

(To Resolve Conflicts)

A-Engrossed
House Bill 2228

Ordered by the Senate June 4
Including Senate Amendments dated June 4 to resolve conflicts

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Revenue and Office of Regulatory Streamlining of Department of Consumer and Business Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Increases authority of county assessors to grant extensions of time for filing property tax returns.

Permits Department of Revenue to grant extensions to persons required to file property tax returns in more than one county.

Applies to returns filed for property tax years beginning on or after July 1, 2008.

A BILL FOR AN ACT

1 Relating to property tax returns; creating new provisions; and amending ORS 308.250 and 308.290.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1.** ORS 308.290 is amended to read:

4 308.290. (1)(a) Every person and the managing agent or officer of any firm, corporation or asso-
5 ciation owning, or having in possession or under control taxable personal property shall make a
6 return of the property for ad valorem tax purposes to the assessor of the county in which such
7 property has its situs for taxation. As between a mortgagor and mortgagee or a lessor and lessee,
8 however, the actual owner and the person in possession may agree between them as to who shall
9 make the return and pay the tax, and the election shall be followed by the person in possession of
10 the roll who has notice of the election. Upon the failure of either party to file a personal property
11 tax return on or before March 1 of any year, both parties shall be jointly and severally subject to
12 the provisions of ORS 308.296.

13 (b) Every person and the managing agent or officer of any firm, corporation or association
14 owning or in possession of taxable real property shall make a return of the property for ad valorem
15 tax purposes when so requested by the assessor of the county in which such property is situated.

16 (2)(a) Each return of personal property shall contain a full listing of such property and a state-
17 ment of its real market value, including a separate listing of those items claimed to be exempt as
18 imports or exports. Each statement shall contain a listing of the additions or retirements made since
19 the prior January 1, indicating the book cost and the date of acquisition or retirement. Each return
20 shall contain the name, assumed business name, if any, and address of the owner of the personal
21 property and, if it is a partnership, the name and address of each general partner or, if it is a cor-
22 poration, the name and address of its registered agent.

23 (b) Each return of real property shall contain a full listing of the several items or parts of such
24

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 property specified by the **county** assessor and a statement exhibiting their real market value. Each
 2 return shall contain a listing of the additions and retirements made during the year indicating the
 3 book cost, book value of the additions and retirements or the appraised real market value of re-
 4 tirements as specified in the return by the assessor.

5 (c) There shall be annexed to each return the affidavit or affirmation of the person making the
 6 return that the statements contained in the return are true. All returns shall be in such form as the
 7 assessor, with the approval of the Department of Revenue, may prescribe. Prior to December 31
 8 preceding the assessment year, the department or assessor shall cause blank forms for the returns
 9 to be prepared and distributed by mail, but failure to receive or secure the form shall not relieve
 10 the person, managing agent or officer from the obligation of making any return required by this
 11 section.

12 (3) All returns shall be filed on or before March 1 of each year, but the **county** assessor[, *upon*
 13 *written request filed with the assessor prior to that date and for good cause shown in the request, shall*
 14 *allow for*] **or the Department of Revenue may grant** an extension of time **to April 15** within
 15 which to file the return [*to April 15*] **as provided by subsection (5), (6) or (7) of this section.**
 16 [*The department shall adopt rules for the granting of extensions under this subsection.*]

17 (4)(a) In lieu of the returns required under subsection (1)(a) or (b) of this section, every person
 18 and the managing agent or officer of any firm, corporation or association owning or having in pos-
 19 session or under control taxable real and personal property that is either principal industrial prop-
 20 erty or secondary industrial property as defined by ORS 306.126 (1) and is appraised by the
 21 Department **of Revenue** shall file a combined return of the real and personal property with the
 22 department.

23 (b) The contents and form of the return shall be as prescribed by rule of the department. Any
 24 form shall comply with ORS 308.297. Notwithstanding ORS 308.875, a manufactured structure that
 25 is a part of an industrial property shall be included in a combined return.

26 (c) In order that the **county** assessor may comply with ORS 308.295, the department shall pro-
 27 vide a list to the assessor of all combined returns that are required to be filed with the department
 28 under this subsection but that were not filed on or before the due date or within the time allowed
 29 by an extension.

30 (d) If the department has delegated appraisal of the property to the **county** assessor under ORS
 31 306.126 (3), the department shall notify the person otherwise required to file the combined return
 32 under this subsection as soon as practicable after the delegation that the combined return is re-
 33 quired to be filed with the [*county*] assessor.

34 (e) Notwithstanding subsection (1) [*or (3)*] of this section, a combined return of real and personal
 35 property that is industrial property appraised by the department shall be filed with the department
 36 on or before March 1 of the year.

37 (5)(a) Any person required to file a return under subsection (4) of this section may apply to the
 38 Department of Revenue for an extension of [*the*] time **to April 15**, within which to file the return.
 39 [*to April 15. An extension granted under this subsection shall continue in effect for each subsequent*
 40 *year unless canceled by the person or revoked by the department.*]

41 **(b) Extensions granted under this subsection may be based on a finding by the depart-**
 42 **ment that:**

43 **(A) Good or sufficient cause exists for granting an extension for the property tax year**
 44 **of the return; or**

45 **(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-**

1 **term voluntary compliance. An extension granted under this subparagraph shall continue in**
2 **effect for each subsequent property tax year until the taxpayer cancels the extension or the**
3 **department revokes the extension.**

4 (c) An extension granted under this subsection shall apply to returns required to be filed **under**
5 **subsection (4) of this section** with either the county assessor or the department.

6 (d) The department shall [*provide for notification of county assessors of the granting of*
7 *extensions*] **notify assessors in affected counties when the department grants extensions** under
8 this subsection.

9 (6)(a) **Except as provided in subsection (5) of this section, any person required to file a**
10 **return with the county assessor under this section may apply to the assessor for an exten-**
11 **sion of time to April 15 within which to file the return.**

12 (b) **Extensions granted under this subsection may be based on a finding by the assessor**
13 **that:**

14 (A) **Good or sufficient cause exists for granting an extension for the property tax year**
15 **of the return; or**

16 (B) **Granting an extension enhances the accuracy of the filing by the taxpayer and long-**
17 **term voluntary compliance. An extension granted under this subparagraph shall continue in**
18 **effect for each subsequent property tax year until the taxpayer cancels the extension or the**
19 **assessor revokes the extension.**

20 (7)(a) **Any person required to file returns in more than one county may apply to the De-**
21 **partment of Revenue for an extension of time to April 15 within which to file the returns.**
22 **The department may grant extensions to a person required to file returns in more than one**
23 **county.**

24 (b) **Extensions granted under this subsection may be based on a finding by the depart-**
25 **ment that:**

26 (A) **Good or sufficient cause exists for granting an extension for the property tax year**
27 **of the return; or**

28 (B) **Granting an extension enhances the accuracy of the filing by the taxpayer and long-**
29 **term voluntary compliance. An extension granted under this subparagraph shall continue in**
30 **effect for each subsequent property tax year until the taxpayer cancels the extension or the**
31 **department revokes the extension.**

32 (c) **Whenever the department grants an extension to a person required to file returns in**
33 **more than one county, the department shall notify the assessors in the counties affected by**
34 **the extensions.**

35 [(b)] (8) The Department of Revenue shall, by rule, establish procedures and criteria for [*the*
36 *granting of extensions provided for under paragraph (a) of this subsection. The department shall adopt*
37 *such rules*] **granting, denying or revoking extensions under this section** after consultation with
38 an advisory committee selected by the department that represents the interests of county assessors
39 and affected taxpayers.

40 [(6)] (9) No return shall be controlling on the **county** assessor or on the Department of Revenue
41 in any respect in the assessment of any property. On any failure to file the required return, the
42 property shall be listed and [*evaluated*] **assessed** from the best information obtainable from other
43 sources.

44 [(7)(a)] (10)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810
45 [*shall be*] **are** confidential records of the **Department of Revenue or the county assessor's** office

1 in which *[such]* **the** returns are filed.

2 (b) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this
3 subsection may be disclosed to:

4 (A) The Department of Revenue or its representative;

5 (B) The representatives of the Secretary of State or to an accountant engaged by a county under
6 ORS 297.405 to 297.555 for the purpose of auditing the county's personal property tax assessment
7 roll (including adjustments to returns made by the Department of Revenue);

8 (C) The county tax collector or the tax collector's representative for the purpose of collecting
9 delinquent personal property taxes;

10 (D) Any reviewing authority to the extent the return being disclosed relates to an appeal
11 brought by a taxpayer;

12 (E) The Division of Child Support of the Department of Justice or a district attorney to the
13 extent the return being disclosed relates to a case for which the Division of Child Support or the
14 district attorney is providing support enforcement services under ORS 25.080; or

15 (F) The Legislative Revenue Officer for the purpose of preparation of reports, estimates and
16 analyses required by ORS 173.800 to 173.850.

17 (c) Notwithstanding paragraph (a) of this subsection:

18 (A) The Department of Revenue may exchange property tax information with the authorized
19 agents of the federal government and the several states on a reciprocal basis.

20 (B) Information regarding the valuation of leased property reported on a property return filed
21 by a lessor under this section may be disclosed to the lessee or other person in possession of the
22 property. Information regarding the valuation of leased property reported on a property return filed
23 by a lessee under this section may be disclosed to the lessor of the property.

24 ~~[(8)]~~ (11) If the assessed value of any personal property in possession of a lessee is less than the
25 maximum amount of the assessed value of taxable personal property for which ad valorem property
26 taxes may be canceled under ORS 308.250, the person in possession of the roll may disregard an
27 election made under subsection (1) of this section and assess the owner or lessor of the property.

28 **SECTION 1a. If Senate Bill 171 becomes law, section 1 of this 2007 Act (amending ORS**
29 **308.290) is repealed and ORS 308.290, as amended by section 1, chapter _____, Oregon Laws**
30 **2007 (Enrolled Senate Bill 171), is amended to read:**

31 308.290. (1)(a) Every person and the managing agent or officer of any firm, corporation or asso-
32 ciation owning, or having in possession or under control taxable personal property shall make a
33 return of the property for ad valorem tax purposes to the assessor of the county in which the
34 property has its situs for taxation. As between a mortgagor and mortgagee or a lessor and lessee,
35 however, the actual owner and the person in possession may agree between them as to who shall
36 make the return and pay the tax, and the election shall be followed by the person in possession of
37 the roll who has notice of the election. Upon the failure of either party to file a personal property
38 tax return on or before March 1 of any year, both parties shall be jointly and severally subject to
39 the provisions of ORS 308.296.

40 (b) Every person and the managing agent or officer of any firm, corporation or association
41 owning or in possession of taxable real property shall make a return of the property for ad valorem
42 tax purposes when so requested by the assessor of the county in which the property is situated.

43 (2)(a) Each return of personal property shall contain a full listing of the property and a state-
44 ment of its real market value, including a separate listing of those items claimed to be exempt as
45 imports or exports. Each statement shall contain a listing of the additions or retirements made since

1 the prior January 1, indicating the book cost and the date of acquisition or retirement. Each return
 2 shall contain the name, assumed business name, if any, and address of the owner of the personal
 3 property and, if it is a partnership, the name and address of each general partner or, if it is a cor-
 4 poration, the name and address of its registered agent.

5 (b) Each return of real property shall contain a full listing of the several items or parts of the
 6 property specified by the county assessor and a statement exhibiting their real market value. Each
 7 return shall contain a listing of the additions and retirements made during the year indicating the
 8 book cost, book value of the additions and retirements or the appraised real market value of re-
 9 tirements as specified in the return by the assessor.

10 (c) There shall be annexed to each return the affidavit or affirmation of the person making the
 11 return that the statements contained in the return are true. All returns shall be in a form that the
 12 county assessor, with the approval of the Department of Revenue, may prescribe. Prior to December
 13 31 preceding the assessment year, the department or assessor shall cause blank forms for the returns
 14 to be prepared and distributed by mail, but failure to receive or secure the form does not relieve the
 15 person, managing agent or officer from the obligation of making any return required by this section.

16 (3) All returns shall be filed on or before March 1 of each year, but the county assessor[, *upon*
 17 *written request filed with the assessor prior to that date and for good cause shown in the request, shall*
 18 *allow for*] **or the Department of Revenue may grant** an extension of time **to April 15** within
 19 which to file the return [*to April 15*] **as provided by subsection (5), (6) or (7) of this section.**
 20 [*The department shall adopt rules for the granting of extensions under this subsection.*]

21 (4)(a) In lieu of the returns required under subsection (1)(a) or (b) of this section, every person
 22 and the managing agent or officer of any firm, corporation or association owning or having in pos-
 23 session or under control taxable real and personal property that is either principal industrial prop-
 24 erty or secondary industrial property as defined by ORS 306.126 (1) and is appraised by the
 25 Department **of Revenue** shall file a combined return of the real and personal property with the
 26 department.

27 (b) The contents and form of the return shall be as prescribed by rule of the department. Any
 28 form shall comply with ORS 308.297. Notwithstanding ORS 308.875, a manufactured structure that
 29 is a part of an industrial property shall be included in a combined return.

30 (c) In order that the county assessor may comply with ORS 308.295, the department shall provide
 31 a list to the assessor of all combined returns that are required to be filed with the department under
 32 this subsection but that were not filed on or before the due date or within the time allowed by an
 33 extension.

34 (d) If the department has delegated appraisal of the property to the county assessor under ORS
 35 306.126 (3), the department shall notify the person otherwise required to file the combined return
 36 under this subsection as soon as practicable after the delegation that the combined return is re-
 37 quired to be filed with the assessor.

38 (e) Notwithstanding subsection (1) [*or (3)*] of this section, a combined return of real and personal
 39 property that is industrial property appraised by the department shall be filed with the department
 40 on or before March 1 of the year.

41 (5)(a) Any person required to file a return under subsection (4) of this section may apply to the
 42 Department of Revenue for an extension of [*the*] time **to April 15**, within which to file the return.
 43 [*to April 15. An extension granted under this subsection shall continue in effect for each subsequent*
 44 *year unless canceled by the person or revoked by the department.*]

45 **(b) Extensions granted under this subsection may be based on a finding by the depart-**

1 **ment that:**

2 (A) Good or sufficient cause exists for granting an extension for the property tax year
3 of the return; or

4 (B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-
5 term voluntary compliance. An extension granted under this subparagraph shall continue in
6 effect for each subsequent property tax year until the taxpayer cancels the extension or the
7 department revokes the extension.

8 (c) An extension granted under this subsection shall apply to returns required to be filed **under**
9 **subsection (4) of this section** with either the county assessor or the department.

10 (d) The department shall *[provide for notification of assessors of the granting of extensions]* **notify**
11 **assessors in affected counties when the department grants extensions** under this subsection.

12 (6)(a) Except as provided in subsection (5) of this section, any person required to file a
13 return with the county assessor under this section may apply to the assessor for an exten-
14 sion of time to April 15 within which to file the return.

15 (b) Extensions granted under this subsection may be based on a finding by the assessor
16 that:

17 (A) Good or sufficient cause exists for granting an extension for the property tax year
18 of the return; or

19 (B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-
20 term voluntary compliance. An extension granted under this subparagraph shall continue in
21 effect for each subsequent property tax year until the taxpayer cancels the extension or the
22 assessor revokes the extension.

23 (7)(a) Any person required to file returns in more than one county may apply to the De-
24 partment of Revenue for an extension of time to April 15 within which to file the returns.
25 The department may grant extensions to a person required to file returns in more than one
26 county.

27 (b) Extensions granted under this subsection may be based on a finding by the depart-
28 ment that:

29 (A) Good or sufficient cause exists for granting an extension for the property tax year
30 of the return; or

31 (B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-
32 term voluntary compliance. An extension granted under this subparagraph shall continue in
33 effect for each subsequent property tax year until the taxpayer cancels the extension or the
34 department revokes the extension.

35 (c) Whenever the department grants an extension to a person required to file returns in
36 more than one county, the department shall notify the assessors in the counties affected by
37 the extensions.

38 *[(b)]* (8) The Department of Revenue shall, by rule, establish procedures and criteria for *[the*
39 *granting of extensions provided for under paragraph (a) of this subsection. When the department adopts*
40 *rules under this subsection, the department shall consult]* **granting, denying or revoking extensions**
41 **under this section after consultation** with an advisory committee selected by the department that
42 represents the interests of county assessors and affected taxpayers.

43 *[(6)]* (9) A return is not in any respect controlling on the county assessor or on the Department
44 of Revenue in the assessment of any property. On any failure to file the required return, the prop-
45 erty shall be listed and *[evaluated]* **assessed** from the best information obtainable from other

1 sources.

2 [(7)(a)] (10)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810
3 [shall be] are confidential records of the **Department of Revenue or the county assessor's** office
4 in which the returns are filed.

5 (b) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this
6 subsection may be disclosed to:

7 (A) The Department of Revenue or its representative;

8 (B) The representatives of the Secretary of State or to an accountant engaged by a county under
9 ORS 297.405 to 297.555 for the purpose of auditing the county's personal property tax assessment
10 roll (including adjustments to returns made by the Department of Revenue);

11 (C) The county assessor, the county tax collector, the assessor's representative or the tax col-
12 lector's representative for the purpose of:

13 (i) Collecting delinquent real or personal property taxes; or

14 (ii) Correctly reflecting on the tax roll information reported on returns filed by a business op-
15 erating in more than one county or transferring property between counties in this state during the
16 tax year;

17 (D) Any reviewing authority to the extent the return being disclosed relates to an appeal
18 brought by a taxpayer;

19 (E) The Division of Child Support of the Department of Justice or a district attorney to the
20 extent the return being disclosed relates to a case for which the Division of Child Support or the
21 district attorney is providing support enforcement services under ORS 25.080; or

22 (F) The Legislative Revenue Officer for the purpose of preparation of reports, estimates and
23 analyses required by ORS 173.800 to 173.850.

24 (c) Notwithstanding paragraph (a) of this subsection:

25 (A) The Department of Revenue may exchange property tax information with the authorized
26 agents of the federal government and the several states on a reciprocal basis, or with county
27 assessors, county tax collectors or authorized representatives of assessors or tax collectors.

28 (B) Information regarding the valuation of leased property reported on a property return filed
29 by a lessor under this section may be disclosed to the lessee or other person in possession of the
30 property. Information regarding the valuation of leased property reported on a property return filed
31 by a lessee under this section may be disclosed to the lessor of the property.

32 [(8)] (11) If the assessed value of any personal property in possession of a lessee is less than the
33 maximum amount of the assessed value of taxable personal property for which ad valorem property
34 taxes may be canceled under ORS 308.250, the person in possession of the roll may disregard an
35 election made under subsection (1) of this section and assess the owner or lessor of the property.

36 **SECTION 2.** ORS 308.250 is amended to read:

37 308.250. (1) All personal property not exempt from ad valorem taxation or subject to special
38 assessment shall be valued at 100 percent of its real market value, as of January 1, at 1:00 a.m. and
39 shall be assessed at its assessed value determined as provided in ORS 308.146.

40 (2) If the total assessed value of all taxable personal property required to be reported under ORS
41 308.290 in any county of any taxpayer is less than \$12,500 in any assessment year, the county
42 assessor shall cancel the ad valorem tax assessment for that year.

43 (3) In any assessment year or years following an assessment year for which taxes are canceled
44 under subsection (2) of this section, the taxpayer may meet the requirements of ORS 308.290 by fil-
45 ing, within the time required **or extended** under ORS 308.290, a verified statement with the county

1 assessor indicating that the total assessed value of all taxable personal property of the taxpayer
2 required to be reported under ORS 308.290 in the county is less than \$12,500. The statement shall
3 contain the name and address of the taxpayer, the information needed to identify the account and
4 other pertinent information, but shall not be required to contain a listing or value of property or
5 property additions or retirements.

6 (4)(a) For each tax year beginning on or after July 1, 2003, the Department of Revenue shall
7 recompute the maximum amount of the assessed value of taxable personal property for which ad
8 valorem property taxes may be canceled under this section. The computation shall be as follows:

9 (A) Divide the average U.S. City Average Consumer Price Index for the prior calendar year by
10 the average U.S. City Average Consumer Price Index for 2002.

11 (B) Recompute the maximum amount of assessed value for which taxes may be canceled by
12 multiplying \$12,500 by the appropriate indexing factor determined as provided in subparagraph (A)
13 of this paragraph.

14 (b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City
15 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
16 Labor Statistics of the United States Department of Labor.

17 (c) If any change in the maximum amount of assessed value determined under paragraph (a) of
18 this subsection is not a multiple of \$500, the increase shall be rounded to the nearest multiple of
19 \$500.

20 **SECTION 3. The amendments to ORS 308.250 and 308.290 by sections 1 and 2 of this 2007**
21 **Act apply to returns filed for property tax years beginning on or after July 1, 2008.**

22 **SECTION 3a.** If Senate Bill 171 becomes law, section 3 of this 2007 Act is amended to read:

23 **Sec. 3.** The amendments to ORS 308.250 and 308.290 by sections [1] **1a** and 2 of this 2007 Act
24 apply to returns filed for property tax years beginning on or after July 1, 2008.

25