



**RWOnline.net**

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## September 2022

Dear Customer,

In the next few weeks you will receive information from Lane County about the upcoming **November Election**. Rainbow Water (and Fire) District has presented **Measure 20-331** which asks, "Shall Rainbow levy \$1.71 per \$1,000 assessed value outside its permanent rate for five (5) years, beginning 2024/25? This measure renews current local option taxes." We want to use this opportunity to answer some of the frequently asked questions about our tax levy.

*Is Rainbow a water district, or a fire district?*

Rainbow was formed as a domestic water supply district in 1949. State law allows water districts to also provide fire protection services when authorized by the district voters, which our customers did at a Lane County election in 1952. Our name is officially Rainbow Water and Fire District, but we do business as Rainbow Water District. We do not actually own any fire equipment, and hire the City of Springfield (as part of Eugene-Springfield Fire) to provide fire protection and emergency medical services for our customers.

*Why do I need to pay property taxes for fire protection when I have FireMed?*

Put simply, FireMed is a supplemental insurance program that only covers ground or air ambulance transport. If you require transport by ambulance, you may get a large bill that your regular health insurance does not cover. If you are a FireMed subscriber, you would not have to pay that ambulance bill. FireMed does NOT pay for fire stations, fire engines, professional firefighters, or the administrative staff that runs the fire department. These expenses are part of the City of Springfield's annual budget. The City of Springfield looks at the total assessed value of all the properties they serve, determines the assessed values of homes in the Rainbow service area, and bills Rainbow for our proportional share of the fire protection. This bill amounts to well over \$1 million dollars per year. (Note: People annexed into the city limits are still charged for this service, they just pay the City of Springfield directly.)

*How are property tax revenues calculated?*

The Lane County Tax Assessor establishes property taxes based on the Assessed Value of the property, not the Real Market Value that the property might sell for in a competitive market. By law, the Assessed Value cannot increase more than 3% per year, which puts a limit on the amount of taxes that can be collected from our permanent tax rate of \$2.0631 per \$1,000.



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For Fiscal Year 2021-22, the *Assessed* Value of Rainbow's fire protection area was just under \$447 million. When we divide this amount by the number of homes we serve we find that an average Rainbow property is worth \$214,642. Your permanent rate property taxes are based on your own home's value and are listed on your tax bill as "Rainbow Water and Fire District."

While the money collected from the permanent tax base can legally be used for any district expense, Rainbow has prioritized these funds for fire protection and has not used this money for any ongoing staffing or operations expense. (In the event of an urgent need, some of these funds could be used to build or repair facilities to maintain our fire protection capabilities.)

#### *Why a local option levy?*

Every year the cost of the fire contract has exceeded the funds available from our permanent rate property taxes, and Rainbow has utilized a renewable levy, or temporary tax, to make up the difference. The supplemental amount from the Local Option (LO) Levy shows up on your tax bills as "Rainbow Water and Fire District LO."

While the merger of Eugene and Springfield fire departments provided some initial cost savings, we expect that the cost of the fire contract will continue to increase with time. We anticipate that we will still need a levy to cover the full amount of the annual fire protection contract.

Of those who voted in 2017, 85.8% voted YES and 14.20% voted NO. On November 8<sup>th</sup>, voters will have an opportunity to vote again to renew the levy. If Measure 20-331 is approved it would fund fire protection and emergency medical services for another five years. 100% of the funds from this local option levy will be used for our fire protection contract or capital projects which maintain Rainbow's fire protection capabilities.

Thank you for allowing us to serve you!

Jamie Porter  
Superintendent