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MEMORANDUM

TO: Clackamas County Board of County Commissioners (BCC)

FROM: Sarah Foreman, Assistant County Counsel

RE: Wildfire Property Tax Relief Resolution

DATE: February 3, 2026

REQUEST: Board direction on the Rebuilt Homestead Special Assessment for homes destroyed by the September 2020 wildfires.

BACKGROUND: In June 2024, Oregon enacted Senate Bill 1545, which authorizes counties to provide property tax relief to owners whose homesteads were destroyed in the September 2020 wildfires and rebuilt on the same lot by the same owner. If a county opts into the program by ordinance or resolution, the rebuilt homestead may receive a specially assessed value equal to the destroyed home's real market value for the 2020–21 tax year, limited to the square footage of the original structure. The special assessment is used in calculating maximum property taxes under ORS 310.150, based on the lesser of real market value or the specially assessed value.

The bill allows retroactive application back to the 2021–22 tax year and requires refunds of taxes overpaid during the retroactive period. However, retroactive relief is only available if the owner submits an application provided by the Oregon Department of Revenue to the county assessor by December 31, 2025. It appears that no owners filed the DOR application with the assessor by December 31, 2025, so the enactment of a retroactive resolution will not benefit relevant homeowners.

Applications for tax years after 2024 must be filed annually between January 1 and April 1 of the applicable tax year. If statutory application deadlines are missed, relief cannot be granted, even if the county adopts a retroactive ordinance. As a result, it appears that no homeowner will benefit from a retroactive ordinance.

Prospectively, counties may adopt the program for tax years beginning in 2026, provided owners timely apply each year. The specially assessed value would reflect the 2020–21 real market value of the destroyed home, adjusted annually by the standard 3% increase. Owners must also file an annual attestation confirming the property remains as their principal residence.

The special assessment is disqualified if the rebuilt homestead ceases to be the owner's principal dwelling, is rented for any duration, or is transferred to new ownership. If a county later amends or repeals the program, existing qualifying properties are grandfathered under the same terms. The relief provided under SB 1545 is in addition to any other property tax relief programs.

The September 2020 wildfires burned approximately one million acres, destroyed roughly 4,000 homesteads across eight counties, and primarily affected Jackson and Marion counties. To date, Marion, Linn, and Lincoln counties have adopted ordinances or resolutions implementing the special assessment. The number of homeowners who may still qualify and benefit from the program remains uncertain.

The special assessment can provide tax relief to any qualifying homeowner who lost their primary residence during the September 2020 wildfires. The special assessment only applies to qualifying homeowners for this specific natural disaster. Homeowners who lost their primary residence in any other type of natural disaster or a different wildfire are not eligible for relief under SB 1545.

The special assessment program must either be enacted by ordinance or resolution and must comply with Chapter 94 (Real Property Development) and amended ORS § 310.165 (SB 1545).

If the Board chooses to proceed with the special assessment, staff will return with further details on homeowner notification plans and the application process.

RECOMMENDATION: Provide direction to Counsel whether to collaborate with the Assessor to draft a resolution implementing the wildfire special assessment for tax year 2026 and return at a future Business Meeting for approval.

Respectfully Submitted,

Sarah Foreman

Sarah Foreman
Assistant Legal Counsel, Senior