

SB 1545 -1 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Beau Olen, Economist

Meeting Dates: 2/15, 2/22, 2/26

WHAT THE MEASURE DOES:

Authorizes a county to allow those that had their homesteads destroyed by the September 2020 wildfires and have had the homestead rebuilt on the same lot, receive a specially assessed value equal to the destroyed homestead's real market value for the 2020-21 tax year, up to the square footage of the destroyed homestead. Allows retroactivity back to the 2021-22 tax year. Requires overpayment refunds of taxes paid during the retroactive period. Disqualifies properties at the earliest of when the rebuilt homestead is no longer the owner's principal dwelling, is rented to another person for any duration or is transferred to new ownership. Grandfathers special assessment to properties on the same terms if the county ends or amends the program. Makes relief from special assessment in addition to any other property tax relief.

ISSUES DISCUSSED:

- Inflation and construction costs
- Local budgets, school funding
- Building permit process

EFFECT OF AMENDMENT:

-1 Simplifies how county assessors record specially assessed values.

BACKGROUND:

SB 1545 is like SB 1012A from the 2023 Legislative Session, but a new section 2 was added in SB 1545 that amends ORS 310.165.

Legislation in 2021 (HB 2341) allows county tax collectors to provide the property tax relief for destroyed or damaged property (ORS 308.425; TER 2.138) to any properties affected by any declared disasters without the taxpayer having to apply.

Executive Order (EO) 20-35, issued on August 20, 2020, declared a statewide State of Emergency in Oregon due to the imminent threat of wildfire. All counties in the State were included in the geographical area covered by EO 20-35.

The September 2020 wildfires burned approximately 1 million acres in Oregon. Based on the Federal Emergency Management Agency's definition of "destroyed home", approximately 4,000 homes were destroyed. More than half of those homes were in Jackson County, where a relatively large share of the destroyed homes was manufactured structures. As of May 2023, approximately 60 percent of those destroyed homes had a permit to rebuild, half of which were for manufactured homes.