

HB 2247 A STAFF MEASURE SUMMARY

House Special Committee On Wildfire Recovery

Action Date: 04/05/21

Action: Do pass with amendments and be referred to Revenue by prior reference. (Printed A-Eng.)

Vote: 10-0-0-0

Yeas: 10 - Cate, Clem, Evans, Gomberg, Grayber, Lewis, Marsh, Meek, Morgan, Post

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 3/1, 4/5

WHAT THE MEASURE DOES:

Authorizes a county governing body to adopt an ordinance or resolution to waive interest charges on unpaid or late property tax payments for only: the 2020-2021 property tax year; properties used for business purposes, provided there were no uncontested delinquent property taxes outstanding as of February 15, 2020; and delinquencies that are substantially due to the effects of the COVID-19 pandemic or the 2020 Oregon fire season. Defines "property tax delinquency substantially due to the effects of the COVID-19 pandemic or the 2020 Oregon fire season" as pertaining to: businesses that were subject to shutdown orders resulting from the COVID-19 emergency declaration and extensions of that declaration; businesses for whom at least 25 percent of the lease income owed to that business is in arrears; businesses for whom the revenue attributable to the use of the property for any quarter of the 2020 calendar year is at least 25 percent less than the revenue from the comparable 2019 quarter; or businesses for whom the real market value of the property has been reduced due to a 2020 wildfire. Requires a county governing body to determine whether to grant a waiver upon application of the taxpayer: if the governing body issues a positive determination, requires interest be waived upon payment of relevant property taxes; if the governing body issues a negative determination, allows for appeal in a hearing process. Requires the county governing body to submit a report to the Legislative Revenue Officer by June 30, 2022, that must include findings and a statement of the financial impact of the waivers on the county. Sunsets January 2, 2023. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Loss of revenue for COVID-19- and wildfire-impacted businesses
- Current cost of penalties and interest charges to an average business
- Sideboards for waiver related to COVID-19 impacts
- Appeal process for negative determination
- Expected delinquent interest and potential cost to local jurisdictions
- Annual report on financial impact to relevant counties

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Property tax is due to county collectors in one-third installments on November 15, February 15, and May 15 of each property tax year. Delinquent property taxes accrue interest at the rate of one and one-third percent monthly.

House Bill 2247 A would authorize a county to waive interest charges on unpaid or late property tax payments; provisions would be limited to the 2020-2021 property tax year, properties used for business purposes, and

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delinquencies due to effects of the COVID-19 pandemic or the 2020 Oregon fire season.