

75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 563 A
CARRIER: Sen. Burdick

REVENUE: Revenue Impact Issued

FISCAL: No Fiscal Impact

Action: Do Pass with Amendments and be Printed A-Engrossed

Vote: 3-0-2

Yeas: Morse, Telfer, Burdick

Nays: 0

Exc.: Hass, Rosenbaum

Prepared By: Dae Baek, Economist

Meeting Dates: 3/31, 4/28, 5/18

WHAT THE BILL DOES: Directs all deposits of interest charged and collected on late payment of property taxes to the County Assessment Function Funding Assistance (CAFFA) Account. Applies to tax years beginning on or after July 1, 2009.

ISSUES DISCUSSED:

- Lack of adequate funding for the County Assessment and Taxation function

EFFECT OF COMMITTEE AMENDMENTS: Clarifies that the interest charged and collected on late payment of property taxes to be used for CAFFA will continue to be deposited and credited to the County Assessment and Taxation Fund, later to be turned over on a quarterly basis to the State as specified in the statute. Makes the bill apply to tax years beginning on or after July 1, 2009.

BACKGROUND: According to the Department of Revenue (DOR), counties collect around \$28 million in interest on delinquent property tax accounts annually. Approximately \$12 million funds the County Assessment Function Funding Assistance (CAFFA) program and is distributed back to county government districts according to the CAFFA formula established by the DOR. Approximately \$16 million is distributed to taxing districts as unsegregated funds whose distribution is proportional to a district's share of total property tax in the county.

The DOR reports that the distribution of the non-CAFFA portion (\$16 million) can be approximated using the general unsegregated tax percentage schedule for FY 2008-09 as follows: counties 19%, cities 22.4%, other districts 12.3%, community colleges 3.9%, and schools and ESD's 42.4%.

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