

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 464 - 5

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Allows the governing body an eligible county to adopt an ordinance or resolution that directs the tax collector to grant wildfire tax relief to all eligible property that the tax collector knows has suffered a loss in real market value as a result of the wildfires that occurred in Oregon between September 1, 2020 and September 30, 2020. Allows the tax collector to grant wildfire tax relief to other eligible property that suffered damage or disruption of use as a result of the wildfires.

Government Unit(s) Affected:

Counties, Oregon Judicial Department (OJD), Department of Revenue (DOR)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

Senate Bill 464, as amended by the -5 amendments, replaces the introduced version. The measure allows the governing body an eligible county to adopt an ordinance or resolution that directs the tax collector to grant wildfire tax relief to all eligible property that the tax collector knows has suffered a loss in real market value as a result of the wildfires that occurred in Oregon between September 1, 2020 and September 30, 2020. The county tax collector also may grant wildfire tax relief to other eligible property that suffered damage or disruption of use as a result of the wildfires. The measure defines “wildfire tax relief” as a one-time cancellation of 5/6 of the ad valorem property imposed on personal or real property in the county that was within the September 2020 wildfire areas (as mapped by the county) for which the Governor declared a state of emergency. Depending on the type of damage incurred, the owner of an eligible property may need to submit an application to obtain the wildfire tax relief, which must be filed no later than July 1, 2022. If wildfire tax relief granted under this section results in an overpayment of taxes paid on eligible property, the amount of the overpayment determined under this section shall be refunded to the owner of the eligible property. To comply with the measure, a county governing body must pass an ordinance or resolution, map the eligible property areas, direct the tax collector to prorate and refund accordingly, and specify the application form and criteria. The ordinance must be adopted within 45 days of the measure’s effective date. The measure takes effect 91 days after adjournment *sine die* and its provisions are repealed as of January 2, 2023.

Counties

The measure would have an indeterminate fiscal impact on counties. The measure is permissive to counties; thus, if counties opt not to implement the measure, it would have no fiscal impact on them. It is unknown how many of the counties that were subject of the Governor's emergency response to wildfires order will opt into this wildfire tax relief program. According to the Association of Oregon Counties, nine of Oregon’s 36 counties would be eligible for opt into the program.

For those counties that do decide to implement the measure, the costs related to the measure are indeterminate. The measure allows the governing body of any eligible county to adopt an ordinance or resolution directing the tax collector cancel 5/6ths of the property taxes imposed on eligible properties that suffered a loss in real market value or that suffered damage or disruption of use as a result of the wildfires. In adopting such an ordinance or

resolution, the governing body is directed to include a map that describes the boundaries within which property taxes shall be cancelled and identifies eligible properties within those boundaries. It is unclear whether the counties would prepare these maps or whether they would contract their preparation out to a third party. It also unclear how long it would take to prepare such a map. The measure also directs a county tax collector to refund any taxpayer overpayments, if cancellation of taxes results in an overpayment of taxes paid on eligible properties. However, it is unclear what process county tax collectors would follow to determine whether an overpayment has occurred and whether a refund is warranted, particularly if a new owner has taken over an eligible property since the wildfire(s) occurred. It is also unclear whether an overpayment of taxes would be refunded in direct payments or as an offset against a taxpayer's tax liability.

Oregon Judicial Department

The measure would have a minimal fiscal impact on the Oregon Judicial Department.

Department of Revenue

The measure would have no fiscal impact on the Department of Revenue.