

HB 2341 STAFF MEASURE SUMMARY

Carrier: Sen. Boquist

Senate Committee On Finance and Revenue

Action Date: 06/02/21

Action: Do pass.

Vote: 5-0-0-0

Yeas: 5 - Boquist, Burdick, Findley, Riley, Wagner

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Prepared By: Jaime McGovern, Economist

Meeting Dates: 4/28, 6/2

WHAT THE MEASURE DOES:

In county covered by state of emergency, authorizes tax collector, who knows or has reason to believe property has been destroyed or damaged by fire or act of God to prorate imposed property taxes. Aligns methodology for proration of taxes on property destroyed and property damaged by fire or act of God. Changes property tax proration to include month of disaster rather than commencing month after disaster. Provides new computation for proration of taxes for property other than specially assessed property. Applies to property tax years beginning on or after July 1, 2020. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Wildfire destruction in 2020.
- Property tax administration.
- Potential future States of Emergency.
- Real market value and assessed value in Oregon's property tax system.
- Displaced residents.
- Ownership of property.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Currently, statute provides for an application process that would allow reduction in property tax collection for property owners affected by fire. The mechanism differs for damaged property and destroyed property, and requires an application. In the case of a wildfire, numerous applications may be received and owners of damaged property may not receive refund until the end of the property tax year. The mechanism for calculating property refunds is contingent on the real market value of the property dropping below the previously assessed value of the property.