STATE BOARD OF LAND COMMISSIONERS

August 18, 2026
Regular Agenda

Subject

Request approval of Forest Fire Improved Parcel Assessment Rate

Question Presented

Shall the Land Board approve the recommended improved parcel assessment rate of $90 per qualifying parcel?

Background

Pursuant to Idaho Code § 38-111, the Department is authorized to assess and collect forest fire protection assessments on lands within its responsibility to support the cost of providing wildfire protection services. Assessment revenues are deposited into the fire dedicated fund to support the core capabilities necessary to maintain a statewide wildfire program. These capabilities include prevention, detection, initial attack, dispatch operations, equipment replacement, training, fire cache operations, fire cost reconciliation and billing, interagency coordination and overall operational readiness.

The Forest Fire Protection Assessment is comprised of two components: a per-acre assessment applied to protected forest lands and a surcharge applied to each improved lot or parcel. "Improved lot or parcel," defined in the Idaho Forestry Act, "means forest land upon which a residential structure exists as determined by the department. In making such determination, the department may consult with the county assessor."

The current implemented rates set by Land Board policy are $0.60 per protected acre and $40 per improved lot or parcel. Consistent with state law, Idaho's forested endowment lands pay the same assessment rate as other protected landowners, ensuring an equitable and uniform funding methodology. These assessments are applied on an annual basis.

Preparedness funding is distinct from wildfire suppression funding. While suppression funding is used to pay the costs of actively fighting wildfires after they occur, preparedness funding provides the personnel, equipment, training, and infrastructure necessary to rapidly detect and respond to fires before they become large, complex, and more costly incidents.

Discussion

The wildfire environment in Idaho continues to evolve, requiring a preparedness program that is both operationally capable and financially sustainable. Longer fire seasons, increasing development within the wildland-urban interface (WUI), and rising personnel and equipment costs.

Historically, IDL's fire preparedness program has been funded through an approximately equal split between the fire dedicated fund and the general fund, with federal grants providing supplemental support. In recent years, however, while the Legislature has approved preparedness budget enhancements, an increasing share of those costs has been assigned to the fire dedicated fund rather than supported through additional general fund appropriations. In addition, continued uncertainty surrounding federal grant funding has placed increasing pressure on the fire dedicated fund.

Recognizing these challenges, the Department came to the Board with the proposed legislative idea a year ago, at which time approval was given to move forward. House Bill 511 was approved during the 2026 legislative session, expanding the assessment authority available to the Department and the Land Board. This additional authority raised the maximum rate from $40 to $100 per qualifying parcel.

As shown in Attachment 1, the Department evaluated projected wildfire preparedness funding through 2032 using current appropriations, existing assessment revenues, inflationary cost increases, personnel cost escalation, equipment replacement schedules, FY28 strategic planning initiatives, and an assumption of a reserve management objective of approximately $5 million. The reserve of approximately $5 million will allow the Department to replace critical wildfire equipment; respond to unexpected preparedness needs; maintain readiness between fire seasons; and reduce funding volatility from year to year.

IDL’s recommended improved parcel assessment rate of **$90 per qualifying parcel** provides the level of dedicated funding necessary to accomplish all stabilization objectives, and to begin implementing some of the priorities identified in the Land Board approved Fire Strategic Plan. These initial improvements are expected to be included in the Department’s FY28 budget, including investments in firefighter recruitment, enhanced initial attack capability, wildfire detection, and modernization of critical equipment and infrastructure.

The Department recognizes the importance of continued general fund investment that supports Idaho's wildfire preparedness program. The Department’s analysis and recommendation assume existing General Fund support remains in place throughout the five-year planning horizon. The Fire Strategic Plan is built upon balanced funding from the fire dedicated fund, general fund appropriations, and available federal assistance. As general fund support becomes less predictable or represents a smaller share of the overall preparedness program, the pace and scope of implementing the broader staffing, operational, and organizational initiatives identified in the Fire Strategic Plan may be limited.

The proposed assessment rate also recognizes where wildfire risk has changed most significantly. By applying the increased assessment only to improved parcels containing structures, the funding responsibility is focused on those properties that most closely align with the characteristics of the wildland-urban interface. These parcels typically present the greatest suppression complexity and require additional firefighting resources to respond to incidents, protect lives and property, and suppress the fires.

A $90 assessment rate represents a $50 increase. Based on close to 68,000 parcels, the increase generates approximately $3.4 million in additional annual recurring revenue. On the second to last page of Attachment 1, the planned commitment of those funds is broken down.

Recommendation

Modify the Land Board Policy for the Landowner Fire Assessment Rate to adjust the surcharge for each improved lot or parcel from $40 to $90.

Board Action

Attachments

1. Improved Parcel Assessment Rate Analysis
2. Land Board Policy - Land Owner Fire Assessment Rate

Forestry and Fire Improved Parcel Assessment Rate Analysis

IDAHO DEPARTMENT OF LANDS

Completed by the IDL Fire Bureau August 2026

ATTACHMENT 1

Introduction

The Idaho Department of Lands (IDL) Forestry and Fire Protection Assessment provides a dedicated funding source supporting wildfire preparedness activities across approximately 9.3 million acres of state fire protection responsibility.

The assessment supplements General Fund appropriations and federal preparedness grants by providing a stable funding mechanism supporting wildfire prevention, detection, initial attack capability, operational readiness, equipment replacement, fire cache operations, and strategic preparedness investments.

During the 2026 Legislative Session, House Bill 511 modified Idaho's Forestry and Fire Protection Assessment statutes and increased the allowable structure assessment rate from $40 to $100 per parcel. The legislation recognized increasing preparedness costs, inflationary pressures, implementation of the Fire Strategic Plan, workforce needs, aging infrastructure, and growing wildfire risk across Idaho.

This analysis evaluates both stabilization of the existing preparedness program and implementation of the FY28 Strategic Planning Initiative package over a five-year planning horizon (FY28–FY32).

Using a beginning reserve balance of approximately $5.2 million, the analysis identifies two funding benchmarks and also evaluates the current $40 status quo.

- $40 per parcel is evaluated as a current-program-only status quo. In this scenario, the FY28 Strategic Plan implementation package is deferred and the separate Future Preparedness Sustainability allocation for inflation, vehicle replacement, and reserve stabilization is excluded. The existing preparedness funding gap and three FY26 strategic positions remain. Under these assumptions, the reserve remains positive through FY32 but declines from approximately $5.2 million to about $0.08 million, demonstrating that the current rate can temporarily support a reduced program only by consuming nearly the entire existing reserve.
- $85 per parcel is the stabilization benchmark. It supports the existing preparedness program and keeps reserves near the Department's operating objective, but does not provide the same five-year capacity for full FY28 strategic implementation as the $90 option under the modeled assumptions.
- $90 per parcel is the strategic implementation benchmark. Under the modeled assumption of no additional General Fund support for the FY28 initiatives, it provides the recurring capacity to implement the FY28 Strategic Plan package while maintaining reserves within the Department's desired operating range.

Background

The Forestry and Fire Protection Assessment has been adjusted periodically to address changing preparedness costs: on July 11, 2006, the fire assessment rate increased from $0.45 to $0.55 per acre and the improved parcel surcharge increased from $10 to $20; on December 16, 2008, the per-acre assessment increased from $0.55 to $0.60; and on June 16, 2009, the improved parcel surcharge increased from $20 to $40, where it has remained since that time.

Since the improved parcel surcharge was last adjusted in 2009, the Idaho Department of Lands' wildfire response capacity has expanded substantially to meet increased protection responsibilities and the growing complexity of wildfire response. In 2009, IDL operated 30 engines across ten fire protection districts, with three firefighters assigned to each engine, representing approximately 90 firefighters. Today, IDL operates 39 engines across 11 districts and employs approximately 259 firefighters. In addition to expanded engine staffing, the Department has added a 20-person hand crew, a 10-person suppression module, and 33 permanent engine captain positions. Fire Bureau staffing has also grown by approximately 20 positions to support aviation, fire emergency services coordination, logistics, dispatch operations, and shop support. This growth reflects the evolution of IDL's fire program from a smaller, primarily engine-based response organization into a broader and more capable wildfire preparedness system designed to support rapid initial attack, expanded wildland-urban interface responsibilities, and increasingly complex statewide fire operations.

In the same period, Idaho has experienced continued growth in improved parcels, 36% since 2009, mainly within the wildland-urban interface, while wildfire preparedness costs have risen substantially. Department materials identify approximately 128% growth in Type 5 engine costs and approximately 172% growth in standard pickup costs since the last surcharge adjustment. From an economic standpoint, maintaining a fixed revenue rate while the cost of labor, equipment, fuel, and other operating inputs increases results in a steady erosion of the department's purchasing power. In practical terms, the same $40 assessment that supported preparedness activities in 2009 can purchase substantially less preparedness capacity today. This widening relationship between stagnant assessment revenue and increasing costs of delivering wildfire preparedness services provides important context for the current proposal.

Assessment revenues are deposited into the Fire Dedicated Fund and support preparedness activities including:

- Prevention
- Detection
- Initial attack
- Dispatch support
- Equipment replacement
- Training
- Fire cache operations
- Operational readiness

The assessment structure consists of two components:

1. Per-acre assessment applied to protected forest lands.
2. Structure assessment surcharge applied to qualifying parcels containing structures.

Under Idaho law, Idaho endowment lands pay the same assessment rates as other protected lands, ensuring a consistent and equitable funding methodology statewide.

Preparedness funding differs fundamentally from suppression funding. Preparedness investments are intended to reduce wildfire size, duration, and overall suppression costs through rapid detection and aggressive initial attack. Suppression funding addresses costs incurred after a wildfire starts and suppression actions are undertaken.

Legal Considerations

Idaho Code § 38-111 establishes the framework for the Department's forestry and fire protection assessments by identifying both the assessment base and the methodology. The statute authorizes an acreage-based assessment on protected forest lands and a wildfire preparedness surcharge on each improved lot or parcel. While House Bill 511 expanded the State Board of Land Commissioners' authority to adjust the amount of the preparedness surcharge, it did not change the statutory basis upon which the assessment is levied.

Because the statute does not authorize assessments based on assessed property value, taxable value, or other valuation methodologies, implementing a tiered or valuation-based assessment would likely require legislative amendment to § 38-111. Under the current statutory framework, the Board's authority appears limited to establishing a uniform surcharge applicable to each qualifying improved parcel, rather than creating multiple assessment levels based on property value or other valuation criteria.

Policy and Operational Considerations

The recommended uniform per-improved-parcel assessment is consistent with both the Department's mission and the operational principles of wildland fire management. The wildfire preparedness assessment is intended to fund a statewide preparedness system—including personnel, training, aviation, engines, communications, dispatch, and equipment—that enables the Department to respond rapidly and effectively to all wildfires within its protection responsibilities. It is not an insurance premium or fee for service based on the value of individual property.

During wildfire incidents, suppression strategies and tactical decisions are guided by nationally recognized incident management principles that prioritize firefighter safety, public safety, fire behavior, probability of success, and values at risk. The assessed market value of a structure is not a factor in determining suppression priorities. A home valued at $500,000 receives the same level of protection consideration as a home valued at $4 million because both represent lives, property, and community values deserving of equal protection under the Department's statutory mission.

Adopting a valuation-based assessment could unintentionally create the perception that higher-valued properties are purchasing a greater level of wildfire protection, a concept that is inconsistent with established wildfire doctrine and public expectations of equitable government services. Valuation-based pricing is more appropriately employed by private insurance companies, where premiums reflect the financial risk of replacing insured assets. The Department's responsibility, by contrast, is to maintain a statewide wildfire preparedness capability that serves all Idahoans equally, regardless of property value. A uniform per-parcel assessment therefore more accurately reflects the public service nature of the program while supporting a fair, transparent, and administratively efficient funding mechanism.

House Bill 511 expanded the assessment authority available to the Department and Land Board, allowing adjustment of the structure assessment rate to address increasing preparedness needs while maintaining long-term fiscal sustainability.

Analysis Methodology

This analysis utilizes a preparedness funding-gap methodology rather than a full-cost replacement model.

The structure assessment surcharge is modeled as a mechanism to:

- Stabilize preparedness reserves;
- Offset inflationary growth pressures;

- Support strategic preparedness investments;
- Address long-term equipment replacement needs;
- Improve resiliency against funding uncertainty;
- Maintain operational readiness.

Existing General Fund appropriations and federal preparedness funding are assumed to remain in place throughout the projection period. The projection period is FY28 through FY32. It includes the agencies Dedicated fund reserve objective of maintaining balances between $4.9 million and $5.1 million.

Reserve Objective. The approximately $5 million reserve is treated as an operating objective—not a statutory minimum or a target for accumulating excess dedicated revenue. It provides financial resiliency for seasonal cash flow, equipment replacement cycles, inflationary pressures, and unforeseen preparedness needs. The $4.9–$5.1 million range is used as a planning benchmark for comparing rate scenarios.

Modeling Assumptions

Assumption	**Value**
Starting Fiscal Year	FY28
Starting Cash Balance (6/2026)	$5,200,000
Reserve Target Range	$4.9M – $5.1M
Initial Parcel Count	68,000
Annual Parcel Growth	1%
Current Assessment Rate	$40
Fixed Per-Acre Assessment Revenue	$2,763,790 annually
Personnel Cost Escalation (CEC)	3% annually
Operating Expense Inflation	4% annually
Vehicle Replacement Program FY28	$500,000
Vehicle Replacement Escalation	4% annually
Projection Horizon	FY28 – FY32

Baseline Preparedness Funding Framework

FY26 Preparedness Appropriation	
Category	**Amount**
Personnel Costs	$5,217,800
Operating Expenses	$1,067,900
Capital Outlay	$1,711,000
Total	$8,953,200

FY27 Preparedness Appropriation	
Category	**Amount**
Personnel Costs	$5,321,800
Operating Expenses	$989,800
Capital Outlay	$600,000
Total	$6,911,600

FY28 Strategic Planning Initiative Package

The following initiatives were incorporated into the analysis. Ongoing costs were projected through FY32. One-time costs were applied only during FY28. Items identified as “Both” include ongoing personnel or operating expenses and one-time capital implementation costs.

Funding assumption: The FY28 strategic initiative package is modeled with 100% reliance on Dedicated Preparedness funds. If additional General Fund support is appropriated for these initiatives, an assessment between $85 and $90 may provide sufficient implementation capacity, depending on the amount and timing of that support.

Budget item	**Funding Type**	**Amount**
Lands Resource Specialist, Sr. (CMS), *Helicopter Manager*	Both	$150,000
Lands Resource Foreman (CMS), *Helicopter Foreman*	Both	$134,000
Logistics Program Manager	Ongoing	$110,000
Assistant Fire Warden (SWS)	Both	$139,000
GVC Rent	Ongoing	$250,000
District OE Increase	Ongoing	$100,000
District TPC Increase	Ongoing	$157,500
Fire Bureau Operating Increase	Ongoing	$100,000
Cache Operating Costs Increase	Ongoing	$75,000
Camera Detection Program	Both	$202,500
Radios	One-Time	$250,000
North Idaho Suppression Module - Vehicle	One-Time	$107,800
Teakean Crew Expansion - Vehicle	One-Time	$107,800

Strategic Initiative Totals	
Category	**Amount**
Ongoing Costs	~$1,041,500 annually
One-Time Costs	~$465,600
Total FY28 Strategic Package	~$1,507,100

Funding Scenario Analysis

Scenario 1 – Minimum Stability

Assessment Rate: $85	
Fiscal Year	**Projected Reserve**
FY28	$4.99M
FY29	$5.00M
FY30	$4.96M

Assessment Rate: $85	
Fiscal Year	**Projected Reserve**
FY31	$4.92M
FY32	$4.87M

Provides the strongest stabilization option below $90, but reserve balances gradually approach and ultimately fall below the desired range. Full FY28 strategic implementation at this rate would require phasing, additional General Fund participation, or other funding adjustments.

Scenario 2 – Recommended Reserve Stability

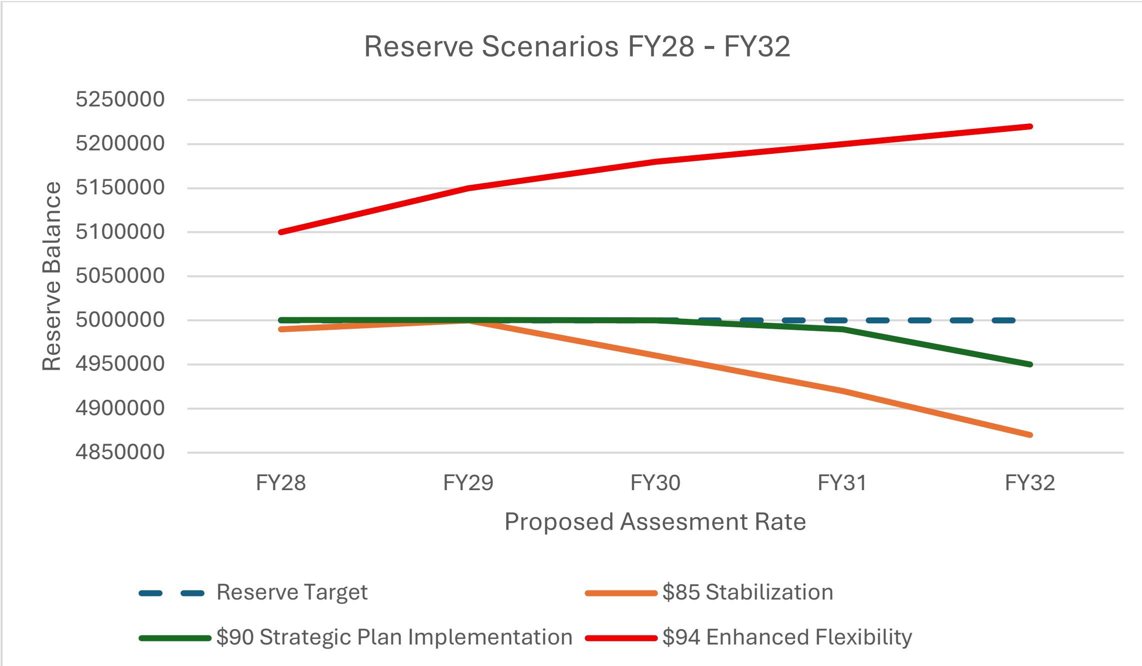
Assessment Rate: $90	
Fiscal Year	**Projected Reserve**
FY28	$5.03M
FY29	$5.05M
FY30	$5.02M
FY31	$4.99M
FY32	$4.95M

Maintains preparedness reserve balances within the desired target range while supporting the modeled FY28 strategic initiative package, inflationary cost growth, and long-term equipment replacement needs.

Scenario 3 – Enhanced Preparedness Flexibility

Assessment Rate: $94	
Fiscal Year	**Projected Reserve**
FY28	$5.10M
FY29	$5.15M
FY30	$5.18M
FY31	$5.20M
FY32	$5.22M

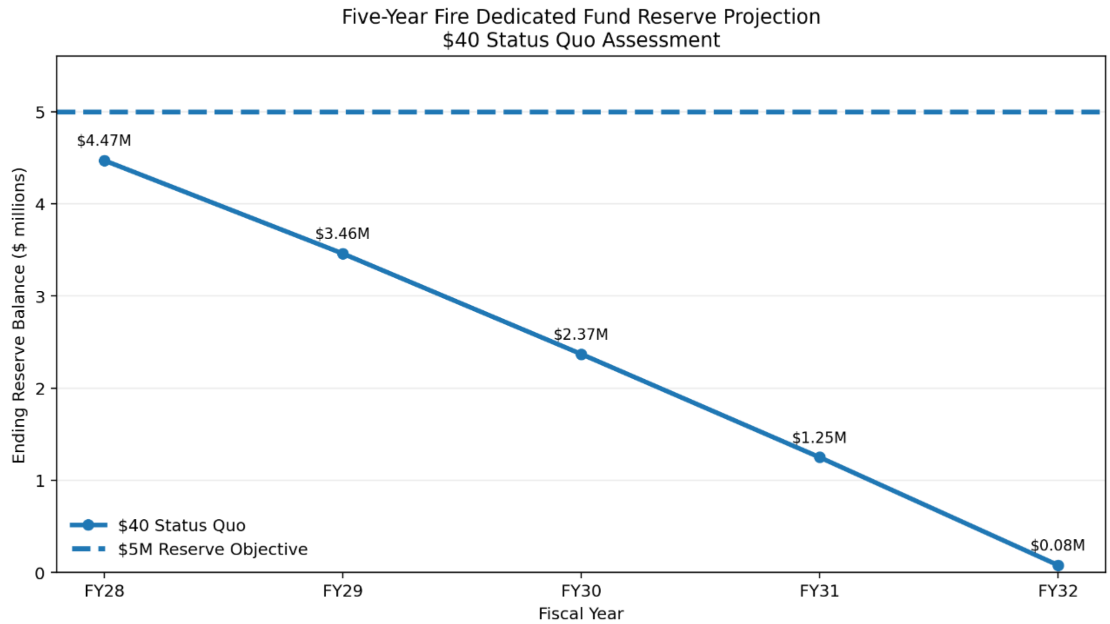
Provides additional flexibility and reserve growth but exceeds the Department's stated reserve objective and is therefore presented as a sensitivity scenario rather than the preferred rate.



Scenario 4 – Status Quo

Assessment Rate: $40	
Fiscal Year	**Projected Reserve**
FY28	$4.47M
FY29	$3.46M
FY30	$2.37M
FY31	$1.25M
FY32	$0.08M

Under the status quo scenario, the FY28 Strategic Plan implementation package is deferred, and the separate Future Preparedness Sustainability allocation is excluded. While the Fire Dedicated Fund remains positive through FY32, the approximately $5.2 million beginning reserve is progressively consumed to support existing preparedness obligations, leaving the fund essentially depleted by the end of the five-year projection.



Allocation of Additional Assessment Revenue

A $90 assessment represents a $50 increase above the current assessment. Based on approximately 68,000 assessed parcels, the increase generates approximately $3.4 million in additional annual recurring revenue. The table below illustrates how that recurring revenue supports both current preparedness needs and long-term financial sustainability.

Annual Funding Requirement	Annual Amount	Purpose
Existing Preparedness Funding Gap	$829,000	Eliminates the current recurring structural funding gap identified in the preparedness funding analysis.
Three FY’26/FY’27 Strategic Positions	$500,000	Provides recurring funding for the three strategic positions approved as part of the FY26 strategic investment package, ensuring these ongoing personnel costs are sustainably funded into the future.
FY28 Strategic Initiative Ongoing Costs	$1,041,500	Supports recurring personnel and operating costs associated with the first phase of FY28 Strategic Plan implementation.
Future Preparedness Sustainability	$1,029,500	Provides recurring funding for annual vehicle replacement, personnel cost escalation (3% CEC), operating expense inflation (4%), and maintaining preparedness reserve balances near the Department's $5 million operating objective throughout the FY28–FY32 planning horizon.
Total Additional Annual Revenue	$3,400,000	Equivalent to a $50 increase across approximately 68,000 assessed parcels.

It is important to note that the final allocation shown above is not an uncommitted balance. Unlike the other line items, which represent identifiable FY28 expenditures, the Future Preparedness Sustainability allocation represents the recurring funding necessary to support inflationary cost growth, escalating equipment replacement needs, and reserve management over the entire FY28 through FY32 planning horizon.

Specifically, this recurring funding supports annual vehicle replacement beginning at $500,000 in FY28 and increasing to approximately $585,000 by FY32, annual personnel cost escalation assumed at 3 percent, operating expense inflation assumed at 4 percent, and preservation of the Department's preparedness reserve objective of approximately $5 million. Without this recurring funding component, the financial model indicates reserve balances would decline below the desired operating range during the projection period, reducing the Department's long-term preparedness sustainability.

Key Findings

1. The FY28 Strategic Planning Initiative package adds approximately $1.04 million in recurring annual costs and approximately $466,000 in one-time implementation costs.
2. Vehicle replacement funding begins at $500,000 in FY28 and increases to approximately $585,000 by FY32.
3. Inflationary growth in personnel, operating expenses, and equipment replacement costs continues to outpace parcel growth.
4. Existing General Fund appropriations remain critical to long-term preparedness sustainability.
5. The structure assessment surcharge remains the primary mechanism available to maintain reserve stability and fund strategic preparedness initiatives.

Recommendation

Based on the assumptions and strategic initiatives included within this analysis, a structure assessment surcharge of approximately **$90 per parcel beginning in FY28** provides the most balanced and defensible long-term funding approach.

This rate:

- Maintains preparedness reserves within the desired $4.9 million to $5.1 million range.
- Supports implementation of all identified FY28 strategic initiatives without additional General Fund appropriations.
- Funds escalating annual vehicle replacement obligations.
- Offsets projected inflationary pressures.
- Preserves preparedness funding resiliency.
- Avoids excessive reserve accumulation beyond the established policy objective.

The $90 rate represents the best alignment between fiscal sustainability, strategic implementation, and long-term preparedness readiness through FY32 under the assumption that the FY28 strategic initiatives rely on Dedicated Preparedness funds. The $85 rate remains the stabilization benchmark; additional General Fund participation could reduce the dedicated assessment needed for strategic implementation.

Landowner Fire Assessment Rate

This guidance document is not a new law. This is an interpretation of existing law, except as authorized by Idaho Code or incorporated into a contract.

1. Agency Contact

Bureau Chief, Fire Management

2. Purpose

This policy sets the landowner fire assessment rate and parcel surcharge prescribed by Idaho Code § 38-111.

3. Applicability

This policy applies to state and private forest landowners.

4. Associated Policies

A. Idaho Code § 38-111: Protection by Owner – Assessments – Budget of Protective Districts

5. Definitions

None

6. Policy

A. Landowner Fire Assessment Rate per Acre

The landowner fire assessment rate prescribed by Idaho Code § 38-111 is $0.60 per acre.

B. Improved Lot or Parcel Surcharge

The surcharge for each improved lot or parcel is $~~40.00.~~90.00.

7. Procedures

None

ATTACHMENT 2

8. Revision History (Board Action)

07/11/2006	Increased the fire assessment rate from $0.45 to $0.55/acre and raised the surcharge for improved lots from $10.00 to $20.00.
12/16/2008	Increased the fire assessment rate from $0.55 to $0.60/acre.
06/16/2009	Increased the fire assessment surcharge for each improved lot or parcel from $20.00 to $40.00.
~~07/21~~08/18/2026	Increased the fire assessment surcharge for each improved lot or parcel from $40.00 to $90.00.