

Prepared by: Michael Graham
Reviewed by: Zane Potter, Laurie Byerly
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Measure Description:

Allows the governing body of a county that was included in the geographical area covered by the state of emergency declared by the Governor in response to the wildfires that occurred in September 2020 to adopt an ordinance or resolution directing the county tax collector to prorate and cancel ad valorem property taxes imposed on eligible property within the county.

Government Unit(s) Affected:

Counties, Department of Revenue (DOR)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

Senate Bill 464, with the -1 amendments, replaces the introduced version. The measure specifies that a county governing body may opt into a one-time cancellation of 5/6ths of the tax on property in the county that was in the September 2020 wildfire areas for which the Governor had declared a state of emergency in response, and without any consideration necessary as to whether the properties were suspected of having been, or actually had been, damaged or destroyed by the wildfires. The county must map the eligible property area and direct the tax collector to prorate and refund accordingly. The measure applies to tax years 2020 to 2021 and it is repealed on January 2, 2023. It takes effect 91 days after adjournment *sine die*.

Counties

The measure is permissive to counties; thus, if counties opt not to implement the measure, it would have no fiscal impact on them. It is unknown how many of the counties that were subject of the Governor's emergency response to wildfires order will opt into this.

For those counties that do decide to implement the measure, the costs related to the measure are indeterminate. The measure allows the governing body of any eligible county to adopt an ordinance or resolution directing the tax collector to prorate and cancel property taxes imposed on properties suspected of having been, or that had been, destroyed or damaged by wildfire. In adopting such an ordinance or resolution, the governing body is directed to include a map that describes the boundaries within which property taxes shall be prorated and cancelled and identifies eligible properties within those boundaries. It is unclear whether the counties would prepare these maps or whether they would contract their preparation out to a third party. It also unclear how long it would take to prepare such a map. The measure also directs a county tax collector to refund any taxpayer overpayments, if proration and cancellation of taxes results in an overpayment of taxes paid on an eligible property. It is unclear what process county tax collectors would follow to determine whether an overpayment has occurred and whether a refund is warranted, particularly if a new owner has taken over an eligible property since the wildfire(s) occurred.

Department of Revenue

The measure would have no fiscal impact on the Department of Revenue (DOR). While the measure does apply to centrally assessed and state appraised properties, DOR's work related to these properties does not extend to the

tax calculations, billing, or collections. The Property Tax Division (PTD) Valuation Section will not be impacted by the tax proration and calculations. DOR also does not expect any appeals work related to the measure. While counties might face legal disputes about which owner to grant a refund if the property has changed owners since the wildfire(s), those disputes are neither anticipated to involve DOR nor to be filed in the Regular Division of the Oregon Tax Court under appeal.

DOR will not need to update its forms, website information, or administrative rules. DOR will also not need to make any public information announcements related to this measure because its changes are one-time, one-year in nature; and for that reason, DOR presumes that any counties that opt in to these changes would presumably do their own public relations outreach in support of the measure. PTD will likely experience a small increase in phone calls or emails from county staff and possibly taxpayers about these changes. However, this increase would not meaningfully increase PTD's workload.