

House Bill 3001

Sponsored by Representative ESQUIVEL

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**.

Allows application for determination of real market value and assessed value of property destroyed or damaged between January 1 and July 1 to be filed on or before December 31. Applies to property tax years beginning on or after July 1, 2014.

Repeals redundant provision of law.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the valuation of destroyed property; creating new provisions; amending ORS 307.475,
3 308.146 and 309.026; repealing ORS 308.428; and prescribing an effective date.

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 **value**
13 and assessed 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*] **must file the** appli-
15 cation for assessment under this section with the county assessor on or before [*the later of:*]

16 [(A) *August 1 of the current year; or*]

17 [(B) *The 60th day following the date on which the property was damaged or destroyed.*] **December**
18 **31 of the current year.**

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 (8)(a) Notwithstanding subsection (1) of this section, when a building is demolished or removed
34 from property, for the year in which the [*demolishment*] **demolition** or removal of the building is
35 reflected by a reduction in real market value, the maximum assessed value of the property may be
36 reduced to reflect the [*demolishment*] **demolition** or removal of the building.

37 (b) This subsection does not apply:

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

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

42 (c) To receive the reduction in maximum assessed value of the property under this subsection,
43 the property owner must file an application with the county assessor after the [*demolishment*]
44 **demolition** or removal and on or before December 31 following the assessment date if the
45 [*demolishment*] **demolition** or removal occurred:

1 (A) Before the January 1 assessment date; or

2 (B) During the period beginning January 1 and ending on the July 1 assessment date if the
3 property owner has applied to have the real market **value** and assessed value of the property de-
4 termined under subsection (6) of this section.

5 (d) As used in this subsection:

6 (A) "Minor construction" has the meaning given that term in ORS 308.149.

7 (B) "Property owner" means an owner or purchaser under a recorded instrument of sale in the
8 case of real property, or the person assessed, person in possession or owner in the case of personal
9 property.

10 **SECTION 2. ORS 308.428 is repealed.**

11 **SECTION 3.** ORS 307.475 is amended to read:

12 307.475. (1) Any taxpayer may apply to the Director of the Department of Revenue for a rec-
13 ommendation that the value of certain property be:

14 (a) Stricken from the assessment roll and that any taxes assessed against such property be
15 stricken from the tax roll on the grounds of hardship; or

16 (b) Redetermined pursuant to ORS 308.146 (6) [*or 308.428*].

17 (2) As used in this section, "hardship" means a situation where property is subject to taxation
18 but would have received relief had there been a timely filing of a valid claim for exemption, for
19 cancellation of assessment or for a redetermination of value pursuant to ORS 308.146 (6) [*or*
20 *308.428*], and where the failure to make timely application for the exemption, cancellation or change
21 in assessment date was by reason of good and sufficient cause.

22 (3) An application to the director for a recommendation of tax relief on the grounds of hardship
23 must be made not later than December 15 of the year in which the failure to timely file a valid claim
24 for exemption, for cancellation of assessment or for a redetermination of value pursuant to ORS
25 308.146 (6) [*or 308.428*] occurred.

26 (4) If the director, in the discretion of the director, finds that tax relief should be granted on the
27 grounds of hardship, the director shall send the written recommendation of the director to the
28 assessor of the county in which the property is located. If the assessor agrees with the recommen-
29 dation, the assessor shall note approval thereon. The person in charge of the roll shall:

30 (a) Enter an assessment consistent with a redetermination of the value of the property as of July
31 1 of the assessment year;

32 (b) Strike all or a portion of taxes on the tax roll; or

33 (c) Issue a refund of taxes already paid. A refund of taxes paid shall be treated as any refund
34 granted under ORS 311.806.

35 **SECTION 4.** ORS 309.026 is amended to read:

36 309.026. (1) The board of property tax appeals may convene on or after the first Monday in
37 February of each year, but not later than the date necessary for the board to complete the functions
38 of the board by April 15. The board shall meet at the courthouse or courthouse annex. If the meeting
39 place is other than the courthouse or annex, notice of the meeting place shall be posted daily in the
40 courthouse. The board shall continue its sessions from day to day, exclusive of legal holidays, until
41 the functions provided in subsections (2) and (3) of this section are completed.

42 (2) The board shall hear petitions for the reduction of:

43 (a) The assessed value or specially assessed value of property as of January 1 or as determined
44 under ORS 308.146 (6)(a) [*or 308.428*];

45 (b) The real market value of property as of January 1 or as determined under ORS 308.146 (6)(a)

1 [or 308.428];

2 [(c) *The maximum assessed value of property as of January 1 or as determined under ORS 308.146*
 3 *(5)(a) and 308.428;*]

4 [(d)] (c) The maximum assessed value of property as of January 1 or as determined under ORS
 5 308.146 (5)(a) or (8)(a) [or 308.428]; and

6 [(e)] (d) Corrections to value made under ORS 311.208.

7 (3) The board shall hear petitions for the reduction of value as provided in subsection (2) of this
 8 section, but only if the value that is the subject of the petition was added to the roll prior to De-
 9 cember 1 of the tax year.

10 (4) The board shall consider applications to waive liability for all or a portion of the penalty
 11 imposed under ORS 308.295 or 308.296.

12 (5) The board shall adjourn no later than April 15.

13 **SECTION 5. (1) The amendments to ORS 308.146 by section 1 of this 2015 Act apply to**
 14 **property tax years beginning on or after July 1, 2014.**

15 **(2) The amendments to ORS 307.475 and 309.026 by sections 3 and 4 of this 2015 Act and**
 16 **the repeal of ORS 308.428 by section 2 of this 2015 Act apply to property tax years beginning**
 17 **on or after July 1, 2015.**

18 **SECTION 6. (1)(a) Notwithstanding ORS 308.146 (6) and (8), for the property tax year**
 19 **beginning on July 1, 2014, the applications required under ORS 308.146 (6) and (8) may be filed**
 20 **with the county assessor until the day that is 60 days after the effective date of this 2015**
 21 **Act.**

22 **(b) An application filed under this section must:**

23 **(A) Contain information necessary to substantiate the claim for a refund and any other**
 24 **information required by the county assessor.**

25 **(B) Be accompanied by a filing fee of \$200.**

26 **(2) For the property tax year beginning on July 1, 2014:**

27 **(a) If the amount by which the property taxes on the property are reduced, due to a de-**
 28 **termination under ORS 308.146 (6) and a reduction in maximum assessed value under ORS**
 29 **308.146 (8), has not been paid, the taxes and any interest on the taxes are abated.**

30 **(b) If the amount by which the property taxes on the property are reduced, due to a de-**
 31 **termination under ORS 308.146 (6) and a reduction in maximum assessed value under ORS**
 32 **308.146 (8), has been paid, the tax collector of the county in which the property is located**
 33 **shall notify the governing body of the county of any refund required as a result of the de-**
 34 **termination under ORS 308.146 (6) and the reduction in maximum assessed value under ORS**
 35 **308.146 (8).**

36 **(3)(a) Upon receipt of notice from the tax collector under subsection (2)(b) of this section,**
 37 **the governing body shall cause a refund of any amount of property taxes and interest on the**
 38 **property taxes that has been paid to be made from the refund reserve account, if the county**
 39 **has established a refund reserve account under ORS 311.807, or from the unsegregated tax**
 40 **collections account described in ORS 311.385.**

41 **(b) A refund under this section shall be made without interest.**

42 **(4) The county assessor and the tax collector shall make the necessary corrections in the**
 43 **records of their offices.**

44 **SECTION 7. This 2015 Act takes effect on the 91st day after the date on which the 2015**
 45 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**
