
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 450 (Hertzberg) - Fire protection: fire districts: funding: working group: report

Version: March 10, 2021
Urgency: No
Hearing Date: April 5, 2021

Policy Vote: G.O. 14 - 0
Mandate: No
Consultant: Janelle Miyashiro

Bill Summary: SB 450 requires, before February 15, 2022, the State Board of Fire Services to convene a working group to discuss and make recommendations on the most effective mechanisms to administer the Special District Fire Response Fund, as specified.

Fiscal Impact: Unknown, potentially significant cost pressures in the low hundreds of thousands of dollars for the Board to convene the working group and provide recommendations on the administration of the Special District Fire Response Fund.

Background: In November 2020, California voters approved Proposition 19, which was placed on the ballot by ACA 11 (Mullin, Resolutions Chapter 31, Statutes of 2020). The "Home Protection for Seniors, Severely Disabled, Families, Wildfire and Natural Disasters Act" allows for property tax base year value transfers for replacement properties without regard to the replacement property's location or value; limits or repeals the parent-child, grandparent-grandchild exclusion from change in ownership; directs the Department of Finance to determine any state-accrued revenues and savings resulting from these changes; and allocates 75% of that amount for fire suppression staffing and 15% to reimburse eligible local agencies that incur a net revenue loss from this measure's provisions.

Under the assumption that Proposition 19's changes would increase income tax revenues related to additional sales of property, Proposition 19 created the California Fire Response Fund and the Special District Fire Response (SDFR) Fund, within the California Fire Response Fund. The State Controller is required to transfer 75% of those moneys to the California Fire Response Fund, and 80% of that amount is to be allocated to the SDFR.

Proposition 19 requires that the SDFR Fund be appropriated to special districts that provide fire protection services as follows: 50% of the amount to be used to fund fire suppression staffing in underfunded special districts that provide fire protection services, as specified; 25% to be used to fund fire suppression staffing in special districts that provide fire protection services and are underfunded due to a disproportionately low share of property tax revenue, as specified; and, 25% to be used to fund fire suppression staffing in underfunded special districts that provide fire protection services and employee full-time or full-time-equivalent station-based personnel, as specified.

Further, the California Constitution requires that, in determining whether a special district that provides fire protection services is underfunded, the Legislature shall take into account the following factors, in order of priority: the degree to which the special

district's property tax revenue is insufficient to sustain adequate fire suppression, as specified; whether the special district, upon formation, received a property tax allocation in accordance with existing law; and, geographic diversity.

Proposed Law:

- Requires, before February 15, 2022, the State Board of Fire Services to convene a working group to discuss and make recommendations on the most effective mechanisms to administer the Special District Fire Response Fund.
- Requires the working group to include representatives from the California Professional Firefighters, California Fire Chiefs Association, Fire Districts Association of California, the California Metropolitan Fire Chiefs Association, and the Office of Emergency Services.
- Requires the working group to hold its first meeting by March 1, 2022 and to determine a schedule of six additional meetings to be completed by May 1, 2022.
- Requires the working group to evaluate and provide recommendations to the Legislature on all of the following:
 - Mechanisms to ensure that underfunded special districts that provide fire protection services are aware of funding opportunities in the Special District Fire Response Fund.
 - The grant submission process.
 - The interval of grant opportunities.
 - Mechanisms to support the grant application process for eligible special districts that provide fire protection services.
 - Mechanisms to report the additional services provided to communities due to funding.
 - Opportunities to leverage funding from other sources to supplement the Special District Fire Response Fund.
- States legislative intent to seek guidance from experts from the firefighting community to get information on the most appropriate methods to identify and provide funding to underfunded fire districts, as specified.
- Repeals the working group on January 1, 2026.

Related Legislation: ACA 11 (Mullin, Chapter 31, Statutes of 2020) placed the Home Protection for Seniors, Severely Disabled Families, Wildfire and Natural Disasters Act on the November 2020 general election ballot.

Staff Comments: To the extent that additional workload associated with evaluating and providing recommendations on the administration of the Special District Fire Response Fund, as specified, are not absorbable within existing resources, there may

be a cost pressure to the Board. Based on resource needs for working and advisory groups in comparable size and mission, the working group proposed in this bill may require at least one personnel year worth of additional workload, which would total up to the low hundreds of thousands of dollars.

Currently, all members of the Board serve without salary, but are paid actual and necessary expenses related to the activities of the Board. This bill requires the working group to hold its first meeting by March 1, 2022 and to schedule and complete at least six additional meetings by May 1, 2022. There may be corresponding fiscal impacts associated with the necessary expenses for representatives of the California Professional Firefighters, California Fire Chiefs Association, Fire Districts Association of California, California Metropolitan Fire Chiefs Association, Department of Forestry and Fire Protection, and Office of Emergency Services to meet on the schedule prescribed by the bill. These costs are unknown at this time.

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