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Economy & Efficiency Commission Presentation

**PRESENTATION OF
Chief Michael Freeman,
Los Angeles County Fire Department
April 2, 1997**

Topic: The Commission's Support of the Upcoming Ballot Initiative

Chief Freeman thanked the Commission for their endorsement of the upcoming ballot measure.

In 1991, the Board of Supervisors established an annual benefit assessment of \$13.99 on single family dwellings, with higher amounts on different types of properties based on size and use. The assessment was to level out peaks and valleys the department had experienced in annual funding. 86% of their budget dollar is spent on direct service delivery. In 1992, local property taxes were shifted to the State, this caused \$36 million of fire district property tax to be shifted from the Fire Department to Sacramento to fund education. The Department cut \$9.3 million from its spending budget, and has been unable to purchase some replacement equipment. The Board of Supervisors subsequently increased the benefit assessment to \$36.55.

In 1993, there was another proposed property tax shift that would have been devastating to Fire Department, but the Governor exempted fire districts from this shift. In 1994-95 they paid out over \$17 million in property tax refunds. The benefit assessment then rose to \$55.96. They were able to recently lower the assessment to \$51.96. This assessment results in \$51 million of revenue for the department which, by law, must be spent on direct fire protection services. The retroactive component of Proposition 218 voids the benefit assessment. There was an attempt to restructure the benefit assessment, but County Counsel has opined that they are unable to restructure one that would meet the legal requirements of Proposition 218.

With the Board's action, they appealed to the Superior Court on the basis of the previous benefit being a contractual agreement and therefore exempt from Prop. 218. The Court did not agree with that argument. As a last resort, the Board is placing the Special Fire Tax on the June 3, 1997 ballot.

Chief Freeman thanked the Commission again and stated that the special tax is designed to replace the exact amount of the benefit assessment and no more. These funds are crucial to the continuation of emergency service delivery. If this tax does not pass, it is estimated that the Department would have to close over 20 fire stations and 34 engine companies. This constitutes 22% of the structural fire protection services. They believe that if the public is aware of the consequences and that this is a replacement tax, this assessment will pass. Since this tax applies to vacant properties as well, home owners will actually be paying slightly less.

Chief Freeman stressed that the Department has examined all the alternatives to remedying this situation and this is the only viable option. The Board of Supervisors cannot bail them out, since they are legally prohibited from making a gift of public funds.

Commissioner Petak asked who will vote on this initiative. Chief Freeman replied registered voters in

jurisdictions where there is no fire protection provided by the city. Commissioner Petak asked what would happen if a city decides later to have their own fire department after they have already approved the tax. Chief Freeman replied that it would be similar to the property tax where the Department contacts LAFCO to redistribute the tax revenue.

Chairperson Abel thanked Chief Freeman for his presentation and introduced David Janssen, CAO of Los Angeles County.

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