

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number: SB 464 - 1
Revenue Area: Property Tax
Economist: Jaime McGovern
Date: 04/19/2021

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Provides property tax relief to owners of property destroyed or damaged by wildfire during September 2020, in county covered by state of emergency. Permits local county governing body to adopt ordinance which would designate a, boundary defined, geographical area. Requires tax collector to prorate and cancel 10/12ths of all property taxes imposed on taxable property within designated geographical boundary.

Revenue Impact:

There is no direct revenue impact as a result of this legislation. However, if local ordinance is adopted, revenue impact will be negative, and may be significant in magnitude and in proportion to total local property tax imposed.

Impact Explanation:

As amended, measure permits local county governing body to adopt ordinance which must include map and relief boundary defining local geographical area. The adopted ordinance must define all property within the relief boundary as eligible property, and require cancellation 10/12ths of 2020-2021 property tax bill for each eligible property.

The table below provides estimates of upper bounds for property tax revenue impact in the affected counties:

County	Property Tax Imposed in 2020-2021 tax year	Potential Revenue Impact under SB 464-1	Potential Revenue Impact under SB 464-1	
			Shift	Loss
Clackamas	\$ 962,182,550	\$ 801,818,792	\$ 137,876,121	\$ 663,942,670
Douglas	\$ 115,978,529	\$ 96,648,774	\$ 4,330,911	\$ 92,317,864
Jackson	\$ 331,290,130	\$ 276,075,108	\$ 31,561,167	\$ 244,513,941
Klamath	\$ 79,733,893	\$ 66,444,911	\$ 5,041,993	\$ 61,402,918
Lane	\$ 608,470,252	\$ 507,058,544	\$ 82,126,370	\$ 424,932,174
Lincoln	\$ 129,623,858	\$ 108,019,882	\$ 17,463,288	\$ 90,556,594
Linn	\$ 191,730,685	\$ 159,775,571	\$ 22,580,651	\$ 137,194,919
Marion	\$ 470,910,611	\$ 392,425,509	\$ 78,751,247	\$ 313,674,262

While it is unlikely that the governing body of a county would draw a relief boundary around the entire county, under the measure, it is possible. Some counties, such as Klamath County sustained extensive wildfire damage

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and may have a relatively large relief boundary. In addition, wherever the relief boundary is drawn, local property tax revenue will decline, necessarily, under the measure by 83 percent.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to provide property tax relief for 2020 wildfire victims.

PRELIMINARY