

HB 3461 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 3/22, 4/27

WHAT THE MEASURE DOES:

Authorizes, following application, property tax deferral for eligible homestead in amount that exceeds 103 percent of 2020-21 property taxes, up to extent of square footage of destroyed homestead rebuilt by same owner on same lot to replace homestead destroyed by September 2020 wildfires. Deferral claims may be made temporarily, for property tax years beginning on or after July 1, 2022, and before July 1, 2027. Takes effect 91st day after sine die.

ISSUES DISCUSSED:

- Whether intent of bill is for deferred taxes to become due, with interest
- Repayment of deferred property taxes and Senior Property Tax Deferral Revolving Account (ORS 311.701)
- Section 1(4)(a) of HB 3461 and full text provision in Oregon Constitution, Article IV, section 22
- Property tax amount when homestead is rebuilt on same square footage as previous homestead

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Some homes destroyed by 2020 wildfires may be ineligible because some wildfires started in August, and some weren't fully contained until October, November, or December.

Repayments for the proposed deferral program are comingled with other funds in Senior Property Tax Deferral Revolving Account:

- Senior or disabled deferral
- Special assessment for local improvement deferral
- DOR's "expenses in administering the property tax and special assessment senior deferral programs"

Due to lack of adherence of HB 3461 Section 1(4)(a) to the full text provision in Oregon Constitution, Article IV, section 22, it is:

- Unclear whether the intent of the bill is for local governments to forego deferred amounts [311.676(1); 311.701(1)-(2)]. The deferral programs listed above do not forego deferred amounts
- Unclear whether the intent of the bill is for deferred taxes to become due, with interest [311.674(3); 311.676(2); 311.701(3)]. Interest is due for the deferral programs listed above