

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2030 **STATUS:** A-Engrossed
SUBJECT: Continuation of authority for county to maintain property tax bankruptcy accounts
GOVERNMENT UNIT AFFECTED: Oregon Counties and Taxing Districts
PREPARED BY: Adrienne Sexton
REVIEWED BY: Dallas Weyand
DATE: March 16, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See Comments.		

REVENUES:
See Comments.

EFFECTIVE DATE: Conditional: 91 days after adjournment sine die or operative retroactive to September 1, 2007 if 91 days after adjournment sine die is later than September 1, 2007.

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: Current law allows an Oregon county to establish a property tax bankruptcy account, which moneys are used to pay for the higher costs of attempting to collect past-due property taxes when the taxes are subject to bankruptcy court proceedings. This provision is scheduled to sunset on September 2, 2007. County tax collectors report that this is selectively used by counties where there are bankruptcy situations, in particular with out-of-state corporations with high value unpaid taxes, and it is necessary to retain legal counsel admitted to the bar in the appropriate state. While the use of collected taxes from this account reduces the amount available to distribute to local taxing districts, the tax collector is required by statute to report annually to the taxing districts of bankruptcy collection efforts, the amount collected through a bankruptcy court order, and the amount disbursed to the county for recovery costs.