

SENATE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS

February 22, 1993 Hearing Room B 9:00 a.m. Tapes 29 - 30
MEMBERS PRESENT: Senator Tricia Smith, Chair Senator Grattan Kerans,
Vice Chair Senator Brady Adams Senator Wes Cooley EXCUSED: Senator
Peg Jolin STAFF PRESENT: Stephanie Holmes, Committee Research Joan
Green, Committee Assistant MEASURES HEARD: SB 194, relating to fire
protection, PH Bill introduction WITNESSES: Nancy Campbell, Office of
State Fire Marshal Glen Andresen, Business Manager, Office of the State
Fire Marshall Ralph Rodia, Office of State Fire Marshal Burton Weast,
Special Districts, Oregon Fire District Directors Association and Oregon
Fire Chiefs Association These minutes contain materials which paraphrase
and/or summarize statements made during this session. Only text enclosed
in quotation marks report a speaker's exact words. For complete contents
of the proceedings, please refer to the tapes.

TAPE 1. SIDE A 006 Chair Smith Meeting called to order at 9:18 a m
PUBLIC HEARING SB 194. RELATING TO FIRE PROTECTION 010 RALPH RODLA,
CHIEF DEPUTY, OFFICE OF STATE FIRE MARSHAL: Speaks in support of the
bill, Exhibit B.

052 Chair Smith: Fire insurance premium tax fund, what does that
money go for now?

054 Rodia: Responds.

070 Chair Smith: Requests clarification on what happens with the
conflagration act and how it relates to this bill

071 Rodia: Responds

073 Sen. Cooley: Where does this money come from? Senate Labor and
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075 Rodia: Responds. Continues with testimony, Exhibit B. 099 Chair
Smith: Who determines the amount of the surcharge and the properties to
which it would be assessed?

100 Rodia: Responds.

107 Chair Smith: The surcharge would be determined by the Fire
Marshall's office identifying the numbers of improved parcels?

108 Rodia: Responds

109 Chair Smith: How would you be made aware of new improvements as
they occur?

110 Rodia: Responds. 113 Chair Smith: Is this survey required for any
other reason, other than for the purposes of this act?

115 Rodia: Responds.

127 Chair Smith: Have you asked the assessors how much it costs them
to provide this information to you? 128 Rodia: Responds. 132 Chair
Smith: How would the mechanics of this work? 133 Rodia: Responds.

139 Sen. Cooley: Does the surcharge distinguish between parcel sizes?

140 Rodia: Responds. 142 Sen. Cooley: Isn't there a difference,
based on exposure? 151 Rodia: Responds.

166 Sen. Cooley: Is this bill going to help protect the buildings?

171 Rodia: Responds.

180 Sen. Cooley: Refers to China Hat fire last spring. Does this bill respond to that sort of situation?

197 NANCY CAMPBELL, OFFICE OF THE STATE FIRE MARSHALL: Responds.

204 Sen. Cooley: At what point is a fire declared an emergency?

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205 Campbell: Responds.

228 Sen. Adams: Has there been legal research as to the implications, in context with Ballot Measure 5?

233 Campbell: Responds.

249 Chair Smith: How would the bill work in conjunction with the US Forest Service, Department of Forestry, etc.? 252 Rodia: Responds.

270 Sen. Adams: Is there any type of protection for people who have private fire company contracts from paying this fee? 271Campbell: Responds. 288 Sen. Adams: Where in the bill does the language provide for protection from double-charging? 290Campbell: Responds.

293 Sen. Cooley: Currently I have no fire protection. If I were a participant in this program and I had a barn catch on fire, would you come and put out that fire? 312 Campbell: Responds.

314 Sen. Cooley: Under this bill I would pay into the fund, and because of my rating, I would not be protected?

322 Campbell: Responds.

330 Chair Smith: How did you come up with the dollar figures for the fund, and will the bill deal only with the involved clusters rather than forcing this assessment everywhere in the state?

368 Rodia: Responds.

381 Chair Smith: People living within an urban area pay for fire protection. Groups of people who live outside of the urban area don't pay for fire protection. I would like to see the bill tightened so that if you choose to live outside of an urban area you are responsible for payment.

419 Rodia: Responds.

TAPE 30. SIDE A

015 Chair Smith: If I currently pay for fire protection for my property, should I have to pay for fire protection somewhere else?

022 Campbell: Responds.

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043 Sen. Kerans: Is there any relationship between the conflagration act and the situation where firefighters/equipment are misdirected to protect structures in forested areas, rather than fighting the fire in the timber? 052 Campbell: Responds. 066 Sen. Kerans: This fund goes to pay for timber and structures that are not in a protected district, if it is decided it is a conflagration?

069 Campbell: Responds. 085 Sen. Adams: A conflagration could affect a populated area, covered by fire protection, requiring additional resources to be called in. I'm losing the justification as to why unprotected areas need to pay for this.

099 Campbell: Responds. 100 Sen. Adams: The unprotected area puts in the \$2 million, however Salem could have the biggest fire. Salem residents have not had to contribute to that fund, yet they would get the biggest benefit, correct?

106 Rodia: Responds.

114 Sen. Adams: In theory there is a risk to all Oregonians?

121 Rodia: Responds. 133 Chair Smith: Requests clarification of where the monies come from.

139 Campbell: Responds.

141 Chair Smith: Questions the accrual of the monies, as outlined in Exhibit B, hand-engrossed amendment. 156 Rodia: Responds. 160 Chair Smith: This would be determined by the Fire Marshall's Office after a survey each year of the number of current unprotected properties, through rule?

164 Rodia: Responds. 172 Sen. Cooley: What is the income that comes from 0.5% of the total premiums paid in this state? 182 GLEN ANDRESEN, BUSINESS MANAGER, OFFICE OF THE STATE FIRE MARSHALL: Responds. 201 Sen. Kerans: You determine the yield and back into whatever the percentage is, correct?

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207 Andresen: Responds.

223 Sen. Adams: Why isn't the proposal to use the insurance fee mechanism by itself?

224 Rodia: Responds.

231 Sen. Adams: Don't you have the authority to bill those property owners individually?

236 Campbell: Responds.

246 Sen. Adams: You do have the authority to bill the individual owner, even if you bring in another jurisdiction?

256 Campbell: Responds.

268 Sen. Adams: Under ORS 476.290 isn't there a mechanism to recover costs?

284 Campbell: Responds.

289 Sen. Adams: Why, if this is a benefit to both protected and unprotected areas, is there a surcharge on the unprotected areas?

311 Sen. Cooley: I have insurance for my structures and I pay an additional premium for either the Bend or Prineville fire department to come out.

324 Rodia: Responds.

330 Chair Smith: The \$2 million will come from the properties that currently don't pay anything. How will you know whether the properties outside of the fire district pay insurance?

340 Rodia: Responds.

347 Sen. Kerans: You would also need to know if there was some extra territorial agreement from a fire agreement, and if an assessment is paid for that extra service, correct?

369 Rodia: Yes.

370 Sen. Kerans: Somehow you need to determine only those who are "self-insured", and they are the ones who should be assessed for fire-suppression in times of a conflagration in an unprotected area. If this is not done, than they are paying twice. Is that correct?

419 Chair Smith: How are you going to determine who will pay this surcharge?

TAPE 29, SIDE B

010 BURTON WEAST, SPECIAL DISTRICTS, OREGON FIRE DISTRICT DIRECTORS ASSOCIATION AND OREGON FIRE CHIEFS ASSOCIATION: The people outside of the unprotected areas who have mortgages are paying a certain fire premium, however they do not . These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks report a speaker's exact words. For complete contents of the proceedings, please refer to the taper. Senate Labor and Government Operations February 22, 1993 - Page 6

pay any property taxes.

042 Sen. Kerans: Discusses equalization of the cost, is that the purpose?

065 Weast: Responds.

068 Sen. Adams: I think the general fund might be the appropriate mechanism for funding.

078 Weast: Responds. 092 Sen. Adams: I still have the philosophical problem with protected areas being subsidized by unprotected areas.

098 Weast: Responds.

115 Sen. Adams: There is the situation where someone is in an unprotected area, paying fire insurance, and has a provision for firefighting. Also there are areas in the state where private firefighting companies contract with property owners.

125 Rodia: Responds.

133 Chair Smith: Directs witnesses as to what needs to be done regarding the bill.

149 Sen. Kerans: What is the unit cost per structure to raise the present \$2 million/biennium?

156 Rodia: Responds.

177 Sen. Kerans: Suggests that the hidden costs be factored in, or the fire insurance premium tax mechanism be utilized.

219 Sen. Adams: I'm also concerned about those not paying at all, I would like to see a mechanism to allow billing.

235 Rodia: Responds.

INFORMATIONAL BILL INTRODUCTION

261 MOTION: CHAIR SMITH MOVED THE PACKET OF LC DRAFTS EXHIBIT A BE INTRODUCED AS COMMITTEE BILLS. HEARING NO OBJECTION, SO ORDERED.

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275 Meeting adjourned at 10:34 a.m. Submitted by: Reviewed by:
Joan Green Joan Van Almen Assistant Counsel

EXHIBIT LOG:

A - Packet of legislative drafts - Staff - 19 pages B - Testimony on SB
194 - Rodia - 9 pages

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