

HB 2281 STAFF MEASURE SUMMARY

Carrier: Sen. Boquist

Senate Committee On Finance and Revenue

Action Date: 04/12/17
Action: Do pass.
Vote: 5-0-0-0
Yeas: 5 - Baertschiger Jr, Boquist, Hass, Riley, Taylor
Fiscal: No fiscal impact
Revenue: No revenue impact
Prepared By: Kyle Easton, Economist

WHAT THE MEASURE DOES:

Modifies timing of disqualification for designated western or eastern forestland discovered by county assessor as no longer being forestland. Disqualification is deemed to occur as of the January 1 assessment date of the assessment year in which the discovery by the county assessor occurs. Disqualification only occurs if notice of disqualification is mailed by county assessor prior to August 15 of the tax year. Changes apply to land disqualified as forestland on or after January 1, 2018.

ISSUES DISCUSSED:

- Measure will not change disqualification process, rather, measure aligns statute with practice and will make it easier to explain existing law policy
- In developing measure, Department of Revenue met with forest industry representation and received no concerns
- Example of property that was in forestland special assessment and reason that would cause property to be disqualified from special assessment
- Example: instances where property owner harvests trees and fails to replant to required restocking level, essentially violating the law.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under current law, the timing of land disqualified as forestland due to discovery by assessor that the land is no longer forestland occurs as of the January 1 assessment date for the tax year in which the county assessor discovers that the land is no longer forestland. HB 2281 would change timing of disqualification to occur as of the January 1 assessment date of the assessment year in which the discovery occurs. Unchanged is the requirement of the county assessor to mail notice of disqualification prior to August 15 of the tax year for which disqualification is asserted.

Per ORS 308A.703, land disqualified from special assessment under either the Western or Eastern designated forestland programs is subject to imposition of additional tax. The additional tax equals the difference between the taxes assessed against the land and the taxes that would have otherwise been assessed had the land not been specially assessed. The additional tax calculation is done for each year the land was specially assessed up to a maximum of five years.