



Marion County

OREGON

Board of Commissioners

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June 23, 2021

House Committee on Rules

Testimony in Support of SB 464A

BOARD OF COMMISSIONERS

Kevin Cameron, Chair
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CHIEF ADMINISTRATIVE OFFICER

Jan Fritz

Background:

- On September 7, 2020, the Beachie Creek and Lionshead Wildfires swept through the Santiam Canyon causing unprecedented damage throughout the communities. Losses in the Santiam Canyon are significant and include: more than 700 homes, 85 businesses, and city infrastructure, that were all damaged or destroyed by the wildfires. Marion and Linn Counties are doing all they can to help support and encourage our canyon residents rebuild thriving communities that will bring residents back, attract new residents, and promote job creation.
- SB 464 was created with the goal of providing property tax refunds for owners that experienced property damage or destruction, or disruption of use, within the September 2020 wildfire boundaries, for ten months of the 2020-2021 property tax year.

What SB 464A Does:

- SB 464A would only apply to the eight counties affected by the September 2020 wildfire for which a state of emergency was declared by the Governor.
- SB 464A is permissive for counties to choose to provide property tax relief in a wildfire area. Counties are to further define their wildfire boundaries and include maps and boundary descriptions with the board action.

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- Local Policy Making: The Board of County Commissioners (county governing body) may adopt an ordinance or resolution authorizing the tax collector to prorate, cancel, and refund property taxes imposed on taxable property. In doing so, they must comply with the following terms:
 - a) Determine a fire boundary for the September 2020 fires based on readily available data including but not limited to the state fire boundary maps.
 - b) A property-specific, county governing body approved map would be provided to the tax collector in order to calculate and issue property tax refunds.
 - c) Qualifying property is any property damaged or destroyed, impacting real market value as a result of the wildfires, and is located in the adopted wildfire perimeter without application.
 - d) In addition, a county has the ability to set up an application process for a property owner to apply for relief if a property has experienced a disruption of use.
 - Disruption of use means the lack of any of the following for at least 30 continuous days:
 - ✓ Access, due to road closures
 - ✓ Water service
 - ✓ Sanitation services
 - ✓ Electricity; or
 - ✓ Telecommunications services

Financial Impacts:

- Under SB 464A, the property tax reduction impact is spread to **ALL taxing districts**. In Marion County, we have 135 taxing districts (such as fire districts, cities, county, school districts, soil & water districts, community college, library districts, transit district, etc.) and spreading out the property tax relief would equate to a .58% reduction, equaling a total tax refund of \$2,725,654 (potentially eligible for refund).

Marion County		
2020 Total Tax Collectibles	\$470,910,610.88	100%

Within Wildfire Boundary		
2020 Total Taxes Levied <i>(All property in wildfire boundary current)</i>	\$3,311,568.83	0.69%
10 Months Prorated <i>(potentially eligible for refund)</i>	\$2,725,654.40	0.58%

- Wildfire impacted cities DO NOT bear all of the property tax relief impact. For Example:
 - Impact to City of Detroit:
-Distribution Rate 0.000147602875
-**Before** SB 464A would receive \$69,507 property tax revenue
-**After** Passage of SB 464A & Implementation by Marion County, would receive \$69,104.69 (a reduction of \$402.31)
 - Impact to City of Gates:
-Distribution Rate 0.00001629148
-**Before** SB 464A would receive \$7,736 property tax revenue
-**After** Passage of SB 464A & Implementation by Marion County, would receive \$7691.88 (a reduction of \$44.78)
- **HB 3127 – Wildfire Funding Bill – Section 10 – Revenue Replacement:** \$48,250,000 is to be deposited in the Lost Revenue Stabilization Fund. Cities and counties can request revenue replacement funds for providing property tax relief if they choose to implement SB 464A.
- Under current law Marion County has processed 955 Act of God applications to date resulting in \$389,670.39 reduction in taxes levied.
- However, 412 of the 955 applications did not get a reduction in levied taxes as a result of Assessed Value less than after-damage Real Market Value (ORS 308.425).

Support:

- The Cities of Detroit, Gates, and Mill City support SB 464A – they understand the extensive needs of their residents, many of whom are without adequate homeowners insurance for rebuilding.
- Linn County and AOC support SB 464A.

Conclusion:

- SB 464A does not conflict with the property tax proration bill passed previously through this chamber, HB 2341. HB 2341 sets the floor for county property tax relief for 2020 and beyond. SB 464A provides an optional ceiling only for the September 2020 fires. The bills will not conflict with one another.
- SB 464A provides another tool in the tool box for counties to help impacted residents.
- The bill would be effective 91 days after sine die and sunset on January 2, 2023.

- This bill will provide eligible residential and business property owners relief of their tax burden, which will also reduce some of the burden of the ever-increasing costs of rebuilding homes or businesses.
- Thank you for your time and we ask for your support to move SB 464A forward.

MARION COUNTY BOARD OF COMMISSIONERS



Kevin Cameron, Chair



Danielle Bethell, Vice Chair



Colm Willis, Commissioner