

HOUSE AMENDMENTS TO HOUSE BILL 2032

By COMMITTEE ON REVENUE

April 3

1 On page 1 of the printed bill, line 2, after “311.668” delete the rest of the line and insert “,
2 311.676, 311.684, 311.686, 311.690, 311.694 and 311.695.”.

3 In line 22, restore the bracketed material and delete the boldfaced material.

4 After line 26, insert:

5 “(d) Deferring all delinquent taxes, interest and penalties due at the time of the initial applica-
6 tion for deferral.”.

7 On page 2, line 39, delete “and penalties” and insert “, penalties and fees”.

8 In line 40, delete “and penalties” and insert “, penalties and fees”.

9 Delete line 41 and insert “interest, penalties and fees that are delinquent as of November 15
10 following the date an initial application for deferral is filed under”.

11 Delete line 44 and insert “linquent taxes, interest, penalties and fees on homesteads for which
12 an initial application for deferral under”.

13 After line 45, insert:

14 “**SECTION 4.** ORS 311.684 is amended to read:

15 “311.684. Subject to ORS 311.688, all deferred property taxes, including accrued interest, **pen-**
16 **alties and fees**, become payable as provided in ORS 311.686 when:

17 “(1) The taxpayer who claimed deferment of collection of property taxes on the homestead dies
18 or, if there was more than one claimant, the survivor of the taxpayers who originally claimed
19 deferment of collection of property taxes under ORS 311.668 dies.

20 “(2) Except as provided in ORS 311.683, the property with respect to which deferment of col-
21 lection of taxes is claimed is sold, or a contract to sell is entered into, or some person other than
22 the taxpayer who claimed the deferment becomes the owner of the property.

23 “(3) The tax-deferred property is no longer the homestead of the taxpayer who claimed the
24 deferral, except in the case of a taxpayer required to be absent from such tax-deferred property by
25 reason of health.

26 “(4) The tax-deferred property, a manufactured structure or floating home, is moved out of the
27 state.

28 “**SECTION 5.** ORS 311.686 is amended to read:

29 “311.686. Whenever any of the circumstances listed in ORS 311.684 occurs:

30 “(1) The deferral of taxes for the assessment year in which the circumstance occurs shall con-
31 tinue for such assessment year; and

32 “(2) The amounts of deferred property taxes, including accrued interest, **penalties and fees**, for
33 all years shall be due and payable to the Department of Revenue August 15 of the year following
34 the calendar year in which the circumstance occurs, except as provided in subsection (3) of this
35 section, ORS 311.688 and 311.695.

1 “(3) Notwithstanding the provisions of subsection (2) of this section and ORS 311.695, when the
2 circumstances occur listed in ORS 311.684 (4), the amount of deferred taxes shall be due and payable
3 five days before the date of removal of the property from the state.

4 “(4) If the amounts falling due as provided in this section are not paid on the indicated due date,
5 or as extended under ORS 311.695 such amounts shall be deemed delinquent as of that date and the
6 property shall be subject to foreclosure as provided in ORS 311.673 or 311.679.

7 “**SECTION 6.** ORS 311.690 is amended to read:

8 “311.690. (1) All payments of deferred taxes shall be made to the Department of Revenue.

9 “(2) Subject to subsection (3) of this section, all or part of the deferred taxes and accrued in-
10 terest, **penalties and fees** may at any time be paid to the department by:

11 “(a) The taxpayer or the spouse of the taxpayer.

12 “(b) The next of kin of the taxpayer, heir at law of the taxpayer, child of the taxpayer or any
13 person having or claiming a legal or equitable interest in the property.

14 “(3) A person listed in subsection (2)(b) of this section may make such payments only if no ob-
15 jection is made by the taxpayer within 30 days after the department deposits in the mail notice to
16 the taxpayer of the fact that such payment has been tendered.

17 “(4) Any payment made under this section shall be applied first against accrued interest, **pen-**
18 **alties and fees** and any remainder against the deferred taxes. **Deferred taxes include delinquent**
19 **property taxes, interest, penalties and fees due at the time of filing the initial application for**
20 **deferral.** Such payment does not affect the deferred tax status of the property. Unless otherwise
21 provided by law, such payment does not give the person paying the taxes any interest in the prop-
22 erty or any claim against the estate, in the absence of a valid agreement to the contrary.

23 “(5) When the deferred taxes and accrued interest, **penalties and fees** are paid in full and the
24 property is no longer subject to deferral, the department shall prepare and record in the county in
25 which the property is located a satisfaction of deferred property tax lien.

26 “**SECTION 7. The amendments to ORS 311.690 by section 6 of this 2007 Act apply to ap-**
27 **plications for deferral filed on or after January 1, 2008.**

28 “**SECTION 8.** ORS 311.694 is amended to read:

29 “311.694. (1) At the time that the property is deeded over to the county at the conclusion of the
30 foreclosure proceedings pursuant to ORS 312.200 the county court shall order the county treasurer
31 to pay to the Department of Revenue from the unsegregated tax collections account the amount of
32 deferred taxes [*and*], interest, **penalties and fees** which were not collected.

33 “(2) Immediately upon payment, the county treasurer shall notify the tax collector of the amount
34 paid to the department for the property which has been deeded to the county pursuant to ORS
35 312.200.

36 “**SECTION 9.** ORS 311.695 is amended to read:

37 “311.695. (1) If the taxpayer who claimed homestead property tax deferral dies, or if a spouse
38 who continued the deferral under ORS 311.688 dies, the Department of Revenue may extend the time
39 for payment of the deferred taxes [*and*], interest, **penalties and fees** accruing with respect to the
40 taxes becoming due and payable under ORS 311.686 (2) if:

41 “(a) The homestead property becomes property of an individual or individuals:

42 “(A) By inheritance or devise; or

43 “(B) If the individual or individuals are heirs or devisees, as defined under ORS 111.005, in the
44 course of settlement of the estate;

45 “(b) The individual or individuals commence occupancy of the property as a principal residence

1 on or before August 15 of the calendar year following the calendar year of death; and

2 “(c) The individual or individuals make application to the department for an extension of time
3 for payment of the deferred taxes [*and*], interest, **penalties and fees** prior to August 15 of the cal-
4 endar year following the calendar year of death.

5 “(2)(a) Subject to paragraph (b) of this subsection, an extension granted under this section shall
6 be for a period not to exceed five years after August 15 of the calendar year following the calendar
7 year of death. The terms and conditions under which the extension is granted shall be in accordance
8 with a written agreement entered into by the department and the individual or individuals.

9 “(b) An extension granted under this section shall terminate immediately if:

10 “(A) The homestead property is sold or otherwise transferred by any party to the extension
11 agreement;

12 “(B) All of the heirs or devisees who are parties to the extension agreement cease to occupy the
13 property as a principal residence; or

14 “(C) The homestead property, a manufactured structure or floating home, is moved out of the
15 state.

16 “(3) If the department has reason to believe that the homestead property is not sufficient secu-
17 rity for the deferred taxes and interest, the department may require the individual or individuals to
18 furnish a bond conditioned upon payment of the amount extended in accordance with the terms of
19 the extension. The bond shall not exceed in amount double the taxes with respect to which tax ex-
20 tension is granted.

21 “(4) During the period of extension, and until paid, the deferred taxes shall continue to accrue
22 interest in the same manner and at the same rate as provided under ORS 311.674 (3). No interest
23 shall accrue upon interest.”.

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