

House Bill 2231

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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**.

Extends deadline to file application for reassessment of real or personal property value due to destruction or damage if application is filed within 60 days of destruction or damage.

A BILL FOR AN ACT

1
2 Relating to reassessment of damaged property for purposes of taxation; amending ORS 308.146,
3 308.425 and 308.428.

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

5 **SECTION 1.** ORS 308.146 is amended to read:

6 308.146. (1) The maximum assessed value of property shall equal 103 percent of the property's
7 assessed value from the prior year or 100 percent of the property's maximum assessed value from
8 the prior year, whichever is greater.

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

11 (a) The property's maximum assessed value; or

12 (b) The property's real market value.

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

15 (a) The property is new property or new improvements to property;

16 (b) The property is partitioned or subdivided;

17 (c) The property is rezoned and used consistently with the rezoning;

18 (d) The property is first taken into account as omitted property;

19 (e) The property becomes disqualified from exemption, partial exemption or special assessment;

20 or

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

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

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

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 reflect the loss from fire or act of God.

2 (b) This subsection does not apply:

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

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

7 (c) As used in this subsection, “minor construction” has the meaning given that term in ORS
8 308.149.

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

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

17 **(A) August 1 of the current year; or**

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

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

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

23 (A) A conservation easement or highway scenic preservation easement is in effect on the as-
24 sessment date;

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

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

29 (b) The assessed value of the property shall be as determined in the report issued under ORS
30 271.729, but may be further adjusted by changes in value as a result of any of the factors described
31 in ORS 309.115 (2), to the extent adjustments do not cause the assessed value of the property to
32 exceed the property’s maximum assessed value.

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

34 308.425. (1) If, during any tax year, any real or personal property is destroyed or damaged by
35 fire or act of God, the owner or purchaser under a recorded instrument of sale in the case of real
36 property, or the person assessed, person in possession or owner in the case of personal property,
37 may apply to the tax collector for proration of the taxes imposed on the property for the tax year.

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

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

45 (b) For property that is damaged, the tax collector shall collect only one-twelfth of the taxes

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

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

12 **SECTION 3.** ORS 308.428 is amended to read:

13 308.428. (1) If, during the period beginning on January 1 and ending on July 1 of an assessment
14 year, any real or personal property is destroyed or damaged by fire or act of God, the owner or
15 purchaser under a recorded instrument of sale in the case of real property, or the person assessed,
16 person in possession or owner in the case of personal property, may apply to the county assessor
17 to have the real market and assessed value of the property determined as of July 1 of the current
18 assessment year.

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

22 (a) **August 1 of the current year; or**

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

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

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