

HB 2341 STAFF MEASURE SUMMARY

House Special Committee On Wildfire Recovery

Action Date: 02/08/21

Action: Do pass and be referred to Revenue by prior reference

Vote: 10-0-0-0

Yeas: 10 - Cate, Clem, Evans, Gomberg, Grayber, Lewis, Marsh, Meek, Morgan, Post

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 2/1, 2/8

WHAT THE MEASURE DOES:

Authorizes a tax collector to prorate taxes for a property that is located in a county covered by a state of emergency declared by the Governor due to fire or an act of God, or subject to the authority of the Governor under the Emergency Conflagration Act, if that tax collector knows or has reason to believe that property has been destroyed or damaged by fire or an act of God. Combines provisions for proration of taxes for property destroyed and property damaged by fire or act of God. Provides a new computation for proration of taxes for property other than specially assessed property. Provisions apply to property tax years beginning on or after July 1, 2020. Authorizes the Department of Revenue to adopt rules for implementation. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Tax relief for homeowners affected by 2020 wildfires
- Examples of tax relief inequities based on current computation formulas
- Value calculations related to damaged land
- Challenges of application process in aftermath of wildfires
- Application to future natural disasters

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Current law allows a property owner to apply to the tax collector for proration of taxes if their property is destroyed or damaged by fire or an act of God, and the application must be submitted within the tax year or within 60 days following the damage occurrence, whichever is longer. There is currently no provision specific to property destruction or damage in geographic locations covered by a gubernatorial declared state of emergency or invocation of the Emergency Conflagration Act.

House Bill 2341 would authorize a tax collector to prorate taxes for a property that is located in a county covered by a Governor-declared state of emergency due to fire or an act of God, or subject to the authority of the Governor under the Emergency Conflagration Act, if that tax collector knows or has reason to believe that property has been destroyed or damaged by those causes. In addition, House Bill 2341 would provide a new proration computation for property types other than specially assessed property.