



SB/HB-1240 SupportMeg Regan to Katie.Ruedeusch 04/28/2023 10:20 AM  
Cc steve

Hello Senators,

I have been writing to my legislators Representative Brown, Senator Fenberg on this bill, and wrote to the House Finance committee when they were reviewing HB23-1240, and with your upcoming hearing I wanted to address the Finance Committee directly as well.

I am helping my father in his recovery process after losing his home of nearly 40 years in unincorporated Boulder County during the Marshall Fire. My father is in his 70s, retired and living off social security. To say the process has been overwhelming and exhausting is an understatement.

The various sources of federal, state, and community funding support are certainly well meaning, but in order to effectively access those funds, yet more painstaking documentation work is required, on top of what is needed to receive adequate insurance compensation and the work of designing a house and managing its rebuild on an uncertain budget.

When Boulder County decided to reduce Use Tax for Marshall Fire rebuilds, we were relieved and grateful. Every little bit helps, especially in a time when the minimum code requirements mean houses are not affordable to rebuild on insurance compensation alone. I am greatly encourage the state is considering their own Use Tax relief, as that will be tangible support that is accessible to all those who are rebuilding (because while the DOLA program is well intentioned, the difficulties of the application process and uncertainty of qualifying for assistance is turning many people away from even applying).

I am grateful the revised Use Tax relief measure that no longer requires compiling individual receipts will in fact not be helpful for many households. The logistics of how builders and their subcontractors work (often buying supplies in bulk to use across many projects) means that many invoices for materials cannot practically demonstrate the sales tax paid for a particular project. People are already giving up on the substantial support from DOLA because of paperwork fatigue, so the state simplifying the proposed scheme at 2.9% of the estimated build cost will be simpler for residents, and simpler for the government, and thus a win all around. At a point in the recovery process where many people are not feeling very supported by the government in this long road home, this would be a very welcome form of relief. This is how Boulder County structured their use tax relief, and we have been very pleased with it.

And it almost goes without saying that an event of this scale and magnitude was certainly outside the expected, planned for tax assessment for the years these houses will be rebuilt, and thus those rebuilding getting relief from this taxation will not negatively impact the state's budget.

While this specific bill will help survivors of disasters in 2020, 2021, and 2022, I hope the legislature considers broadening this approach to future declared disasters. No one plans to lose their home in a natural disaster, and if we want to keep communities intact--and in the case of Boulder County, preserve what little economic diversity we still have--I would like to see use tax waived for those rebuilding in such circumstances. The new homes will be of inherently higher quality, and will contribute to the state's funds via higher property taxes over the rest of the buildings' lifetimes.

Thank you for considering your input, and I hope SB/HB-1240 with the use tax relief calculated by valuation at permitting passes.

Best,  
Meg Regan