

SB 787 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 3/7

WHAT THE MEASURE DOES:

Requires tax collector, of county listed as being at higher risk of financial distress, to withhold from property tax collection distribution an amount equal to the county's actual property tax assessment and collection costs after accounting for funds received from the County Assessment Function Funding Assistance Account and amounts levied by taxing districts to pay bonded indebtedness. Limits withheld assessment and collection costs to two percent of taxing district's tax distribution unrelated to bonded indebtedness. Applies to property tax years beginning on or after July 1, 2018.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon Secretary of State Audits Division first issued a county financial condition report for the State of Oregon in 2012. Updated reports are subsequently issued every two years. The primary source of data for the report is each county's audited financial statements. According to the Division's 2016 report:

"Although many counties have improved their financial condition since 2012, four counties continue to be identified as counties to monitor; that is, counties whose financial condition may indicate a higher risk of distress. We performed additional analysis on these four counties, which are individually portrayed in the Counties to Monitor section of this report: Curry, Douglas, Josephine and Polk."

The Legislature established the County Assessment Function Funding Assistance (CAFFA) annual grant program to help cover assessment and taxation costs for counties. Funding for the grants comes from portions of document recording fees and delinquent property tax interest.