

HB 2607 STAFF MEASURE SUMMARY

House Special Committee On Wildfire Recovery

Action Date: 03/01/21

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: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 2/8, 3/1

WHAT THE MEASURE DOES:

Exempts residential housing being constructed to replace housing that was destroyed or damaged by wildfire or by another event that is the basis for a statewide, county, or city declaration of emergency from construction taxes. Applies to residential housing destroyed or damaged on or after January 1, 2020. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Variation in school district response to the 2020 wildfires
- Requirement for construction tax to be applied uniformly
- Flexibility to waive the tax at the local level
- Retroactive application to January 1, 2020
- Application to future natural disasters

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2007, the legislature passed Senate Bill 1036, which allowed school districts to impose a tax on new construction to raise revenue for capital improvements. The law specified that construction taxes may not be imposed on the following: improvements to private schools; affordable residential housing for households at specified income levels; public or private hospitals; religious facilities for worship or education; agricultural buildings; long term care facilities, residential care facilities, and continuing care retirement communities that are operated by a nonprofit corporation; and public projects by or for state contracting agencies.

House Bill 2607 would exempt residential housing being constructed to replace housing that was destroyed or damaged, on or after January 1, 2020, by wildfire or by another event that is the basis for a statewide, county, or city declaration of emergency from construction taxes.