

STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Action Date: 04/29/15

Action: Do Pass With Amendments. (Printed A-Eng.) To Resolve Conflicts.

Meeting Dates: 04/22, 04/29

Vote:

Yeas: 5 - Baertschiger Jr, Boquist, Edwards, Hass, Riley

Prepared By: Kyle Easton, Economist

WHAT THE MEASURE DOES:

Allows taxpayer to petition county assessor for correction in maximum assessed value of property for the current tax year upon demonstrating that new property or improvement to property added to the tax roll in a prior tax year did not exist as of the assessment date for that prior tax year or any subsequent tax year. Requires assessor to correct maximum assessed value of property for current tax year in manner determined by assessor. Correction must reflect, in a manner determined by assessor, removal of the new property or improvements. Requires property constituting an integral part of the land or improvements that has been continuously in existence since the prior tax year and was not included in any assessment for prior tax years to be considered new property or new improvements to property.

The amendment to the measure resolves conflicts between the measure and HB 2487 which both make changes to ORS 311.234. Amendment language essentially applies statutory changes contained in HB 2129 to HB 2487 (signed by Governor on April 22nd). Both measures make changes to existing law regarding how MAV is corrected in instances where actual property square footage differs from square footage contained in property tax records of assessor. Applies to property tax years beginning on or after July 1, 2015.

ISSUES DISCUSSED:

- Changes apply to all property types (e.g. residential, commercial, etc.)
- Retroactivity of changes when assessor finds discrepancy in property not included on roll that does exist as compared to corrections being made initially and going forward when petitioner files discrepancy (assessor records indicate more square footage or property than what actually exists)
- When correction made in favor of petitioner, assessor makes correction at time of discovery and correction is then applicable going forward
- When correction made at behest of assessor, assessor has ability if sufficient records exist, to add property to roll for initial year and going forward, and previous five years
- Requirement of assessors to have sufficient information in their records to correct under current law error and omission statutes
- Use of satellite technology in assessment and detection of property not currently listed on roll.

EFFECT OF COMMITTEE AMENDMENT:

Amendment to resolve conflicts with HB 2487

Amendment removes section 1 of HB 2129 and replaces section 1 of Enrolled HB 2487 with section 1 language from introduced HB 2129. Conforms applicability of petitions filed language between HBs 2129 and HB 2487.

BACKGROUND:

The measure as amended resolves conflicts between the measure and HB 2487 which both make changes to ORS 311.234. Amendment language essentially applies statutory changes contained in HB 2129 to HB 2487, if HB 2487 becomes law. Both measures make changes to existing law regarding how MAV is corrected in instances where actual property square footage differs from square footage contained in property tax records of assessor.

- HB 2487 allows the assessor to reduce maximum assessed value (MAV) if a taxpayer informs the assessor of a discrepancy in the assessed and actual square footage of the taxpayer's property. The correction in MAV must be reflective of the market value of the square footage change.
- HB 2129 requires the assessor to correct MAV, in a manner determined by the assessor.

Background on HB 2129 as introduced

Under current law, the assessor may reduce maximum assessed value (MAV) if a taxpayer informs the assessor of a discrepancy in the assessed and actual square footage of the taxpayer's property. Current law requires that the reduction in MAV be proportionate to the difference in square footage. Following this calculation could lead to value changes not reflective of actual market conditions causing the assessor to choose not to make the adjustment in MAV.

Changes to law provided by the measure would require assessors to correct MAV of property if petitioner demonstrates:

- A difference between actual square footage of the property and square footage of property as shown in the records of the assessor and
- That new property or new improvements to property added to the tax roll in a prior tax year did not exist as of the assessment date for prior tax year or any subsequent tax year.

The measure requires corrections in value to reflect, in a manner determined by the assessor, the correction in square footage. Measure requires new property or improvements to property that were not included in a prior tax year's assessment roll but did exist, to be added to the roll.