

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number:	HB 2341
Revenue Area:	Property Tax
Economist:	Jaime McGovern
Date:	03/11/2021

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Authorizes tax collector in county covered by state of emergency declared by Governor due to fire or act of God, or authority of Governor under Emergency Conflagration Act, who knows or has reason to believe property has been destroyed or damaged by fire or act of God to prorate taxes imposed on property.

Revenue Impact:

The revenue impact of this measure is negative to affected counties. However, on a biennial basis, the amount is unknown, as it depends on the scale of disaster.

Impact Explanation:

The measure includes uniformly downward property tax collections for properties affected by natural disaster and covered by Governor declared state of emergency, resulting in a revenue decrease. The dollar estimate for the 2020-2021 tax year is specifically tied to the wildfires which led to a declared state of emergency in the fall of 2020. The best available estimates available from the affected counties is a reduction of \$1.2 million in tax collections, for the 2020-2021 property tax year, according to county assessors. The 2020 Wildfires specifically impacted Clackamas, Douglas, Jackson, Klamath, Lane, Linn, Lincoln, and Marion county. Impacts on the 2021-22 property tax year or future biennia may be much different in magnitude, as a declared state of emergency could include earthquakes, flooding, and other large events.

For any particular State of Emergency induced damage, the reduction in property tax collections occurs only in a single year, as current statute dictates that damaged properties are re-assessed in subsequent years. That is unchanged with this legislation.

The potential for multi-year revenue reductions is unknown in magnitude. It stems from future anticipated state of emergencies, no-harm principle to damaged and destroyed property owners, and the structure of reduced property tax collections in this bill.

Creates, Extends, or Expands Tax Expenditure: Yes No