

# Senate Bill 464

Sponsored by Senator GIROD, Representative DRAZAN; Representatives MOORE-GREEN, SMITH DB (at the request of former Senator Denyc Boles) (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires tax collector to prorate and cancel property taxes imposed on taxable property destroyed or damaged by wildfire during September 2020 in county covered by state of emergency declared in response to wildfire as if property were destroyed property under current law. Coordinates timing of proration of taxes for property destroyed and damaged by fire or act of God. Applies to property tax year beginning on July 1, 2020.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the taxation of damaged property; creating new provisions; amending ORS 308.425; and  
3 prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) This section applies to real or personal property that was destroyed or**  
6 **damaged by wildfire between September 1, 2020, and September 30, 2020, in a county that was**  
7 **included in the geographical area covered by the state of emergency declared by the Gover-**  
8 **nor in response to the wildfire.**

9 **(2)(a) Notwithstanding ORS 308.425 (3)(a)(B), for the property tax year beginning on July**  
10 **1, 2020, the tax collector of a county described in subsection (1) of this section who knows**  
11 **or has reason to believe that property described in subsection (1) of this section is located**  
12 **in the county shall prorate and cancel the taxes imposed on the property in the manner ap-**  
13 **licable to destroyed property under ORS 308.425 (3)(a)(A), without application from the**  
14 **property owner.**

15 **(b) Notwithstanding paragraph (a) of this subsection, the property owner may apply, in**  
16 **the manner described in ORS 308.425 (2), for proration and cancelation of taxes under this**  
17 **section.**

18 **(3) All other provisions of ORS 308.425 that do not conflict with this section shall apply**  
19 **to property taxes imposed on the property.**

20 **(4)(a) As used in this section, "property owner" has the meaning given that term in ORS**  
21 **308.146.**

22 **(b) For purposes of ORS 311.806 (1)(i), "applicant" shall include a property owner of**  
23 **property described in subsection (1) of this section.**

24 **(5) The Department of Revenue may adopt rules for the implementation of this section.**

25 **SECTION 2. ORS 308.425 is amended to read:**

26 308.425. (1) If, during any tax year, any real or personal property is destroyed or damaged by  
27 fire or act of God, the owner or purchaser under a recorded instrument of sale in the case of real  
28 property, or the person assessed, person in possession or owner in the case of personal property,

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 may apply to the tax collector for proration of the taxes imposed on the property for the tax year.

2 (2) Application for proration of taxes under subsection (1) of this section shall be made not later  
3 than the end of the tax year or 60 days after the date the property was destroyed or damaged,  
4 whichever is later.

5 (3)(a)(A) For property that is totally destroyed, the tax collector shall collect only one-twelfth  
6 of the taxes imposed on the property for the tax year, for each month [*or fraction of a month that*  
7 *the property was in existence*] during the tax year **that preceded the month in which the property**  
8 **was destroyed**. The tax collector shall cancel the remainder of the taxes imposed on the property  
9 for the tax year.

10 (B) For property that is damaged, the tax collector shall collect only one-twelfth of the taxes  
11 imposed on the property for the tax year, for each month [*or fraction of a month*] **during the tax**  
12 **year** that preceded the month [*during*] **in** which the property was damaged. For the month in which  
13 the property was damaged, and for each month of the tax year thereafter in which the property re-  
14 mains damaged, the tax collector shall collect that percentage of one-twelfth of the taxes imposed  
15 on the property that **the lesser of** the real market value or the assessed value of the property after  
16 the damage [*whichever is less*] bears to the assessed value of the property before the damage. The  
17 assessor shall advise the tax collector of the value percentage required under this paragraph. The  
18 tax collector shall cancel any taxes not to be collected due to this paragraph.

19 (b) If proration under this subsection results in an overpayment of taxes paid, the amount of the  
20 overpayment shall be refunded in the manner prescribed in ORS 311.806.

21 (4) That portion of the property that is damaged property and that is subsequently repaired shall  
22 be considered to be new property or new improvements to property under ORS 308.153 for the as-  
23 sessment year in which the repairs or replacements are first taken into account.

24 **SECTION 3. The amendments to ORS 308.425 by section 2 of this 2021 Act apply to**  
25 **property tax years beginning on or after July 1, 2020.**

26 **SECTION 4. Section 1 of this 2021 Act is repealed on January 2, 2023.**

27 **SECTION 5. This 2021 Act takes effect on the 91st day after the date on which the 2021**  
28 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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