as good news to tens of thousands of rural North Coast residents.

If passed, it would eliminate a hotly contested wildfire prevention fee paid by rural homeowners for the past five years, amounting to more than \$318 million statewide. The proposed repeal is a product of high-stakes negotiations aimed at shoring up support for the cap-and-trade program, a central pillar of Gov. Jerry Brown's climate change agenda. Floor votes are expected Monday in both the Senate and Assembly amid significant political rancor.

Though dwarfed by the larger issues framing debate in Sacramento, the fee repeal in Assembly Bill 398 — the Global Warming Solutions Act — is a welcome move for fee opponents, including many legislators representing rural Northern California. "This has been a controversial initiative since it's inception," said state Sen. Mike McGuire, D-Healdsburg.

The State Responsibility Area, or SRA fee, adopted in 2011 and imposed a year later, was meant to annually offset \$80 million diverted away from Cal Fire, the state firefighting and forestry agency, as state lawmakers confronted a gaping recession-era budget deficit.

The now-\$152.33-a-year fee is assessed on approximately 800,000 properties statewide with habitable structures located in Cal Fire's jurisdiction. That includes 25,655 parcels in Sonoma County, state officials said.

Most affected landowners — roughly 95 percent — pay a reduced annual fee of \$117.33, qualifying for a \$35 discount because they also pay into a local firefighting district, Cal Fire spokeswoman Janet Upton said.

In enacting the fee, lawmakers argued that growing residential development in rural areas has raised the cost and difficulty of battling wildfires, with state prevention efforts disproportionately benefiting property owners there.

But the fees have drawn outrage from rural residents who believe they've been unfairly burdened for the costs of services that benefit all Californians and which forces most to pay double duty, for both state and local firefighting agencies.

McGuire said owners of the more than 96,000 assessed parcels in his district, which runs from the Golden Gate Bridge to the Oregon border, haven't seen nearly the benefit they should from the millions of dollars they have put in.

"I'll be the first to compliment Cal Fire for their fantastic work, but Cal Fire serves urban, suburban and rural California counties, and the bulk of the SRA fire fee has been put on the backs of rural property owners," he said.

Local fire departments also argue that the state fee hampers efforts to raise funds necessary for volunteer and rural agencies.

"A lot of local fire districts, small fire districts, they get tremendous support from their communities — or at least they did," said Assemblyman Jim Wood, D-Healdsburg.

"When the SRA fee was brought on, they lost a lot of that, and so their ability to support things like equipment and training, that became much more difficult."

If approved, AB 398, authored by Eduardo Garcia, D-Coachella, would kill the SRA fee and fund about \$80 million a year in rural wildfire prevention efforts through proceeds from the sale of emission credits that businesses and other entities can buy and sell at auction.

Directing some of those funds toward wildfire prevention is a natural fit, supporters of the proposed legislation say.

Forests play a critical role in slowing global warming by absorbing carbon dioxide from the atmosphere, while wildfire poses the risk of uncontrolled carbon release.

"This is a good thing for California and its residents, and it's a good thing for Cal Fire," said Upton, the agency's deputy director for communications. "There's a real synergy, and a real nexus for our mission."

The fee has been unpopular enough to inspire many previous bills seeking its repeal, in addition to efforts to reduce or amend it, said Justin Caporusso, vice president, external affairs, for Rural County Representatives of California.

"We've long been opposed to it," he said.

Conservatives contend the SRA fee is a tax that required approval by a two-thirds vote of the legislature, rather than a simple majority. The Howard Jarvis Taxpayer Association has a pending class-action suit against the state, arguing that it is unconstitutional.

McGuire said that the fee has generated more opposition in his district than any subject except for the region's crumbling roads and infrastructure. Many opponents see it as unjust, levying an equal charge on an expensive, custom-made home or cabin as on a modest single-family house. It hurt senior citizens and those on fixed incomes, for whom the burden of two fire taxes was excessive, McGuire said.

"We have received, in the last year alone, 1,500 emails, phone calls and letters about this fee. We've heard from fire chiefs and fire board members and firefighters up and down the North Coast about the extreme frustration that they can't get tax measures passed because their members are being burdened by this fee and they don't see direct services from it."

Bodega Bay Fire Capt. David Bynum, who actively campaigned for a failed 2014 parcel tax that would have cost most fire district homeowners an additional \$200 a year, said voters commonly cited the SRA fee as a reason they couldn't pay more for fire services, though it wasn't the only reason. Their local taxes are high, too.

"They were like, 'Enough is enough,'" Bynum recalled. "I remember trying to explain that the SRA fee does nothing for your local fire department."

Cal Fire's six-county Sonoma-Lake-Napa Unit, one of 21 administrative units around the state, generated about \$22 million in SRA fees between 2012 and 2016. No county-by-county breakdown was available.

Meanwhile, Cal Fire has a \$30 million unspent balance that Sacramento insiders speculate is being withheld in case the state loses the class-action suit. Funding from the SRA fee has paid for a range of fire prevention activities, including critical fuel reduction efforts, more than 200,000 in-person defensible space inspections, fire hazard severity mapping, evacuation planning, outreach and other work intended to limit the risk of wildfires. In addition, local grant recipients this past year have included Fire Safe Sonoma, the Muñiz Ranches Property Owners Association, the Sea Ranch Fire Safe Council and the Napa County Fire Department, among others.

"Those activities would not stop" if the SRA fee is eliminated, said Upton, the Cal Fire spokeswoman. "Quite the contrary."

Cap-and-trade revenue is dependent on the success of carbon credit sales, which in the past have been inconsistent and, often, weak due to a glut on the market.

The cap-and-trade bill requires approval by two-thirds of the Legislature and its political chances are good given Brown's determination to do whatever it takes, said Cara Martinez, legislative representative for the California State Association of Counties.

While the fire fee repeal is a potential "sweetener" for rural lawmakers, most of them Republicans, it will still be "a heavy lift," she said.

Environmental interests remain divided over the package, which includes concessions to the oil industry that prohibit air districts from imposing additional carbon dioxide emission limits on refineries such as those envisioned by the Bay Area Air Quality District.

Citing that concession and others, Sonoma County Supervisor Shirlee Zane, an air district board member and Democrat, called the cap-and-trade package faulty.

"I think they're buying some votes by throwing some pennies," Zane said of the proposed fire fee repeal. "The state needs to step up and fully fund Cal Fire. That's the real issue."

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