

Enrolled
House Bill 2231

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CHAPTER

AN ACT

Relating to reassessment of damaged property for purposes of taxation; amending ORS 308.146, 308.425 and 308.428.

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

SECTION 1. ORS 308.146 is amended to read:

308.146. (1) The maximum assessed value of property shall equal 103 percent of the property's assessed value from the prior year or 100 percent of the property's maximum assessed value from the prior year, whichever is greater.

(2) Except as provided in subsections (3) and (4) of this section, the assessed value of property to which this section applies shall equal the lesser of:

- (a) The property's maximum assessed value; or
- (b) The property's real market value.

(3) Notwithstanding subsections (1) and (2) of this section, the maximum assessed value and assessed value of property shall be determined as provided in ORS 308.149 to 308.166 if:

- (a) The property is new property or new improvements to property;
- (b) The property is partitioned or subdivided;
- (c) The property is rezoned and used consistently with the rezoning;
- (d) The property is first taken into account as omitted property;
- (e) The property becomes disqualified from exemption, partial exemption or special assessment;

or

(f) A lot line adjustment is made with respect to the property, except that the total assessed value of all property affected by a lot line adjustment shall not exceed the total maximum assessed value of the affected property under subsection (1) of this section.

(4) Notwithstanding subsections (1) and (2) of this section, if property is subject to partial exemption or special assessment, the property's maximum assessed value and assessed value shall be determined as provided under the provisions of law governing the partial exemption or special assessment.

(5)(a) Notwithstanding subsection (1) of this section, when a portion of property is destroyed or damaged due to fire or act of God, for the year in which the destruction or damage is reflected by a reduction in real market value, the maximum assessed value of the property shall be reduced to reflect the loss from fire or act of God.

(b) This subsection does not apply:

- (A) To any property that is assessed under ORS 308.505 to 308.665.

(B) If the damaged or destroyed property is property that, when added to the assessment and tax roll, constituted minor construction for which no adjustment to maximum assessed value was made.

(c) As used in this subsection, "minor construction" has the meaning given that term in ORS 308.149.

(6)(a) If, during the period beginning on January 1 and ending on July 1 of an assessment year, any real or personal property is destroyed or damaged, the owner or purchaser under a recorded instrument of sale in the case of real property, or the person assessed, person in possession or owner in the case of personal property, may apply to the county assessor to have the real market and assessed value of the property determined as of July 1 of the current assessment year.

(b) The person described in paragraph (a) of this subsection shall file an application for assessment under this section with the county assessor on or before *[August 1 of the current year.]* **the later of:**

(A) August 1 of the current year; or

(B) The 60th day following the date on which the property was damaged or destroyed.

(c) If the conditions described in this subsection are applicable to the property, then notwithstanding ORS 308.210, the property shall be assessed as of July 1, at 1:00 a.m. of the assessment year, in the manner otherwise provided by law.

(7)(a) Paragraph (b) of this subsection applies if:

(A) A conservation easement or highway scenic preservation easement is in effect on the assessment date;

(B) The tax year is the first tax year in which the conservation easement or highway scenic preservation easement is taken into account in determining the property's assessed value; and

(C) A report has been issued by the county assessor under ORS 271.729 within 12 months preceding or following the date the easement was recorded.

(b) The assessed value of the property shall be as determined in the report issued under ORS 271.729, but may be further adjusted by changes in value as a result of any of the factors described in ORS 309.115 (2), to the extent adjustments do not cause the assessed value of the property to exceed the property's maximum assessed value.

SECTION 2. ORS 308.425 is amended to read:

308.425. (1) If, during any tax year, any real or personal property is destroyed or damaged by fire or act of God, the owner or purchaser under a recorded instrument of sale in the case of real property, or the person assessed, person in possession or owner in the case of personal property, may apply to the tax collector for proration of the taxes imposed on the property for the tax year.

(2) Application for proration of taxes under subsection (1) of this section shall be made not later than the end of the tax year or ~~[30]~~ **60** days after the date the property was destroyed or damaged, whichever is later.

(3)(a) For property that is totally destroyed, the tax collector shall collect only one-twelfth of the taxes imposed on the property for the tax year, for each month or fraction of a month that the property was in existence during the tax year. The tax collector shall cancel the remainder of the taxes imposed on the property for the tax year.

(b) For property that is damaged, the tax collector shall collect only one-twelfth of the taxes imposed on the property for the tax year, for each month or fraction of a month that preceded the month during which the property was damaged. For the month in which the property was damaged, and for each month of the tax year thereafter in which the property remains damaged, the tax collector shall collect that percentage of one-twelfth of the taxes imposed on the property that the real market value or the assessed value of the property after the damage (whichever is less) bears to the assessed value of the property before the damage. The assessor shall advise the tax collector of the value percentage required under this paragraph. The tax collector shall cancel any taxes not to be collected due to this paragraph.

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

SECTION 3. ORS 308.428 is amended to read:

308.428. (1) If, during the period beginning on January 1 and ending on July 1 of an assessment year, any real or personal property is destroyed or damaged by fire or act of God, the owner or purchaser under a recorded instrument of sale in the case of real property, or the person assessed, person in possession or owner in the case of personal property, may apply to the county assessor to have the real market and assessed value of the property determined as of July 1 of the current assessment year.

(2) The person described in subsection (1) of this section shall file an application for assessment under this section with the county assessor on or before *[August 1 of the current year.]* **the later of:**

(a) August 1 of the current year; or

(b) The 60th day following the date on which the property was damaged or destroyed.

(3) If the conditions described in subsection (1) of this section are applicable to the property, then notwithstanding ORS 308.210, the property shall be assessed as of July 1, at 1:00 a.m. of the assessment year, in the manner otherwise provided by law.

Passed by House February 15, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate May 25, 2007

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President of Senate

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State