

HB 3518 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Beau Olen, Economist

Meeting Dates: 3/11

WHAT THE MEASURE DOES:

Increases a portion of the county recording fee for certain documents from \$10 to \$19. Increases the amount of the fee portion which is used to help fund county assessment and taxation (A&T) from \$9 to \$18. Indexes the fee portion and the amount which is used to help fund A&T to inflation. Discontinues interest collected on delinquent property taxes as an A&T funding source. Provides that 0.3 percent of property tax distributions, except for bond levies, be reallocated from taxing districts to A&T funding. Appropriates \$10,000,000 of the General Fund for the 2025-27 biennium to the Department of Revenue to help fund A&T. Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Each Oregon county receives a quarterly grant from the Department of Revenue (DOR) to partially fund A&T. The quarterly grant for each county is based on the estimated funds needed to adequately support A&T. The quarterly grants are funded by three components:

1. A portion of the interest paid on delinquent property taxes
2. A portion of the county recording fee for certain documents (e.g., titles and deeds relating to real property)
3. Interest earned on (1) and (2)

Each county turns over their share of these revenues to DOR which then redistributes the funds back to counties in the form of quarterly grants. In addition to funding county quarterly grants, up to 10 percent of these revenues are used to fund DOR administration of the quarterly grants, the County Assessment Function Funding Assistance (CAFFA) account, and appraising state-appraised industrial property and centrally assessed companies.