SENATE BILL REPORT
SB 6079

As of January 22, 2026

Title: An act relating to creating a wildfire mitigation grant program.

Brief Description: Creating a wildfire mitigation grant program.

Sponsors: Senators Riccelli, Short, Nobles, Saldaña and Valdez; by request of Insurance Commissioner.

Brief History:
Committee Activity: Business, Trade & Economic Development: 1/22/26.

Brief Summary of Bill

- Creates the Strengthen Washington Homes Program (program), administered by the Office of the Insurance Commissioner (OIC), to provide financial grants to real property owners, building contractors, and nonprofit organizations for wildfire risk mitigation efforts for insurable dwellings in accordance with specified standards.
- Creates an account for the program in the state treasury and specifies funding sources.
- Prohibits property insurers from using wildfire risk as a disqualifying risk factor for coverage eligibility if a property has a specified designation.
- Authorizes the OIC to conduct pilot projects and adopt rules.

SENATE COMMITTEE ON BUSINESS, TRADE & ECONOMIC DEVELOPMENT

Staff: John Kim (786-7453)

Background: Wildfire Mitigation and Resiliency Standards Work Group. In 2025, the

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Legislature created a wildfire mitigation and resiliency standards work group (work group) to study and make recommendations on such standards to the Legislature. The work group was co-chaired by the Insurance Commissioner and the Commissioner of Public Lands for the Department of Natural Resources and included members and *ex officio* members from various stakeholder groups.

The Legislature required the work group to develop recommendations in five areas. One area was specified as establishing a grant program to provide grants to Washington homeowners for purposes including, but not limited to, retrofitting residential property to resist loss due to wildfire and evaluating whether residential property meets nationally recognized, science-based, wildfire mitigation standards.

The work group was required to include recommendations for:

- a grant program framework that will promote a decrease in the number of non-renewals of consumer general casualty insurance or property insurance policies; and
- whether and how local fire protection districts may collaborate with the grant program administrator.

The work group published its final report to the Legislature in December 2025. Regarding the grant program, the report concluded there was strong support—22 yes, 7 no, 29 total—for a voluntary grant program with eligibility based on achieving Insurance Institute for Business and Home Safety (IBHS) standards, while minority positions in the work group expressed equity concerns and the need for flexible collaboration with local entities.

The Office of the Insurance Commissioner's Existing Accounts. The annual cost of operating the Office of the Insurance Commissioner (OIC) is determined by legislative appropriation. A *pro rata* share of the cost, except for the cost of the Insurance Fraud Program, is charged as a regulatory surcharge to specified organizations regulated under the Washington Insurance Code. Each class of organization must contribute a sufficient amount to the OIC's regulatory account to pay the reasonable costs, including overhead, of regulating that class of organization. The regulatory surcharge is calculated separately for each class of organization and is represented by the organization's portion of the receipts collected or received by all organizations within that class on business in this state during the previous calendar year.

Similarly, an annual insurance fraud surcharge is charged to all regulated organizations to fund the annual cost of operating the OIC's Insurance Fraud Program and is deposited in the OIC's fraud account.

Unexpended funds in the OIC's regulatory and fraud accounts at the close of a fiscal year are carried forward to the succeeding fiscal year and are used to reduce future regulatory and insurance fraud surcharges.

Summary of Bill: Strengthen Washington Homes Program. The Strengthen Washington

Homes Program (Program) is established with the stated purpose of providing financial grants to real property owners, building contractors, and nonprofit organizations to assist and promote wildfire risk mitigation efforts for insurable dwellings in accordance with the wildfire prepared standards.

The following terms are defined:

- insurable dwelling means a dwelling located or situated on, or affixed to, residential real estate and includes a single-family or multifamily dwelling, including a modular home;
    1. a modular home means a factory-assembled structure designed primarily for use as a dwelling when connected to the required utilities that include plumbing, heating, and electrical systems contained therein, does not contain its own running gear, and must be mounted on a permanent foundation; and
    2. a modular home does not include a mobile home or manufactured home; and
- wildfire prepared standards means Wildfire Prepared Home and Wildfire Prepared Neighborhood designation standards published by the IBHS or a successor entity.

Any financial grant provided under the Program to mitigate an insurable dwelling is contingent upon the real property owner securing all required permits and applicable inspections in accordance with local building codes as well as a Wildfire Prepared standard or equivalent designation from the IBHS or a successor entity. The Program does not create an entitlement for property owners, building contractors, or nonprofit organizations to obtain funds for, or obligate the state in any way to fund, any activity for which a financial grant is permitted.

Pilot Projects. OIC may conduct localized pilot projects to inform the implementation of the Program. The pilot projects must include identification of the most efficient means of administering the Program, development of the necessary workforce to implement the Program fully, and establishment of the schedule for full implementation.

Strengthen Washington Homes Program Account. The Strengthen Washington Homes Program Account (Account) is created in the state treasury. To the extent funding is available in the Account, the OIC must implement and administer the Program. Moneys in the Account may be spent only after appropriation and expenditures from the Account may be used only for the purposes of the Program. The annual cost of operating the Program is determined by legislative appropriation. Grants and funds received for the purposes of the Program and any legislative appropriations must be deposited into the Account. Any interest earned on money in the Account must remain in the Account.

The OIC may accept any and all donations, bequests, gifts, conveyances, devises, and grants conditional or otherwise; or money, property, service, or other things of value which may be received from the United States or any agency thereof, any governmental agency, institution, person, firm, or corporation, public and private, to be held, used, or applied for the purpose of the program.

The bill authorizes the use of unexpended funds in the OIC's regulatory and fraud accounts at the close of a fiscal year to fund the Account in the succeeding fiscal year, rather than only being used to reduce future regulatory and insurance fraud surcharges.

The bill specifies that the Account is entitled to its proportionate share of earnings of investments of surplus balances in the state treasury's income account based on the Account's average daily balance.

Restriction on Insurer Use of Wildfire Risk as a Disqualifying Risk Factor. An insurer may not use wildfire risk as a disqualifying risk factor for eligibility of property insurance coverage if the property has a current Wildfire Prepared Home, Wildfire Prepared Neighbors, or an equivalent designation from the IBHS or a successor entity.

Rulemaking. The OIC may adopt rules as necessary to implement the Program, including to:

- establish application forms and procedures for obtaining a financial grant;
- specify the eligibility criteria, requirements, and procedures for obtaining a financial grant, which may include, but are not limited to, providing financial grants to:
    1. real property owners to retrofit owner-occupied insurable dwellings;
    2. nonprofit organizations to improve the wildfire resilience of single-family insurable dwellings occupied or owned by low-income and moderate-income individuals; and
    3. governmental entities;
- require that any insurable dwelling wildfire risk mitigation funded by a grant under the Program:
    1. comply with the most recent version of any applicable wildfire prepared standards and specific standards and designations that are applicable to the insurable dwelling; and
    2. be performed by contractors who meet criteria established by the OIC;
- develop procedures and requirements for distributing financial grants; and
- collect the documentation necessary to allow for any auditing of the Program that is required under the terms of a grant or other funds received by the Program.

Short Title. The act created by the bill may be known and cited as the Strengthen Washington Homes Act.

Appropriation: None.

Fiscal Note: Requested on January 15, 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: PRO: Homeowner policy nonrenewals have doubled since 2021, affecting some communities much more than others. Our wildfire season is getting longer and the wildfires are getting more devastating. The IBHS' research on mitigating homes against wildfire risk was shared with the wildfire mitigation work group and helped inform creating a voluntary grant program to retrofit homes using the IBHS standards as a benchmark. Several states already have grant programs based on IBHS standards for other risks. This bill has no impact on the state general fund. Initial setup and targeted grants for a pilot program will be provided using existing OIC funds. We will come back to the Legislature in the future with permanent funding ideas. This bill should be enacted this year to allow the OIC to begin standing up the program and moving grant funds to consumers. Auditing of the program will be done through rulemaking. I traveled to Lahaina and the Pacific Palisades and the cost of recovery is in the billions of dollars. The best bang for our buck is in investing in mitigation up front.

I encourage you to look at the cancellations and nonrenewals in your districts. I was surprised at the high number even in urban areas. One of my constituents put several hundred thousand dollars into hardening their home and was still unable to obtain insurance. If people are doing things that are right, they should be able to be insured and have their homes protected.

I'm the mayor of the City of Medical Lake. In 2023, we had the most devastating fire that's ever happened in Spokane County and lost 240 homes in a day, plus about that many more damaged by smoke. We were not prepared for the disaster. I support the bill because it incentivizes communities to create defensible space, harden off, and be prepared. After the wildfire, insurers canceled insurance for entire zip codes and many homeowners were dropped as soon as they renewed. Most of the homes in the area are now on their third insurance company. The bill gives a quantifiable standard of defensibility.

Washington Realtors supports the bill. Realtors witness and sometimes directly experience the challenges wildfires have on families, homes, and communities. Encouraging proactive risk mitigation through grants and wildfire preparedness makes sense. Expanding opportunities to obtain and maintain insurance will provide great relief to many families.

350 Washington supports the bill. Alabama's insurance commissioner released data last year showing that homes in Alabama upgraded to meet IBHS standards performed better and suffered less damage during hurricanes. We are already spending a tremendous amount of public dollars on cleanup from climate disasters. Getting state investment into mitigation and resilience is much more cost-effective.

CON: The American Property Casualty Insurance Association shares the goals of the bill but has concerns with two sections of the bill. First, the underwriting prohibition tied to IBHS Wildfire Prepared designations - these standards are valuable and effective, but even a well-prepared home can face significant residual wildfire risk based on its location, weather patterns, access to the property, and regional fire behavior. Underwriting must

consider broader risk considerations. Turning a mitigation designation into a mandated eligibility outcome prevents insurers from considering true risk information. When insurers cannot accurately write to the risk, there is a risk that the insurer will leave that market entirely. Secondly, funding the program through the OIC's regulatory account is a concern because the regulatory account is funded by premium taxes and surcharges, not just by property and casualty insurers, but across the entire landscape of insurance. The account is designed to pay for the cost of regulating insurers, not to serve as a funding source that can be swept into broader public policy areas.

The National Association of Mutual Insurance Companies shares American Property Casualty Insurance Association's two concerns. We believe the IBHS designation of a Wildfire Prepared Home is a great tool, but a wildfire-prepared home is a far cry from a wildfire-proof home and that's why we have problems with the bill's underwriting prohibition. Wildfire-prepared homes are great in slow-moving fires, but when a fire comes rolling down in certain scenarios, a wildfire-prepared home is just as vulnerable as anything else and we've moved on from a scenario where the preparation makes much of a difference. We think it's a bad practice to assume that remediations and hardenings provide a fireproof system. There's going to be a lot of damage in some circumstances and those are things that insurers have to take into account to accurately price and rate the risk. As to funding the program, insurers pay premium taxes and fees to be regulated and have the appropriate amount of staff to have their forms approved. We believe these fees should continue to regulate the industry as opposed to standing up a new program.

OTHER: Washington Community Wildfire Solutions supports a grant program but has suggestions on how to improve it. While the IBHS Prepared Home standard is considered a gold standard for wildfire mitigation in the built environment, the IBHS Prepared Neighborhood Program was created in 2024 and is in its field-testing infancy. First, the grant program should be equitable and accessible. For example, IBHS charges application and renewal fees, so grant programs should cover these costs. Second, the grant program should support low- and moderate-income families to rebuild to IBHS standards after a fire. Third, involve agencies already doing this work, such as the State Conservation Commission, the conservation districts, and the Department of Natural Resources. Fourth, allow flexibility for geography and ecotypes. IBHS standards may conflict with planning, zoning, and land use requirements for environmental protection. Fifth, grants should not be limited to the full IBHS standard. There should be flexibility in program development. And finally, we do not recommend the adoption of the IBHS Prepared Neighborhood Program yet; it needs more development.

Persons Testifying: PRO: Senator Marcus Riccelli, Prime Sponsor; Patty Kuderer, Office of the Insurance Commissioner; Lauren Burnes, Office of the Insurance Commissioner; Mary Hull-Drury, Washington Realtors; Mayor Terri Cooper, City of Medical Lake; Andrew Eckels, 350 Washington.

CON: Brandon Vick, National Association of Mutual Insurance Companies (NAMIC); Kris

Tefft, American Property Casualty Insurance Association.

OTHER: Luke Esser, Washington Community Wildfire Solutions.

Persons Signed In To Testify But Not Testifying: OTHER: MIKE Bucy, Stevens Fire District 1.