

SB 1012 A STAFF MEASURE SUMMARY

Carrier: Sen. Girod

Senate Committee On Natural Resources**Action Date:** 03/29/23**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 5-0-0-0**Yeas:** 5 - Girod, Golden, Prozanski, Smith DB, Taylor**Fiscal:** Has minimal fiscal impact**Revenue:** Revenue impact issued**Prepared By:** Laura Kentnesse, LPRO Analyst**Meeting Dates:** 3/15, 3/27, 3/29**WHAT THE MEASURE DOES:**

Defines terms, and limits measure application to **homesteads that were destroyed by a September 2020 wildfire** that are being rebuilt to the same or less total square footage on the same lot. Authorizes a **county to elect by ordinance or resolution to allow a specially assessed value** that equals the real market value of the destroyed homestead as shown on the tax statement for the July 1, 2020 property tax year. Allows the ordinance or resolution to prescribe methods of administration and to impose a fee on the owner of the rebuilt homestead for the county cost of recording the notice. Provides the **calculations for the maximum specially assessed value** for the first property tax year for which the property is assessed and for subsequent property tax years. Specifies that the **square footage** must be determined by the county assessor. Requires that the **assessed value** must be the least of the eligible property's maximum assessed value, real market value, and specially assessed value. Authorizes a specially assessed value to be claimed for property tax years beginning on or after July 1, 2021. **Specifies claim filing procedures.** Requires the **county assessor to present a notice of the specially assessed value** to the county clerk for recordation and requires the **county clerk to record the notice** in the county deed records. Specifies that **events that will cause eligible property to be assessed and taxed as other similarly situated property** include the rebuilt homestead no longer being occupied by the owner, being rented to another person for any duration, or being transferred to new ownership. Provides for **appeal of claim denials** to the Oregon Tax Court. Provides that in the event a county adopts an ordinance that **amends or ends the specially assessed value**, eligible properties will continue to receive the specially assessed value. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Increasing property taxes in communities affected by the 2020 wildfires
- Incentives to rebuild in fire-affected areas
- Voluntary assessment and tax option for counties
- Considerations related to square footage, better building materials, and future renovations
- Whether the measure warrants review in a legislative revenue committee

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The "Labor Day" wildfires of 2020 were the most destructive recorded in state history. They burned over one million acres, cost over \$350 million, and destroyed more than 4,000 homes in the Cascades, coast, and southern regions of the state. Many displaced households have recently completed rebuilding or are in the process of rebuilding their homes; others have not yet sought building permits and questions remain as to whether they will rebuild.

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For the purposes of this measure, "homestead" means a principal dwelling owned and occupied by the taxpayer, and the tax lot on which it is located. A homestead can be located in a multiunit building, and is considered the portion of the building actually used as a principal dwelling and its percentage of the value of the common elements and of the value of the tax lot.

Senate Bill 1012 A would authorize a county to allow a property owner who rebuilds a homestead destroyed by the September 2020 wildfires to have a specially assessed value for the purposes of property taxation.