



## SB 464 -1 Raises Significant Concerns

The LOC supports assistance for victims of the historic 2020 wildfire season, including property tax relief. The LOC supports HB 2341, a bipartisan workgroup bill that would change the proration of tax calculation for fire or act of god so that all property owners with damaged or destroyed property receive relief reflective of the damage they sustained. The bill also gives assessors the ability to proactively make these changes without an application by the owner, an authority they currently do not have. The LOC also supports HB 2247 A, to allow a county to waive delinquent property tax interest for wildfire victims who are behind on their taxes. The LOC has also been working with a coalition of interests to identify wildland fire policy that would reduce risk of wildfire in communities by improving defensible space, home hardening standards and treatment of forestland at risk from wildland fire.

Unfortunately, the LOC cannot support HB 464, which would allow any county in the fire zones to cancel ten months of property taxes for any property within a county drawn boundary. Even with the -1 amendment the bill raises significant concerns around equitable treatment of victims and could significantly affect the ability of taxing districts to provide the services our residents demand. The LOC attempted to work with the bill proponents and suggested several possible changes, none of which are reflected in the -1 amendment.

- The -1 indicates that properties may be eligible for cancellation of tax “regardless of whether the property was damaged, destroyed or **unharmed by the wildfire.**” Giving unaffected owners the same benefit as owners who lost their homes is not equitable and depending on how counties drew the boundaries for cancellation there could be a significant erosion of the tax base. The bill should be limited to folks whose property was actually damaged.
- The bill allows the county to make the decision on whether to cancel taxes and for whom with no input for cities and other taxing districts, the bill should be optional for all districts and the county should be limited to waiving only the county portion of the tax rate.
- The bill does not contemplate a revenue backfill from the state, our strong preference is that the state would backfill any cancelled taxes and keep local governments whole.
- The bill would apply to all property, including large state appraised industrials and specially assessed forest land. We are not aware of any state appraised industrial facilities having sustained damage and specially assessed forestland owners already pay property taxes as if there is no standing timber, these properties should be excluded from the bill.

The LOC will continue to work on behalf of the victims of the historic 2020 wildfires. Now more than ever residents are looking to cities to help them rebuild, and the LOC has been working with the Governor’s office and legislature to get cities the resources they need to be successful. As much as we may support the intent behind SB 464 we cannot support the bill as drafted.

### LOC Contact

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