



OREGON STATE SENATE
900 COURT STREET ST NE
SALEM, OREGON 97301

May 5, 2023

House Committee on Revenue

RE: -1 Amendment to SB 1068 and Administrative Burden

Chair Nathanson, Vice-Chairs Reschke and Walters, and members of the committee,

I want to address the -1 amendment to SB 1068 that was submitted for consideration in the Senate Finance and Revenue Committee as it was referenced by the opposition during the public hearing in your committee. The -1 amendment was not created in collaboration with my office. Neither my office nor any member of the Senate Finance and Revenue Committee was notified about the amendment prior to its posting one hour before the work session for the bill (and then it was just discovered on OLIS, we were not notified by the amendment's requester). However, that amendment was considered in committee and the committee decided not to adopt it – unanimously supporting the bill as introduced.

The Staff Measure Summary for the -1 amendment on OLIS starts by saying “the -1 *complicates* identification of coverage area and ability to annex lands to a rural fire protection district” (emphasis added). It then lists eight bullet points where the amendment removes definitions, clear processes, and requirements. The amendment was also not created with any collaboration or notice to the fire districts, chiefs or firefighters. I do not support the -1 amendment, nor do the supporters of the bill. As stated in the SMS, the amendment just complicates any attempt at resolution of this clear issue.

The -1 amendment would also complicate the administration of the bill. After carefully crafting language with the administrative public bodies involved, SB 1068 would be implemented without being burdensome, and any amendments would have to likewise be crafted. Every word of every provision in SB 1068 has been carefully considered and worked with all affected parties over the last almost four years, particularly with the Department of Revenue and the administrative bodies that would be involved in the procedural aspects of the bill. The administrative processes involved in implementing the bill are complex, but the provisions of SB 1068 as introduced can easily work within established processes without added burden or any significant cost.

Over the years my office has worked on this issue, any associated costs with the bill have been discussed with and considered by those public bodies that would be affected. Since the processes are streamlined into current practice and are not creating any new procedures for an administrative agency to implement, that is why a no-fiscal impact statement was issued. Some nominal fees are waived to allow a fire district to easily and without cost recover what is owed to them by a property owner who received services while not being in the district and did not pay. The annexation fee is waived if a property owner, upon notification they are in the coverage area but not in the district, wishes to self-annex. We want folks who are truly unaware of their status to be incentivized to opt-in to the district. SB 605 (2021) required significantly more work from counties and their administrative parts and that bill only had an indeterminate-minimal fiscal impact so did not require any funding allocation or a referral to Ways & Means. We have previously been told that the paperwork required by the administrative bodies to implement the provisions in SB 1068 results in minimal added work and cost.

Colleagues, SB 1068 is ready to move as introduced. You have heard from the Oregon Fire District Directors Association, the Oregon Fire Chiefs Association, the Oregon State Fire Fighters Council, two local firefighters associations, 21 individual RFPDs from across the state, and numerous others about their resolute support.

I hope you will join me in getting this done to smartly close an accidental free-rider tax loophole the legislature created and to help our rural fire protection districts and the communities they serve.

Thank you for your consideration. My office is always available to discuss.

Sincerely,

A handwritten signature in black ink, appearing to read "Lew Frederick", written in a cursive style.

Lew Frederick
Senate Majority Whip | District 22 – N/NE Portland