

## **SB 464 -5 STAFF MEASURE SUMMARY**

### **Senate Committee On Finance and Revenue**

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 2/11, 4/19, 6/7, 6/9

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#### **WHAT THE MEASURE DOES:**

Requires tax collector to cancel property taxes, imposed on taxable property damaged or destroyed accordingly, by wildfire during September 2020 in county covered by State of Emergency declared in response to wildfire as if property were destroyed property under current law. Coordinates timing of proration of taxes for property destroyed and damaged by fire or act of God. Applies to property tax year beginning on July 1, 2020. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Impact of 2020 wildfires on local communities.
- Displacement of residents affected by wildfire.
- Logistics of tax proration and refunds.
- Difference between damage and destruction.
- Which properties the bill would affect.
- Local tax revenue effects of proposed measure.

#### **EFFECT OF AMENDMENT:**

-5 Replaces bill. Allows for cancellation of 5/6ths of imposed property taxes by tax collector upon such ordinance adopted by governing body of county affected by 2020 wildfires. Applies to 2020-21 property tax year. Does not apply to Centrally Assessed property. Allows for cancellation of property taxes for properties that experience loss in real market value or disruption of use. Does not require, but allows for application of wildfire tax relief. Establishes application and appeal process for wildfire tax relief. Establishes refund process.

#### **BACKGROUND:**

Property taxes in Oregon are extended and imposed on Taxable Assessed Value subject to Measure 5 and Measure 50 restrictions. Special assessments apply to forest and farmland. Standing timber is not included in Assessed Value. The Department of Revenue appraises connected property subject to Central Assessment. There currently exists a mechanism for the Tax Collector to prorate and/or cancel the property taxes owed on property burnt by wildfire. This mechanism requires the submission of an application by the owner, and provides relief beginning the month following the date of damage. The Governor declared a statewide state of emergency in response to the 2020 wildfires.