



April 10, 2024

The Honorable Steven M. Glazer
Chair, Senate Revenue and Taxation Committee
California State Senate
State Capitol, Room 407
Sacramento, CA 95814

**RE: Senate Bill 946 (McGuire) – SUPPORT
As Amended March 14, 2024**

Dear Senator Glazer,

On behalf of the Rural County Representatives of California (RCRC), we support Senate Bill 946, authored by Senator Mike McGuire. This measure establishes exemptions from gross income for grant funds received by residents from the California Wildfire Mitigation Program to aid with wildfire home retrofits. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each member county.

Numerous studies have shown that retrofitting homes to make them more resistant to the impacts of wildfire, known as home hardening, is an effective way to reduce risk of ignition in the event of a high severity wildfire. This is particularly effective if home hardening efforts are implemented communitywide and to the highest standards. These retrofits are costly, however, and it can cost several thousands of dollars to harden an existing home to the most fire-resistant standard. Estimates in many of our member counties have shown costs in the range of \$30,000-40,000 to fully fire harden an older home.

In 2019, Assembly Bill 38 (Wood) included, among other things, a program to aid low-income homeowners in high fire hazard areas with grant funds to help retrofit their homes. The California Wildfire Mitigation Program (CWMP), as it is now known, is currently serving as a pilot and is funding projects right now to aid low-income residents in fire prone communities with home hardening measures. Unfortunately, an unintended consequence of the grant funds is that recipients, who are receiving the funds because

1215 K Street, Suite 1650, Sacramento, CA 95814 | www.rcrcnet.org | 916.447.4806 | Fax: 916.448.3154

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The Honorable Steven M. Glazer
Senate Bill 946
April 10, 2024
Page 2

they need financial assistance with retrofits, are under threat of being taxed thousands of dollars by the state for funds received under the program.

SB 946 offers a simple exemption from state income tax for recipients of CWMP program funds. It is a common sense measure to prevent residents in the greatest need of this fire hardening aid from facing untenable financial ramifications at tax time. Establishing the exemption will also encourage participation in the program, which will help foster communitywide fire hardening in the areas of California that need it most.

For the above reasons, RCRC supports SB 946 and urges your “aye” vote when this measure is heard before your committee. Please do not hesitate to contact me at sheaton@rcrcnet.org with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Staci Heaton", written in a cursive style.

STACI HEATON
Senior Policy Advocate

cc: The Honorable Mike McGuire, Member of the California State Senate
Members of the Senate Revenue and Taxation Committee
Colin Grinnell, Chief Consultant, Senate Revenue and Taxation Committee
Kayla Williams, Consultant, Senate Republican Caucus