

SB 1012 -2 STAFF MEASURE SUMMARY

Senate Committee On Natural Resources

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Meeting Dates: 3/15, 3/27

WHAT THE MEASURE DOES:

Provides for a homestead rebuilt by the same owner on the same lot to replace a homestead destroyed by the September 2020 wildfires to temporarily have frozen the assessed value as equal to the destroyed homestead's assessed value for the 2020-2021 property tax year. Takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Replaces the measure. Retains most provisions of the measure as introduced with the following modifications. Changes term "frozen assessed value" to "**specialy assessed value.**" Removes "significantly damaged" from the definition of "destroyed homestead." **Eliminates sunset.** Authorizes a **county to elect by ordinance or resolution** to allow these assessments and taxes, and allows the ordinance or resolution to prescribe methods of administration and to impose a fee on the owner of the rebuilt homestead for the county cost of recording the notice. Provides the **calculations for the maximum specialy assessed value** for the first property tax year for which the property is assessed and for subsequent property tax years. Specifies that the **square footage** must be determined by the county assessor. Changes the date by which the claim for the initial year must be filed with the county assessor from April 15 to April 1. Requires the owner of the rebuilt homestead **file an attestation** that they will continue to occupy the rebuilt homestead for the entirety of the property tax year, for the years following the initial year. Requires the **county assessor to present a notice of the specialy assessed value** to the county clerk for recordation, and requires the **county clerk to record the notice** in the county deed records. Modifies **events that will cause eligible property to be assessed and taxed as other property similarly situated** to include the rebuilt homestead: no longer being occupied by the owner, except for absence by reason of health or active military service; being rented to another person for any duration; or being transferred to new ownership. Provides that in the event a county adopts an ordinance that **amends or ends the specialy assessed value**, eligible properties will continue to receive the specialy assessed value.

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BACKGROUND:

The "Labor Day" wildfires of 2020 were the most destructive recorded in state history. They burned over one million acres, cost over \$350 million, and destroyed more than 4,000 homes in the Cascades, coast, and southern regions of the state. Many displaced households have recently completed rebuilding or are in the process of rebuilding their homes.

For the purposes of this measure, 'homestead' means an owner-occupied principal dwelling owned by the taxpayer, and the tax lot on which it is located. A homestead can be located in a multiunit building, and is considered the portion of the building actually used as a principal dwelling and its percentage of the value of the common elements and of the value of the tax lot.

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Senate Bill 1012 would provide for a homestead rebuilt by the same owner on the same lot to replace a homestead destroyed by the September 2020 wildfires to temporarily have frozen the assessed value as equal to the destroyed homestead's assessed value for the 2020-2021 property tax year.