SENATE BILL REPORT
SB 6343

As Reported by Senate Committee On:
Ways & Means, February 9, 2026

Title: An act relating to providing tax relief to Washington residents impacted by the atmospheric river and winter weather event.

Brief Description: Providing tax relief to Washington residents impacted by the atmospheric river and winter weather event.

Sponsors: Senators Orwall, Conway, Kauffman, Lovelett, Nobles, Shewmake, Slatter, Wellman and Wilson, C..

Brief History:
Committee Activity: Ways & Means: 2/05/26, 2/09/26 [DPS, w/oRec].

Brief Summary of First Substitute Bill

- Extends the application deadline for the property tax exemption for physical improvements made to a single-family dwelling damaged by a natural disaster from June 30, 2026, to June 30, 2031.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6343 be substituted therefor, and the substitute bill do pass.
Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Braun, Cleveland, Conway, Dhingra, Hansen, Kauffman, Muzzall, Pedersen, Riccelli, Saldaña, Wagoner, Warnick, Wellman and Wilson, C..

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa.

Staff: Alia Kennedy (786-7405)

Background: Property Tax. All real and personal property in the state is subject to property tax each year based on its value, unless a specific exemption is provided by law. The Washington State Constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Excess levies are not subject to this constitutional limit and require voter approval. There are statutory rate maximums for individual taxing districts and aggregate rate maximums to keep the total tax rate of regular property taxes within the constitutional limit.

All regular levies, except the state levies, are subject to a statutory revenue growth limit. If the taxing authority has a population of 10,000 or more, the revenue growth limit is the lesser of inflation, or 1 percent plus the valuation of new construction. If the taxing authority has a population of less than 10,000, the revenue growth limit is 1 percent plus the value of new construction.

Destroyed Property. Any real or personal property that has been destroyed in whole or part and has been reduced in value by more than 20 percent may be eligible for a property assessment reduction or abatement of property taxes, or both.

Natural Disaster Property Tax Exemption. In 2021, the Legislature established a property tax exemption for physical improvements made to a single-family dwelling damaged by a natural disaster. The exemption is for three years following completion of the improvements. To qualify for the exemption, the dwelling must be:

- located in an area that has been declared a disaster area by the Governor or the county legislative authority;
- reduced in value by more than 20 percent as a result of a natural disaster that occurred on or after August 31, 2020; and
- held by the same people who owned the property at the time it was reduced in value as a result of a natural disaster, or their relatives.

An area that has been declared a disaster area by the Governor includes areas within the scope of the Governor's request to the President of the United States for a major disaster declaration.

The amount of the exemption is determined by deducting the value of the property after it was damaged from the value of the property before it was damaged. To obtain the exemption, a taxpayer must file an application with the county assessor before beginning construction of the improvement. If a taxpayer began construction before the effective date of this act, then the taxpayer may apply for the exemption by October 1, 2021.

County assessors may not approve any application for exemption received after June 30, 2026.

December 2025 Atmospheric River and Winter Weather Event. On December 10, 2025, the Governor declared a statewide emergency in response to an atmospheric river and winter weather event that caused damage to homes, businesses, and major roadways in Washington. The proclamation allowed state resources, including the National Guard, to support recovery efforts and enabled requests for federal assistance. On December 12, 2025, the President approved an expedited emergency declaration authorizing federal assistance for emergency protective measures in numerous areas of the state. The following areas were designated as adversely affected by the declared emergency: Benton, Chelan, Clallam, Grays Harbor, Jefferson, King, Kittitas, Lewis, Mason, Pierce, Skagit, Snohomish, Thurston, Wahkiakum, Whatcom, and Yakima Counties, the Samish Indian Nation, and all Tribal Nations within the specified jurisdictions.

Tax Preference Performance Review and Expiration. State law provides a range of tax preferences that confer reduced tax liability upon a designated class of taxpayer. Tax preferences include tax exclusions, deductions, exemptions, preferential tax rates, deferrals, and credits. All new tax preference legislation is required to include a tax preference performance statement. The performance statement must clearly specify the public policy objectives of the tax preference and the specific metrics and data that will be used by the Joint Legislative Audit and Review Committee to evaluate the efficacy of the tax preference. An automatic ten-year expiration date is applied to new tax preferences if an alternative expiration date is not provided in the legislation.

Summary of Bill (First Substitute): Natural Disaster Property Tax Exemption. Applications for the property tax exemption for physical improvements made to a single-family dwelling damaged by a natural disaster may be accepted until June 30, 2031. If a taxpayer has, before the effective date of this act, initiated construction of physical improvements to a single-family dwelling as a result of natural disaster that occurred on or after December 1, 2025, then the taxpayer may apply for the exemption by October 1, 2026.

Tax Preference Performance Review and Expiration. The act is exempt from tax preference performance review and automatic expiration.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Removes the sales and use tax remittance for qualifying repairs to real property damaged as a result of a natural disaster.

Appropriation: None.

Fiscal Note: Requested on January 30, 2026.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill helps those who were most impacted by the December floods. The floods hurt many businesses and residents by displacing families and damaging livelihoods. The cost of repairs far exceed community resources. The bill delivers practical relief by lowering rebuilding costs. This legislation is compassionate, fiscally responsible, and urgently needed. Families are still dealing with both the financial and emotional fallout. Many businesses were dramatically impacted by floods, including lost revenue and costly cleanups. By reducing property tax burdens on damaged homes and providing temporary sales and use tax relief for flood restoration, this bill helps residents rebuild without adding new financial strain during recovery. The bill supports long-term community stability that allows hard-working residents and businesses to rebuild.

Persons Testifying: PRO: Kyle Moore, City of Kent; Troy Linnell, The City of Algona; James Schrimpsher, The Algona Police Department.

Persons Signed In To Testify But Not Testifying: No one.