

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2086 - 2

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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Date: March 21, 2023

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### Measure Description:

Allows correction of maximum assessed value due to new property or new improvements to property erroneously added to tax roll for current tax year and up to five preceding tax years.

### Government Unit(s) Affected:

Department of Revenue, Counties, Judicial Department

### Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

### Analysis:

House Bill 2086, as amended by the -2 amendments, allows the current owner of property or another person obligated to pay property taxes to petition the county assessor for a correction of the maximum assessed value of the property, due to new property or new improvements to the property being erroneously added to the tax roll for the current tax year and up to five preceding tax years. The measure requires the annual tax statement, which is designed by the Department of Revenue (DOR) and delivered or mailed by the county assessor, to include information about how to contact the county assessor's office with questions if the property's assessed value for the current tax year increased by more than three percent over the prior tax year. After the tax assessor certifies the assessment and tax roll to the tax collector, the officer in charge must correct any errors on the assessment and tax rolls. The officer in possession of the tax rolls must prepare a voucher for each correcting entry. The measure takes effect 91 days after adjournment *sine die* and applies to property tax years beginning on or after July 1, 2024.

### Department of Revenue

The measure is anticipated to have a minimal fiscal impact on DOR. The measure would require DOR to modify its administrative rules to align them with the measure's statutory changes and update the Tax Collectors' Manual and training materials/guides about county tax roll corrections and county tax collections. In addition, the measure would require the DOR Valuation Section to make more state-appraised property valuation corrections through existing procedures and notice processes, including investigating and making additional valuation corrections, issuing notices to counties and taxpayers, and responding to their questions.

This fiscal impact statement assumes that the Valuation Section would be able to absorb the additional correction workload within its 2023-25 current service level. However, if the Valuation Section were unable to absorb the additional correction workload due to an unexpectedly large volume of needed corrections, DOR may need to return to the Emergency Board or the Legislative Assembly in the 2024 regular session to request additional resources.

### Other Government Units

The measure is anticipated to have a minimal fiscal impact on counties and the Judicial Department.