

Senate Bill 814

Sponsored by COMMITTEE ON FINANCE AND REVENUE

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 **as introduced**.

Permits assessor or tax roll officer to correct errors in valuation judgment at any time during appeal to tax court if correction results in reduced tax.

A BILL FOR AN ACT

Relating to taxation; amending ORS 308.242, 311.205, 311.206 and 311.234.

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

SECTION 1. ORS 308.242 is amended to read:

308.242. (1) The assessor may not make changes in the roll after September 25 of each year except as provided in subsections (2) and (3) of this section or as otherwise provided by law.

(2) After the assessment roll has been certified and on or before December 31, **or at any time if an account is on appeal to the tax court**, the assessor may make changes in valuation judgment that result in a reduction in the value of property, if so requested by the taxpayer or upon the assessor's own initiative.

(3)(a) If a petition for reduction has been filed with the board of property tax appeals, the assessor may change the roll if the assessor and the petitioner stipulate to a change in valuation judgment that results in a reduction in value. The stipulation may be made at any time up until the convening of the board.

(b) Stipulations agreed to by the assessor and the petitioner under this subsection shall be delivered to the clerk of the board prior to the convening of the board.

(c) As used in this subsection, "stipulation" means a written agreement signed by the petitioner and the assessor that specifies a reduction in value to be made to the assessment and tax roll.

(4) Any change in value made under subsection (2) or (3) of this section shall be made in the manner specified in ORS 311.205 and 311.216 to 311.232.

SECTION 2. ORS 311.205 is amended to read:

311.205. (1) After the assessor certifies the assessment and tax roll to the tax collector, the officer in charge of the roll may correct errors or omissions in the roll to conform to the facts, as follows:

(a) The officer may correct a clerical error. A clerical error is an error on the roll which either arises from an error in the ad valorem tax records of the assessor, or the records of the Department of Revenue for property assessed under ORS 306.126, or which is a failure to correctly reflect the ad valorem tax records of the assessor, or the records of the Department of Revenue for property assessed under ORS 306.126, and which, had it been discovered by the assessor or the department prior to the certification of the assessment and tax roll of the year of assessment would have been corrected as a matter of course, and the information necessary to make the correction is contained

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 in such records. Such errors include, but are not limited to, arithmetic and copying errors, and the
 2 omission or misstatement of a land, improvement or other property value on the roll.

3 (b)(A) The officer may not correct an error in valuation judgment, except as provided in ORS
 4 308.242 (2) and (3). [*Such errors*] **Errors in valuation judgment** are those where the assessor would
 5 arrive at a different opinion of value.

6 **(B) The officer may correct an error in valuation judgment for appeals of valuation**
 7 **pending in the tax court as provided in ORS 308.242 (2) when the correction results in a re-**
 8 **duction on the tax owed on the account.**

9 (c) The officer may correct any other error or omission of any kind. [*Corrections that are not*
 10 *corrections of valuation judgment*] **Other errors or omissions** include, but are not limited to, the
 11 elimination of an assessment to one taxpayer of property belonging to another on the assessment
 12 date, the correction of a tax limit calculation, the correction of a value changed on appeal, or the
 13 correction of an error in the assessed value of property resulting from an error in the identification
 14 of a unit of property, but not an error in a notice filed under ORS 310.060.

15 [(c)] (d) The officer shall make any change requested by the Department of Revenue which re-
 16 lates to an assessment of property made by the department under ORS 308.505 to 308.665.

17 [(d)] (e) The officer shall make any change ordered by the tax court or the Department of Re-
 18 venue under ORS 305.288 (1) to (6) or 306.115.

19 [(e)] (f) The officer shall make any change required under ORS 308A.089.

20 (2)(a) The officer in charge of the roll shall make corrections with the assent and concurrence
 21 of the assessor or the department. The direction for the correction shall be made in writing and
 22 state the type of error and the statutory authority for the correction. Corrections may be made to
 23 the roll for any year or years not exceeding five years prior to the last roll so certified.

24 (b) Any additional taxes resulting from corrections for years prior to the current year shall be
 25 deemed assessed and imposed in the particular year or years as to which the corrections apply.
 26 Addition of tax to a prior year's tax roll, due to corrections under this section, shall not be con-
 27 sidered in calculating the effect of the tax limitation under section 11b, Article XI of the Oregon
 28 Constitution for the current year.

29 (3) A correction made pursuant to this section shall be made in whatever manner necessary to
 30 make the assessment, tax or other proceeding regular and valid. The correction shall be distin-
 31 guishable upon the roll, shall include the date of the correction and shall identify the officer making
 32 the correction. Whenever a correction is to be made after the assessor has delivered the roll to the
 33 tax collector, the effect of which is to increase the assessment to which it relates, except where
 34 made by order of the department, the procedure prescribed in ORS 311.216 to 311.232 shall be fol-
 35 lowed; and the provisions therein with respect to appeals shall likewise apply.

36 (4) Corrections which would result in less than a \$1,000 change in assessed value or real market
 37 value shall not change the value for purposes of computing the taxes levied against the property,
 38 but shall be made only for purposes of correcting the office records.

39 (5) The remedies under this section are in addition to other remedies provided by law.

40 **SECTION 3.** ORS 311.206 is amended to read:

41 311.206. (1)(a) Except as provided in paragraph (b) of this subsection, when the roll is corrected
 42 under ORS 311.205, and taxes are added to the roll, the additional taxes shall be added to the tax
 43 extended against the property on the general property tax roll for the tax year following the current
 44 tax year, to be collected and distributed in the same manner as other ad valorem property taxes
 45 imposed on the property. Notwithstanding ORS 311.205 (2)(b), for purposes of collection and

1 enforcement, the additional taxes added to the roll under this subsection shall be considered delin-
2 quent as of the date the other taxes for the year in which the additional taxes are added to the roll
3 become delinquent.

4 (b) When additional taxes are added to the roll as the result of an order described in ORS
5 311.205 [(1)(d)] (1)(e), the additional taxes shall be collected as provided in ORS 311.513.

6 (2) Notwithstanding subsection (1) of this section or other provision of law establishing the de-
7 linquency date for additional taxes, additional taxes may not be assessed and imposed if the cor-
8 rection is a result of:

9 (a) The disqualification of property from a tax exemption granted erroneously by a tax official;
10 or

11 (b) The failure by a tax official to timely disqualify property from a tax exemption.

12 (3) Subsection (2) of this section does not apply to a failure by a tax official to timely disqualify
13 property from a tax exemption if the property owner fails to timely notify the assessor of a change
14 in use of the property to a nonexempt use.

15 (4) Additional taxes arising from a correction under ORS 311.205 may be paid to the tax col-
16 lector prior to the completion of the next general property tax roll, pursuant to ORS 311.370.

17 (5) For purposes of this section, "additional taxes" includes increases in taxes that have already
18 been extended on the roll.

19 **SECTION 4.** ORS 311.234 is amended to read:

20 311.234. (1) Notwithstanding ORS 311.205 (1)(b)], the current owner of property or other person
21 obligated to pay taxes imposed on property may petition the county assessor for a correction in the
22 maximum assessed value of the property for the current tax year.

23 (2) Pursuant to a petition filed under this section, the assessor may correct the maximum as-
24 sessed value of the property for the current tax year if there is a demonstrated difference between
25 the actual square footage of the property as of the assessment date for the current tax year and the
26 square footage of the property as shown in the records of the assessor for the tax year.

27 (3) The correction made under this section may not be proportionally different from the pro-
28 portional difference between the original square footage of the property as shown in the assessor's
29 records and the actual square footage of the property as of the assessment date for the current tax
30 year.

31 (4) Notwithstanding subsection (3) of this section, the correction made under this section may
32 not cause the maximum assessed value of the property to increase by more than three percent from
33 the maximum assessed value of the property for the preceding tax year.

34 (5) A petition filed under this section must be on the form and contain the information pre-
35 scribed by the Department of Revenue and must be filed with the county assessor on or before De-
36 cember 31 of the current tax year.

37 (6) A decision by the assessor pursuant to a petition filed under this section may be appealed
38 under ORS 305.275.

39