



Wildfires in Okanogan County, Washington: Recovery from Disaster

Scott D. Furman

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The week of July 14, 2014, Washington state experienced the largest single wildfire in its history, the Carlton Complex Fire, which covered a large area of north central Washington state including portions of Okanogan County. The fire, caused by four separate lightning strikes, affected more than 250,000 acres of public and private land. The fire affected 4,800 parcels of privately owned land in Okanogan County. The fire destroyed 322 homes, including approximately 260 single-family residences, and more than 250 outbuildings, totaling \$30 million in assessed valuation loss.

On August 14, 2015, Okanogan County experienced yet another devastating group of wildfires caused by multiple lightning strikes. In aggregate, the Okanogan Complex Fire, as it was called, was larger than the 2014 Carlton Complex fire, but because the fires did not merge, it is not considered the largest single wildfire. The four fires covered 510,000 acres, or 797 square miles, again on public and private lands. The Okanogan Complex Wildfire affected

4,765 privately owned parcels of land. It destroyed 98 single-family residences, 96 cabins, 23 detached garages, and 93 miscellaneous outbuildings for a total structure loss of \$11.5 million.

The Okanogan County Assessor's Office took the lead in identifying loss caused by the wildfires. The office had the aerial imagery, the parcel layer maps, the database identifying parcel ownership, drawings, photographs of structures, and most importantly knowledge of and familiarity with the area. This article describes how the Okanogan County Assessor's Office was instrumental in putting together the initial list of affected properties for both fire events. The office developed and implemented strategies for quickly and accurately adjusting values and taxes so that taxpayers knew they were not paying property taxes on something they had lost in the fire. Key to these efforts was collaboration with the software provider, the federal and state emergency management teams, and the county treasurer's office.

Okanogan County, Washington, Fact Sheet

Population: 41,120 year-round residents (2010 Census)

Area: Approximately 3,400,000 acres of land; 5,315 square miles; largest county in the state

Land ownership: Approximately 25 percent privately owned. Public lands owned by U.S. Forest Service, Bureau of Land Management, Washington State Department of Natural Resources, Washington State Department of Fish and Wildlife, and the Colville Confederated Tribes.

Terrain: Lush river valleys, timbered mountains with freshwater lakes and high desert shrub steppe

Real property: 46,000 parcels

Assessed valuation: \$4 billion

Assessor's office staff: 13

The Carlton Complex Fire

After two years of severe drought, lightning started four separate fires in July 2014. Driven by high winds, these four fires merged into the largest single fire in the history of the state of Washington.

Several years previously, the Okanogan County Assessor's Office had been the beta tester in Washington state for Thomson Reuters' new TerraScan field device. Although it took a great deal of resources and employee angst to get the device working properly, the office was able to do so. The field device was an instrumental tool during the fire as aerial imagery and the assessor's database could be loaded onto the field devices, enabling the appraisers to go into the fire zone and identify loss by parcel.

During the first week of the fire, appraisers went into the fire zone and created the initial damage assessment spreadsheet, identifying all structure loss. This was a critical piece of the recovery because many service providers used the assessor's list to verify affected landowners, thus providing service to those who needed it. Some people who were not affected by the fire were attempting to obtain services. This list served as a screening device for first-responders.

Weeks 2 and 3 were spent going through the fire zone with the Washington

Interagency Incident Management Team, the Federal Emergency Management Agency (FEMA) team, and the Red Cross so they could do an inventory for themselves.

The state and federal emergency management teams were astonished that the assessor's office had not only the technology but also the knowledge to use it, as well as the knowledge of the land and the roads. They were very impressed with the assistance the office provided them and were very thankful.

Once the initial damage assessment spreadsheet had been created, the next step was the property tax roll. Because of state law, the assessor's office is required to adjust values and thus taxes in the current year. Second-half taxes were due October 31, 2014. With the assistance of the software provider, the office developed a process to adjust not only structure loss, if warranted, but also land values. All these adjustments were coordinated with the treasurer's office. When a value is changed, the taxes change too. Assessor staff met with many people affected by the wildfire in the office. Some had only the shirts on their backs and smelled of smoke. The office processed more than 3,800 tax roll corrections and sent them to the County Treasurer, either to issue a new second-half tax bill or to process a refund of 2014 taxes already paid. The

County Treasurer, Leah McCormack, extended the deadline for payment to fire-affected property owners from October 31 to November 31. The assessor's office processed all the tax roll corrections by the beginning of October and sent them to the treasurer's office for processing.

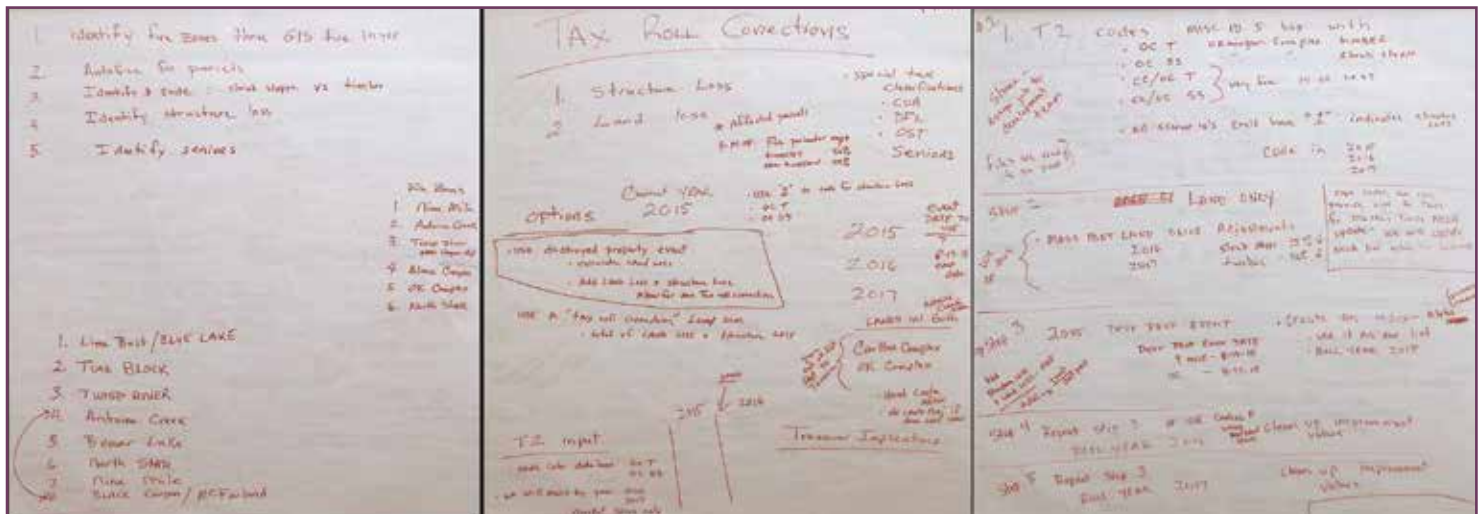
The assessor's office tried its best to quickly and accurately adjust value and taxes so that taxpayers knew they were not paying taxes on something that they lost in the fire. That the office was able to meet that challenge is due to its partnership with the software provider, as well as with the county treasurer and her staff.

Much of the credit for this goes to the employees in the Okanogan County Assessor's Office. The crew is experienced and knowledgeable, many of them having worked in the office for more than 15 years.

Dealing with the Aftermath of the Carlton Complex Wildfire

The initial phase of dealing with the wildfire comprised two parts:

1. Sending appraisers into the fire zones and creating the initial damage assessment spreadsheet that identifies all structure loss by parcel.
2. Creating a fast-track method for taxpayers to obtain the destroyed



Worksheets illustrate a planning process that combined improvisation and technology to overcome multiple challenges.

property form. Although this form was not necessary because of the State of Emergency declared by the governor, many affected landowners felt the need to fill out the form.

The fast track included the following actions:

- Creating a downloadable link for the destroyed property form on the home pages of both Okanogan County and the assessor's office.
- Training staff on the use of the destroyed property form, and making a stack of the forms readily available in the office with an explanation cover sheet.
- Preparing public service announcements for local radio stations informing taxpayers about the destroyed property form and process and how to contact the office.
- Preparing public service announcements for the local newspapers explaining the destroyed property form and process and how to contact the office.
- Making staff ready and available during office hours to work with wildfire-affected landowners and answer their questions.

The first month was basically spent gathering all fire-related information.

Once the fire was out, the office was able to obtain aerial imagery (see figure 1) showing the fire zone boundary from the Okanogan County Planning Department. With the department's help, assessment staff was able to identify all affected parcel numbers within the fire zone.

Handling a Disaster without a Workbook or Manual

It was determined that the assessor's office would have to adjust not only structure loss, if warranted, but also land values within the fire zone. It was apparent that the market value of the

land within the fire zone had been negatively affected, but by how much?

Without any comparable sales to guide valuation of the land after the fire, the office contacted county assessors in other states to find out what they had experienced. Staff talked with several assessors in Colorado who had experienced wildfires in the past. Realtors, bankers, and appraisers were also contacted and asked about their experience with past wildfires in Washington state and about values before and after wildfires. It was found

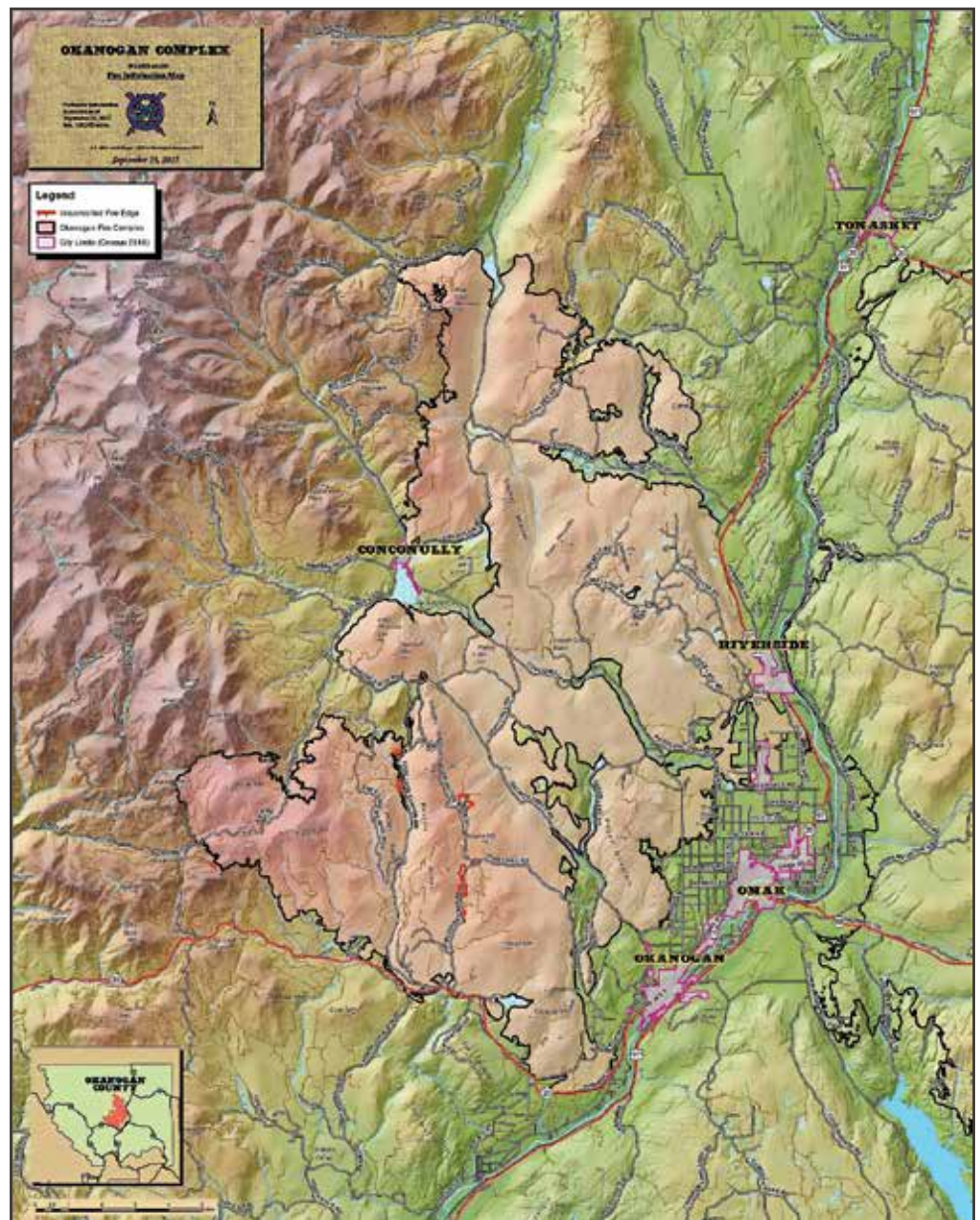
that timbered parcels lost more of a percentage of their market value than nontimbered parcels.

Based upon these conversations, two different land adjustments were developed:

1. Timbered parcels, 50 percent reduction in market value
2. Nontimbered parcels, 25 percent reduction in market value.

Two different adjustments regarding market land value were required because, due to the lack of rainfall in Eastern Washington, it may take 100

Figure 1. Fire boundaries identified on a topographic map



years to grow a stand of timber. On the other hand, nontimbered parcels recover sooner and thus their values bounce back more quickly.

By using aerial imagery, timbered parcels versus nontimbered parcels were identified. Based upon a special request from the assessor's office, the software company coded the affected parcels with either a timbered code or a nontimbered code. By coding the parcels, land values could be adjusted en masse rather than by individual parcel.

Okanogan County, as well as all counties in Washington state, is on an annual cycle of revaluation. This allows values to be adjusted each year if warranted by sales. Once property within the fire zones begins to sell, the values can be adjusted accordingly.

The stigma associated with a fire zone is real but hard to quantify without many good sales. The stigma associated with the nontimbered parcels will dissipate over time, following the natural recovery of the land. The stigma associated with the timbered parcels, where stands of black, scorched trees stand in silent remembrance, will go on for many years.



A helicopter provides strategic water drops at the front lines of the wildfires.

It seemed that this land was not worth as much as prior to the fire, but how much? There was no time to wait for sales because fire-ravaged landowners demanded immediate action.

In retrospect, while there have been few sales within the fire zone, it appears that the nontimbered land value adjustment could have been lowered to a 20 percent market value land loss. For the timbered parcels, the jury is still out on the market value land loss.

Once all affected parcels were coded with the appropriate code (i.e., timbered versus nontimbered) and the two land adjustments had been set, the office was able to adjust market land values en masse, either with the timbered adjustment or the nontimbered adjustment.

While this adjustment affected market land value, many parcels were in special tax classifications. Washington State enacted the Open Space Act in the early 1970s to help promote and retain environmentally sensitive land—commercial agricultural land and commercial timber land. All states have similar laws on their books. In exchange for retaining the sensitive nature of the environmentally sensitive lands (retaining and promoting commercial agricultural lands or retaining, growing, and harvesting commercial timberlands), landowners receive a reduced land value, which in turn, lowers their property tax bill. This is a form of subsidy that lowers the property tax bill related to the land value.

If a parcel is in one of the special valuation classifications, it would have a market land value and also an assessed land value, which would be less than the market value and which would drive the tax.

The fire affected market land value but did not affect the open space land value because the open space land value is derived from a formula as prescribed by state law or as provided to the assessor's office by the state each year.

As a result, landowners could have a situation in which their market land value is reduced but their *taxable* land value is not.

The legislature also created exemptions for senior citizens who are 61 years of age or older and have a combined gross income of \$35,000 or less. Based upon their income, they receive a reduction in property taxes associated with their home and up to one acre unless local zoning requires more acreage within the home site. This taxable value, according to state law, is frozen in time based upon the date of application and approval.

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Parcels classified as open space lands or parcels with senior citizen exemptions had to be pulled separately and reviewed individually because the value the landowner paid tax on was a subsidized value and did not reflect market value.

Once all the parcels were identified as either market value parcels or special valuation parcels and were coded correctly, the office was able to mass-adjust land values on the market value parcels. All special valuation parcels had to be reviewed and their values calculated individually.

Improvement loss on the affected parcels had to be individually adjusted by using the initial damage assessment spreadsheet, and matching this list with the destroyed property forms that had been submitted.

The county treasurer's office was kept in the loop throughout; the assessor's office communicated with it on a daily basis, knowing full well that the assessor's work would affect the treasurer's office eventually.

All tax roll corrections were forwarded to the county treasurer's office for processing. The county treasurer either had to send revised second-half property tax statements or issue refunds for overpayment of 2014 taxes paid.

All this work was going on while the office was attempting to continue to carry out its normal work—finishing up the physical inspection area, valuing all new construction, listing personal property, renewing senior citizen exemptions, processing open space applications, and updating parcel lines as new subdivisions were recorded, among many other duties.

Okanogan Complex Wildfire

And then it happened again. The Okanogan Complex Wildfire was actually four separate fires, all caused by lightning, which began on and around August 15, 2015.

For several days during the height of the fire, 9 of 12 employees of the assessor's office were evacuated from their homes. You could not see across the street. The smoke was so thick you could feel it. Ash

fell from the sky like snow. Sirens wailed in the distance for days. Hysteria was palpable. You did not know where the fire was from day to day. Many, many people were evacuated from their homes and had set up camp in the parking lots of Wal-Mart and Home Depot as well as in many other locations. All motels were full. You had to drive 90 miles south to Wenatchee to get a room. There was a smoke inversion that went on for weeks that made people sick. It's the worst I have seen around here in my 57 years.

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A Slightly Different Approach

The second time around, the assessor's office learned to go more slowly. The initial instinct is to go, go, go, help, help, help. In the aftermath of the Carlton Complex Wildfire, the office attempted

to adjust improvement values first and then land values. However, the software was not designed to process two destroyed property events in the same year. A work-around had to be developed to accurately calculate the adjustment, and this created much more work. It also led to more work for the county treasurer because in some instances, two separate refunds were issued. It also led to taxpayer confusion as well.

So, after the Okanogan Complex Wildfire, the improvement adjustment, if warranted, and the land value adjustment, if warranted, were combined into one tax roll correction. This saved considerable time and effort and led to less work for the county treasurer's office and less confusion for landowners.

Less time was spent doing work for the state and federal emergency management teams. After investing so much time and effort the first year with them, the office learned that there would be no reimbursement for the work performed for them, even though many had promised that the office would be reimbursed for its time and effort. At the exit interview in December 2014, FEMA officials informed the office that the work was performed during the "normal course of work" and *not* eligible for reimbursement. Individual landowner assistance was also denied by FEMA at that time.

Other Challenges

A primary challenge for me, as the Assessor, was that while I was in the trenches reviewing and calculating individual parcel adjustments and tax roll corrections on a daily basis, I also had to step back and try to analyze processes from a macro perspective as well. How will this affect the taxing districts? How will this affect the treasurer's office? Are state-mandated duties being completed on time? How are the employees holding up? Are they ready to snap under the pressure, or are they stepping up and taking care of business?



The town of Pateros in Okanogan County, Washington, was one of the places hardest hit by the Carlton Complex blaze in 2014. There is a sharp demarcation between the burnt areas and the areas that survived..

There is no doubt in my mind they stepped up and took care of business. I am very proud of the work that the employees of the Okanogan County Assessor's Office did and how they treated taxpayers with respect and kindness during this time of stress.

Another element I had to deal with was the media. Television crews from Spokane and Seattle were requesting interviews. They also asked to travel with the appraisers into the field. Media outlets from all over were calling and interviewing me via the telephone.

I allowed television crews to *shadow* an appraiser into the field. The fire zones

could not be accessed by people who did not belong there. Road blocks had been set up, and the National Guard was in charge of them. The media personality promised that if the crew came across landowners who were sifting through the rubble of their former home, they would keep moving and not victimize them by jumping out of their car and running up to them with a microphone, and they held up their end of the agreement.

What Will 2016 Bring?

The winter of 2015–2016 was a very good winter with plenty of snowpack. It is hoped that the snowpack will help

reduce the threat of wildfires this summer. However, there is a high likelihood of flooding this spring in portions of the county because of the high snowpack. It all depends on Mother Nature, and we are keeping our fingers crossed.



The Okanogan County Assessor's Office is located in the Okanogan County Courthouse building. (photo by Scott Furman)

Scott D. Furman is the Okanogan County, Washington, Assessor. A lifelong resident of Washington state, he began his career as an appraiser trainee in 1984 and became assessor in 1998. He is the longest serving assessor in Okanogan County history. He is a past president of the Washington State Association of County Assessors (2005–2006).

The Okanogan County Assessor's Office won the Thomson Reuters Public Sector Jurisdiction of the Year award in 2015.



'It Happened to Me, Too.'

Scott D. Furman

On January 7, 2015, I was working in my office around 2:00 p.m. when one of the appraisers came in and said, "Omak [the county fire department] just toned out to 605 Ironwood, flames through the window. "You're kidding," I said. "No, I'm serious," was the reply. "Oh no, that's my house!" I exclaimed as I ran from the office.

Out the door I ran, driving as fast as I ever have, using the back way to my house. I knew if I went the usual way I would get stuck in traffic. I was hoping all the way that it was just a false alarm. As I got nearer to my home, I looked for signs of fire; there was no smoke. As I came around the last corner before making visual contact, my hopes began to rise. Just a false alarm I thought, until I saw the police car blocking traffic and then one, two, three fire trucks. Smoke billowed from every crevice of the house, firefighters were bashing in the front door and walking in a 1½-inch fire hose on full blast.

My wife and I were both at work. The fire was estimated to have been burning for one hour prior to the call to the fire department.

The cause of the fire was "indeterminate." We think that old electrical wires started it.

We lost everything. Total loss. All belongings. All family heirlooms. All family photos. We lived in a motel for two months, and then in a travel trailer in our backyard for five more months while the house was being rebuilt.

So when people come into the office and say, "You don't know how it feels," I can say, "Yes, yes, I do. I too lost my house. I know the feeling of emptiness, loss, and helplessness." It's not a good feeling—one that I hope I don't experience again.

It's a lousy way to get a new house.