



# LINCOLN COUNTY SCHOOL DISTRICT

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## HB 2607, Construction Excise Tax and Wildfire Recovery

Thank you Chair Clem, Committee members and our local Representative David Gomberg for this opportunity to provide testimony in this hearing regarding the Construction Excise Tax. I support providing districts latitude and flexibility on particular waivers of this tax under specific unforeseen and uncontrollable circumstances.

In September 2020, North Lincoln County was hit with the Echo Mountain Complex wildfire. By the time the devastation and fear was starting to subside, more than 300 homes affecting more than 250 children were destroyed. Coupled with the raging Covid 19 Pandemic, our county was reeling. This was also true in Phoenix Talent, Santiam Canyon and other Oregon towns. While our devastation was perhaps less pervasive, it nevertheless has been a difficult and challenging trauma here in Lincoln County-a trauma we are still feeling.

As with many challenging situations in human life, we rebuild. It is our job as leaders of the county and state to help those suffering from all kinds of horrible setbacks and to make the lives of our kids and families some kind of livable normal again. In this case, people lost their homes and they needed to rebuild. That brings me to the Construction Excise Tax.

Passed in 2007 by the Oregon Legislature and by a Board of Education Resolution of the Lincoln County School District in 2008, Senate Bill 1036 allows school districts, in cooperation with cities and counties, to tax new residential and non-residential construction. This excise tax option was created with bipartisan support by the Oregon Legislature. It has helped the district repair capital construction issues and we have been grateful for it.

I am testifying that those who were affected by the wildfire and wish to rebuild their homes be able to legally waive the payment of the tax so that we are not adding to their financial burdens. Below are sample conditions we support in the case of the fires last fall. Being able to have the legal flexibility to waive this tax at the local level will give us one more tool in our toolbelt for helping our communities. We want to help them rebuild and we want to do it right. Thank you for your time and attention.

Specific Examples/Conditions when a waiver of the CET would be appropriate:

1. THE HOME BEING REPLACED WAS DAMAGED BY THE ECHO MOUNTAIN COMPLEX FIRE IN SEPTEMBER OF 2020.
2. THE HOMEOWNER REQUESTING THE BUILDING PERMIT OWNED AND OCCUPIED THE PROPERTY AT THE TIME OF THE FIRE.
3. THE HOME MUST BE THE HOMEOWNER'S PRIMARY PLACE OF RESIDENCE AND CANNOT BE A RENTAL OR VACATION HOME.
4. THE HOME BEING REBUILT CANNOT ADD NEW OR SIGNIFICANT ADDITIONAL SQUARE FOOTAGE TO THE PREVIOUS RESIDENCE.
5. THE HOMEOWNER REQUESTS THE TEMPORARY WAIVER PRIOR TO JUNE 30, 2021.

Sincerely,

Superintendent, Lincoln County School District