

Senate Bill 878

Sponsored by Senator MORSE (at the request of Marshall and Charlotte Smith)

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**.

Creates additional tax assistance program to provide loans to seniors and persons with disabilities for payment of taxes imposed due to partial or full omission of homestead from assessment and taxation. Requires Department of Revenue to pay additional taxes imposed for up to five years that property is omitted. Allows taxpayer to repay department over same length of time as number of tax years for which omitted taxes were imposed on homestead. Provides for payment of additional tax assistance from Senior Property Tax Deferral Revolving Account.

Applies to tax years beginning on or after July 1, 2000.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to additional tax assistance program for seniors and persons with disabilities; creating new
3 provisions; amending ORS 311.701; and prescribing an effective date.

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

SECTION 1. As used in sections 1 to 20 of this 2007 Act:

6 (1) **"Additional tax" means ad valorem property taxes added to the tax extended on the**
7 **taxpayer's principal residence under ORS 311.223 due to an omission, in whole or in part, of**
8 **the property from assessment and taxation for up to the five previous tax years.**

9 (2) **"Additional tax assistance" means the amount of additional tax paid by the Depart-**
10 **ment of Revenue to the county assessor pursuant to sections 1 to 20 of this 2007 Act.**

11 (3) **"Assisted property" means the property for which the taxpayer has filed an applica-**
12 **tion for additional tax assistance.**

13 (4) **"Homestead" or "principal residence" means the owner-occupied principal dwelling,**
14 **either real or personal property, owned by the taxpayer and the tax lot upon which it is lo-**
15 **located. If the homestead is located in a multiunit building, the homestead is the portion of**
16 **the building actually used as the principal dwelling and its percentage of the value of the**
17 **common elements and of the value of the tax lot upon which it is built. The percentage is**
18 **the value of the unit consisting of the homestead compared to the total value of the building**
19 **exclusive of the common elements, if any.**

20 (5) **"Person with a disability" means a person who has been determined to be eligible to**
21 **receive or who is receiving federal Social Security benefits due to disability or blindness, in-**
22 **cluding a person who is receiving Social Security survivor benefits in lieu of Social Security**
23 **benefits due to disability or blindness.**

24 (6) **"Senior citizen" means any person who is at least 62 years of age.**

25 (7) **"Taxes" or "property taxes" means ad valorem taxes, assessments, fees and charges**
26 **entered on the assessment and tax roll.**

27 (8) **"Taxpayer" means an individual who has filed an application for additional tax as-**
28 **sistance under section 3 of this 2007 Act or individuals who have jointly filed an application**

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 for additional tax assistance under section 3 of this 2007 Act.

2 **SECTION 2.** (1) Upon the taxpayer's compliance with sections 1 to 20 of this 2007 Act,
3 and subject to sections 1 to 20 of this 2007 Act, the Department of Revenue shall pay the
4 additional taxes extended against the homestead of a taxpayer who:

5 (a) Is obligated to pay additional taxes on the taxpayer's homestead due to a correction
6 in the tax roll under ORS 311.223;

7 (b) Has household income that does not exceed \$36,500 for the calendar year preceding
8 the year for which the application described under section 3 of this 2007 Act is filed; and

9 (c) On or before April 15 of the year for which an application for additional tax assistance
10 is filed, is:

11 (A) A senior citizen or, in the case of two or more individuals filing an application for
12 additional tax assistance jointly, each taxpayer is a senior citizen; or

13 (B) A person with a disability. In the case of individuals filing an application for addi-
14 tional tax assistance jointly, only one individual need be a person with a disability.

15 (2) Payment shall be made by the department from the Senior Property Tax Deferral
16 Revolving Account established in ORS 311.701, as prescribed under section 4 of this 2007 Act.

17 (3) The department shall make only one payment under this section for any principal
18 residence for any tax year.

19 **SECTION 3.** (1) A taxpayer may apply for additional tax assistance by filing an application
20 with the Department of Revenue on or before July 1 of the calendar year within which begins
21 the tax year to which the application relates.

22 (2) The application shall be on such form as the department shall prescribe and shall
23 contain the following:

24 (a) The name of each applicant as it appears on the applicant's Social Security card.

25 (b) The Social Security number of each applicant.

26 (c) The date of birth of each applicant.

27 (d) The tax lot number or numbers or other identification for the applicant's principal
28 residence.

29 (e) The years for which additional taxes are owing and the amount of additional tax as-
30 sistance the applicant seeks.

31 (f) The names and Social Security numbers of all family members of the taxpayer resid-
32 ing at the taxpayer's principal residence.

33 (g) The total household income of the taxpayer and the taxpayer's family residing at the
34 taxpayer's principal residence.

35 (3) The department may require such other information as the department determines
36 is necessary to process applications under this section.

37 (4) The department may require that an applicant under this section file with the de-
38 partment a statement from the appropriate county assessor stating for the principal resi-
39 dence referred to in subsection (2) of this section the amount of additional tax imposed on
40 the principal residence and the year or years for which additional tax was imposed. At the
41 request of the applicant, and upon payment of a uniform fee to defray the expense as deter-
42 mined by the county governing body, the county assessor shall assist the applicant in iden-
43 tifying the principal residence of the taxpayer.

44 **SECTION 4.** (1) An application for additional tax assistance filed under section 3 of this
45 2007 Act shall be approved or disapproved by the Department of Revenue on or before August

1 1 of the tax year to which the application relates.

2 (2) Upon approval of the application, the department shall forward the following infor-
3 mation to the county assessor of the county within which the principal residence of the
4 taxpayer is located:

5 (a) The name and Social Security number of the taxpayer.

6 (b) The tax lot number or numbers or other identification of the property.

7 (3)(a) Upon receipt of the information described under subsection (2) of this section, the
8 county assessor shall identify the property on the assessment and tax roll.

9 (b) For the property identified under this subsection, the county assessor shall compute
10 the amount of additional tax that is to be paid by the department under section 2 of this 2007
11 Act and shall certify the amount to the department.

12 (c) The county assessor shall reduce the total amount of taxes otherwise billed for the
13 property by the amount of additional taxes to be paid by the department under section 2 of
14 this 2007 Act.

15 (d) In addition to the other items required under ORS 311.250 to appear on the tax
16 statement for the property, the tax statement shall contain the total amount of the addi-
17 tional taxes due that are paid or to be paid by the department under section 2 of this 2007
18 Act.

19 (4) Upon receipt of the certification under subsection (3) of this section, the department
20 shall notify the county assessor of the amount paid and shall pay to the county treasurer
21 of the county from which the certification was issued the amount so certified. The amount
22 so paid shall be deposited by the county treasurer to the unsegregated tax collections ac-
23 count established under ORS 311.385 and shall be distributed to the taxing units of the county
24 in the same manner as the other property tax collections are distributed under ORS 311.390.
25 Payment under this subsection shall be made by the department from the suspense account
26 referred to in ORS 310.692.

27 (5) The department shall pay the total amount certified to the county treasurer, without
28 the discount allowed under ORS 311.505, in three approximately equal installments in No-
29 vember, February and May.

30 (6) The payments received by the county treasurer from the department shall be dis-
31 tributed to the taxing units of the county using the schedule of percentages determined un-
32 der ORS 311.390 then in effect.

33 **SECTION 5.** In order to qualify for additional tax assistance under sections 1 to 20 of this
34 2007 Act, the assisted property must meet all of the following requirements when the claim
35 is filed and thereafter until the taxpayer has repaid the additional tax assistance:

36 (1) The property must be the homestead of the individual or individuals who file the ap-
37 plication for assistance, except for an individual required to be absent from the homestead
38 by reason of health.

39 (2) The taxpayer filing the application for assistance must, by himself or herself or to-
40 gether with the taxpayer's spouse, own the fee simple estate or be purchasing the fee simple
41 estate under a recorded instrument of sale, or two or more persons must together own or
42 be purchasing the fee simple estate with rights of survivorship under a recorded instrument
43 of sale if all owners live in the homestead and if all owners apply for the deferral jointly.

44 (3) There must be no prohibition to additional tax assistance contained in any provision
45 of federal law, rule or regulation applicable to a mortgage, trust deed, land sale contract or

1 conditional sale contract for which the homestead is security.

2 **SECTION 6.** (1)(a) An application filed under section 3 of this 2007 Act shall be disap-
3 proved by the Department of Revenue if:

4 (A) The department has reason to believe that the household income information or
5 other information contained in the application is inaccurate; or

6 (B) The department has reason to believe that the omission of the property giving rise
7 to the additional taxes was due to a willful attempt to evade the payment of taxes on the
8 property.

9 (b) Appeal of the disapproval may be made to the Director of the Department of Revenue
10 in the manner provided under ORS 305.275 and shall be made within 90 days after the notice
11 of disapproval is mailed.

12 (2) If an application contains information that is determined to be false and provided with
13 intent to evade taxation or if it appears to the satisfaction of the department that the
14 omission of the property was due to a willful attempt to evade the payment of taxes on the
15 property, the department shall disapprove the application.

16 (3) If the sole issue on appeal under subsection (1) of this section is the failure to timely
17 file the application described under section 3 of this 2007 Act, the appeal must be made within
18 the time and in the manner provided under ORS 307.475. No further appeal shall be made
19 from an order on an appeal under this subsection.

20 (4) If an appeal results in a refund, the refund shall be made in the manner provided
21 under section 16 of this 2007 Act.

22 **SECTION 7.** (1) If for any reason the Department of Revenue makes a payment under
23 sections 1 to 20 of this 2007 Act and that payment should not have been made, subject to
24 ORS 311.235 the amount of the payment shall be added to the assessment and tax roll as an
25 error correction under ORS 311.205 and shall be due and payable, with or without interest,
26 as provided in ORS 311.206.

27 (2) If a correction as described in subsection (1) of this section does not become a lien
28 under ORS 311.235, the amount of the correction is a debt due and owing from the person
29 who received payment or the benefit of the payment and may be collected under any of the
30 provisions of the law relating to the collection of personal property taxes.

31 (3) Any payment made by the department under sections 1 to 20 of this 2007 Act, and any
32 amount added to the assessment and tax roll under subsection (1) of this section, shall be
33 processed under the rules adopted by the department.

34 **SECTION 8.** For property tax years beginning on or after July 1, 2009, the Department
35 of Revenue shall recompute the maximum amount of household income a taxpayer may re-
36 ceive in a preceding calendar year in order to be eligible for the principal residence property
37 tax exemption. The computation shall be as follows:

38 (1) Divide the U.S. City Average Consumer Price Index for the average of the first six
39 months of the previous calendar year by the U.S. City Average Consumer Price Index for the
40 average of the first six months of 2007 to calculate an indexing ratio for the current taxable
41 year.

42 (2) Multiply the maximum household income provided in section 2 of this 2007 Act by the
43 current taxable year indexing ratio, computed as provided in subsection (1) of this section.

44 **SECTION 9.** (1) The county assessor and the Department of Revenue shall cooperate in
45 carrying out the purposes of sections 1 to 20 of this 2007 Act, including but not limited to

1 developing procedures to ensure compliance with the household income standards for eligi-
2 bility for additional tax assistance under section 2 of this 2007 Act.

3 (2) The department may adopt rules, and may define terms as necessary, to carry out the
4 purposes of sections 1 to 20 of this 2007 Act.

5 **SECTION 10.** (1) In each county in which there is assisted property, the Department of
6 Revenue shall cause to be recorded in the mortgage records of the county a list of properties
7 receiving additional tax assistance of that county. The list shall contain a description of the
8 property as listed on the assessment roll together with the name of the owner listed thereon.

9 (2) The recording of the assisted properties under subsection (1) of this section is notice
10 that the department claims a lien against those properties in the amount of the additional
11 tax assistance plus interest together with any fees paid to the county clerk in connection
12 with the recording, release or satisfaction of the lien.

13 (3) Notwithstanding the provisions of ORS 182.040 to 182.060 and 205.320 relating to the
14 time and manner of payment of fees to the county clerk, the department shall not be re-
15 quired to pay any filing, indexing or recording fees to the county in connection with the re-
16 cording, release or satisfaction of liens against assisted properties of that county in advance
17 or at the time entry is made. The manner of payment shall be as provided in ORS 205.395 for
18 the payment of fees for recording and making entry of warrants or orders in the County
19 Clerk Lien Record.

20 (4) The department shall maintain accounts for each property receiving additional tax
21 assistance and shall accrue interest only on the actual amount of additional tax assistance
22 advanced to the county.

23 (5) The lien created under subsection (1) of this section shall attach to the assisted
24 property as of July 1 of the tax year in which the taxpayer receives additional tax assistance.

25 (6) The lien created under subsection (1) of this section in the amount of the estimate
26 shall have the same priority as other real property tax liens except that the lien of mort-
27 gages, trust deeds or security interests that are recorded or noted on a certificate of title
28 prior in time to the attachment of the lien for additional tax assistance shall be prior to the
29 liens for additional tax assistance.

30 (7) The notice of lien for additional tax assistance recorded as provided in this section
31 shall list the amount of the additional tax assistance, interest and fees paid by the depart-
32 ment under subsection (1) of this section.

33 (8) A lien created under this section may be foreclosed by the department as if it were
34 a purchase money mortgage under ORS chapter 88. The court may award reasonable attor-
35 ney fees to the prevailing party in a foreclosure action under this section.

36 (9) Receipts from foreclosure proceedings shall be credited in the same manner as other
37 repayments of additional tax assistance under ORS 311.701.

38 (10) The taxpayer may limit the amount of the lien for deferred taxes created under this
39 section by repaying the additional taxes as provided in section 14 of this 2007 Act. If the
40 taxpayer desires that the limit be reflected in the records of the county, the taxpayer must
41 request, subject to any rules adopted by the department, that the department cause a partial
42 satisfaction of the lien to be recorded in the county. Upon receipt of such a request, the
43 department shall cause a partial satisfaction, in the amount of the voluntary payment, to
44 be so recorded. Nothing in this subsection shall affect the priority of the liens of the de-
45 partment, as originally created under subsections (1) and (5) of this section.

1 **SECTION 11.** (1) A taxpayer who has not filed a timely application for additional tax as-
 2 sistance may request that the Director of the Department of Revenue grant a late applica-
 3 tion for additional tax assistance on the property. A spouse who is eligible to file a notice to
 4 continue additional tax assistance under section 14 of this 2007 Act may also request a grant
 5 of late application for additional tax assistance under this section.

6 (2) The director may, in the discretion of the director, grant or deny a late application
 7 for additional property tax assistance. No appeal from a decision of the director under this
 8 section may be made.

9 (3) The director shall not grant a late application for additional tax assistance if, in any
 10 intervening year between the year in which the omitted taxes were extended to the property
 11 and the year in which the taxpayer files the late application for additional tax assistance, the
 12 property would not have been eligible for additional tax assistance had the application been
 13 timely filed.

14 (4) If the director grants a late application for additional tax assistance under this sec-
 15 tion, the department shall pay to the county tax collector an amount equal to the additional
 16 taxes for up to five years prior to the application, less three percent. Interest shall accrue
 17 on the actual amount of taxes advanced to the county.

18 (5) The department shall have a lien against the assisted property for amount of addi-
 19 tional tax assistance under this section as provided in section 10 of this 2007 Act. The lien
 20 shall attach as of July 1 of the tax year in which the additional taxes become due.

21 **SECTION 12.** All additional tax assistance, including accrued interest, becomes payable
 22 as provided in section 13 of this 2007 Act when:

23 (1) The taxpayer who received additional tax assistance dies or, if there was more than
 24 one claimant, the survivor of the taxpayer who originally received additional tax assistance
 25 under section 3 of this 2007 Act dies.

26 (2) The assisted property is sold, or a contract to sell is entered into, or some person
 27 other than the taxpayer who received the additional tax assistance or the taxpayer's spouse
 28 becomes the owner of the property.

29 (3) The assisted property is no longer the homestead of the taxpayer who claimed the
 30 additional tax assistance, except in the case of a taxpayer required to be absent from the
 31 assisted property by reason of health.

32 (4) The assisted property, a manufactured structure or a floating home is moved out of
 33 this state.

34 **SECTION 13.** (1) The amount of additional tax assistance, including accrued interest,
 35 shall be due and payable to the Department of Revenue August 15 of the year following the
 36 calendar year in which the taxpayer filed the application for additional tax assistance, except
 37 as provided in subsections (2) and (3) of this section and sections 15 and 19 of this 2007 Act.

38 (2) Notwithstanding subsection (1) of this section, if additional tax assistance is provided
 39 for additional taxes imposed for more than one tax year, the taxpayer may repay the addi-
 40 tional tax assistance within the same number of years for which the taxpayer received ad-
 41 ditional tax assistance. The number of years to repay additional tax assistance under this
 42 subsection may not exceed five years from the calendar year that the taxpayer received ad-
 43 ditional tax assistance.

44 (3) Notwithstanding the provisions of subsection (1) of this section and section 19 of this
 45 2007 Act, when the circumstances listed in section 12 (4) of this 2007 Act occur, the amount

1 of additional tax assistance shall be due and payable five days before the date of removal of
2 the property from this state.

3 (4) If the amounts falling due as provided in this section are not paid on the indicated
4 due date, or as extended under section 19 of this 2007 Act, such amounts shall be deemed
5 delinquent as of that date, and the property shall be subject to foreclosure as provided in
6 section 10 of this 2007 Act.

7 **SECTION 14.** (1) Notwithstanding section 12 of this 2007 Act, when one of the circum-
8 stances listed in section 12 (1) or (3) of this 2007 Act occurs, the spouse who was not eligible
9 to or did not file a claim jointly with the taxpayer may continue the additional tax assistance
10 payments by filing a notice of intention to continue additional tax assistance payments after
11 the date of the circumstance listed in section 12 (1) or (3) of this 2007 Act, in the time pro-
12 vided under section 3 of this 2007 Act for filing applications for additional tax assistance, if
13 the property is the homestead of the spouse of the taxpayer and meets the requirements of
14 sections 2 and 5 (2) of this 2007 Act. The notice shall contain the information required under
15 section 3 of this 2007 Act. A spouse who files a notice of intention to continue additional tax
16 payments under this section must meet the income requirements of section 2 of this 2007
17 Act but need not meet the age or disability requirements for additional tax assistance.

18 (2) Notwithstanding section 2 of this 2007 Act, if the Department of Revenue determines
19 that good and sufficient cause exists for the failure of a spouse to file a notice under this
20 section on or before April 15, the claim may be filed within 180 days after notice of taxes due
21 and payable under section 7 of this 2007 Act is mailed or delivered by the department to the
22 taxpayer or spouse.

23 **SECTION 15.** (1) All payments of additional tax assistance shall be made to the Depart-
24 ment of Revenue.

25 (2) Interest shall accrue on the actual amount of additional tax assistance advanced to
26 the county for the assisted property at the rate of six percent per annum.

27 (3) Subject to subsection (4) of this section, all or part of the additional tax assistance
28 and accrued interest may at any time be paid to the department by:

29 (a) The taxpayer or the spouse of the taxpayer.

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

32 (4) A person listed in subsection (3)(b) of this section may make such payments only if
33 no objection is made by the taxpayer within 30 days after the department deposits in the
34 mail notice to the taxpayer of the fact that such payment has been tendered.

35 (5) Any payment made under this section shall be applied first against accrued interest
36 and any remainder against the additional taxes. Unless otherwise provided by law, such
37 payment does not give the person paying the taxes any interest in the property or any claim
38 against the estate, in the absence of a valid agreement to the contrary.

39 (6) When the additional tax assistance and accrued interest are paid in full, the depart-
40 ment shall prepare and record in the county in which the property is located a satisfaction
41 of assisted property tax lien.

42 **SECTION 16.** (1) Notwithstanding ORS chapter 312 and section 20 (1) of this 2007 Act,
43 upon compliance with section 17 of this 2007 Act, taxes assessed against an assisted property
44 for any tax year that were unpaid as of July 1 of the tax year for which the taxpayer received
45 additional tax assistance under sections 1 to 20 of this 2007 Act or for any tax year there-

1 after, and that remain unpaid, shall remain a lien and shall become delinquent as otherwise
2 provided by law.

3 (2) This section does not apply if:

4 (a) The tax-deferred homestead property is a manufactured structure or floating home
5 and is moved out of state;

6 (b) Except in the case of a manufactured structure or floating home, the tax-deferred
7 homestead property is personal property; or

8 (c) The owner of the tax-deferred homestead property has household income, for the
9 calendar year immediately preceding the calendar year in which application is filed under
10 section 3 of this 2007 Act, of more than the maximum household income that may be in-
11 curred under an allowable application for additional tax assistance, as provided in section 2
12 of this 2007 Act.

13 (3) If the property to which subsection (1) of this section applies has been included on a
14 foreclosure list, or a judgment of foreclosure entered, the property shall be removed from
15 the foreclosure list, or judgment vacated, unless the proceeding against the property involves
16 delinquent taxes other than those described in subsection (1) of this section.

17 (4) Upon removal from the foreclosure list, or upon vacation of the judgment, no penalty
18 shall be imposed under ORS 312.110 or 312.120. In lieu thereof, the penalty is abated, or if the
19 penalty has been paid, upon application made to the county assessor on or before July 1 of
20 the year immediately following the year of vacation or removal, the penalty shall be refunded
21 out of the unsegregated tax collections account in the manner provided in ORS 311.806.

22 (5) Within 60 days after approval of an application under section 17 of this 2007 Act, with
23 respect to any property to which this section applies, the tax collector shall make the proper
24 entries on the tax roll and shall remove the property from the foreclosure list and proceed-
25 ing.

26 (6) If a judgment has been entered foreclosing liens for delinquent taxes against any
27 property that is the subject of an application filed under section 17 of this 2007 Act and the
28 delinquent taxes include only those taxes described in subsection (1) of this section, or taxes
29 in excess of those described in subsection (1) of this section are paid, the judgment shall be
30 null and void and of no effect, and the tax collector shall make the proper entries on the
31 assessment and tax rolls to reflect the vacation of the judgment and to acknowledge the
32 subsisting liens.

33 (7) Nothing in this section shall remove or release property to which this section applies
34 from the lien of any unpaid tax thereon, but the unpaid taxes shall remain valid and sub-
35 sisting liens as though the foreclosure proceeding had not been instituted or as though the
36 foreclosure proceeding had not been instituted and a judgment entered.

37 (8) Nothing in this section shall affect a foreclosure proceeding instituted, or a judgment
38 entered, to foreclose liens for delinquent taxes against properties subject to foreclosure if the
39 delinquent taxes include taxes other than those described under subsection (1) of this sec-
40 tion. Such foreclosure proceedings shall be instituted or continued without regard to this
41 section, and such judgment shall be of full force and effect as if this section did not exist.

42 (9) Interest on taxes to which this section applies shall be determined from the same
43 dates, in the same manner and until paid as for other property taxes remaining unpaid upon
44 the due dates, upon preparation of the foreclosure list in accordance with ORS chapter 312
45 and subsection (1) of this section and upon entry and following a judgment of foreclosure.

1 **SECTION 17.** (1) The owner of homestead property desiring delay in foreclosure in order
2 to obtain additional tax assistance under sections 1 to 20 of this 2007 Act, as provided in
3 section 16 of this 2007 Act, shall make application for the delay to the county assessor prior
4 to the date the period of redemption expires under ORS 312.120. The application shall contain
5 or be accompanied by a verified statement of total household income, as defined in ORS
6 310.630, of the owner for the calendar year immediately preceding the calendar year in which
7 the application is made.

8 (2) Upon receipt of an application under subsection (1) of this section, the county
9 assessor shall approve or deny the application. If the application is denied, the owner may
10 appeal to the circuit court in the county where the tax-deferred homestead property is lo-
11 cated within 90 days after notice in writing of the denial is mailed to the owner by the county
12 assessor. Orders of the circuit court in an appeal taken under this subsection may be ap-
13 pealed to the Court of Appeals within the time and in the manner provided under ORS
14 312.210.

15 **SECTION 18.** (1) At the time that any assisted property is deeded over to the county at
16 the conclusion of foreclosure proceedings pursuant to ORS 312.200, the county court shall
17 order the county treasurer to pay to the Department of Revenue from the unsegregated tax
18 collections account the amount of additional tax assistance and interest that were not col-
19 lected.

20 (2) Immediately upon payment, the county treasurer shall notify the tax collector of the
21 amount paid to the department for the property that has been deeded to the county pursuant
22 to ORS 312.200.

23 **SECTION 19.** (1) If the taxpayer who received additional tax assistance dies before re-
24 payment in full of additional tax assistance, the Department of Revenue may extend the time
25 for payment of the additional tax assistance and interest accruing with respect to the pay-
26 ment becoming due and payable under section 7 (2) of this 2007 Act if:

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

28 (A) By inheritance or devise; or

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

31 (b) The individual or individuals commence occupancy of the property as a principal res-
32 idence on or before August 15 of the calendar year following the calendar year of death; and

33 (c) The individual or individuals make application to the department for an extension of
34 time for payment of the additional tax assistance and interest prior to August 15 of the cal-
35 endar year following the calendar year of death.

36 (2)(a) Subject to paragraph (b) of this subsection, an extension granted under this section
37 shall be for a period not to exceed five years after August 15 of the calendar year following
38 the calendar year of death. The terms and conditions under which the extension is granted
39 shall be in accordance with a written agreement entered into by the department and the in-
40 dividual or individuals.

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

42 (A) The homestead property is sold or otherwise transferred by any party to the exten-
43 sion agreement;

44 (B) All of the heirs or devisees who are parties to the extension agreement cease to oc-
45 cupy the property as a principal residence; or

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

3 (3) If the department has reason to believe that the homestead property is not sufficient
4 security for the deferred taxes and interest, the department may require the individual or
5 individuals to furnish a bond conditioned upon payment of the amount extended in accord-
6 ance with the terms of the extension. The bond shall not exceed in amount double the taxes
7 with respect to which tax extension is granted.

8 (4) During the period of extension, and until paid, the additional tax assistance shall
9 continue to accrue interest in the same manner and at the same rate as provided under
10 section 15 (2) of this 2007 Act. No interest shall accrue upon interest.

11 **SECTION 20.** Nothing in sections 1 to 20 of this 2007 Act is intended to or shall be con-
12 strued to:

13 (1) Prevent the collection, by foreclosure, of property taxes that become a lien against
14 the assisted property.

15 (2) Affect payment of special assessments to assisted property for which assessments do
16 not appear on the assessment and tax roll.

17 (3) Affect any provision of any mortgage or other instrument relating to land requiring
18 a person to pay property taxes.

19 **SECTION 21.** ORS 311.701 is amended to read:

20 311.701. (1) There is established in the State Treasury the Senior Property Tax Deferral Re-
21 volving Account to be used by the Department of Revenue for the purpose of making the payments
22 to:

23 (a) County tax collectors of:

24 (A) Property taxes deferred for tax years beginning on or after January 1, 1983, as required by
25 ORS 311.676[.]; and

26 (B) Additional taxes, as defined in section 1 of this 2007 Act, imposed for tax years be-
27 ginning on or after January 1, 2001, as required by section 2 of this 2007 Act.

28 (b) The appropriate local officer of special assessment improvement amounts deferred on or after
29 October 15, 1983, as required by ORS 311.730.

30 (c) The department for its expenses in administering the property tax [and], special assessment
31 senior deferral and additional tax assistance programs.

32 (2) The funds necessary to make payments under subsection (1) of this section shall be advanced
33 to the department from time to time as necessary by the State Treasurer as an investment of the
34 General Fund. The interest rate on the investment shall be as stated in ORS 311.674 (3) or 311.711

35 (3). No funds shall be advanced under this subsection after June 30, 1985.

36 (3) The Senior Property Tax Deferral Revolving Account may include a reserve for payment of
37 department administrative expenses.

38 (4) All sums of money received by the Department of Revenue under ORS 311.666 to 311.701 as
39 repayments of deferred property taxes[or], under ORS 311.702 to 311.735 as repayments of deferred
40 special assessment improvement amounts, or under sections 1 to 20 of this 2007 Act as repay-
41 ments of additional tax assistance, including the interest accrued under ORS 311.674 (3) or
42 311.711 (3) or section 15 (2) of this 2007 Act, shall, upon receipt, be credited to the revolving ac-
43 count and are continuously appropriated to the department after June 30, 1985, for the purposes of
44 subsection (1) of this section.

45 (5) After June 30, 1985, if there is not sufficient money in the revolving account to make the

1 payments required by subsection (1) of this section, there is appropriated from the General Fund an
 2 amount sufficient [which] **that** together with the money in the revolving account will provide an
 3 amount sufficient to make the required payments.

4 (6) When the department determines that moneys in sufficient amounts are available in the re-
 5 volving account, the department shall repay to the General Fund the amounts advanced as invest-
 6 ments under subsection (2) of this section and section 17, chapter 550, Oregon Laws 1983, plus
 7 accrued interest. The moneys used to repay the General Fund under this section shall not be con-
 8 sidered a budget item on which a limitation is otherwise fixed by law.

9 **SECTION 22.** ORS 311.701, as amended by section 4, chapter 749, Oregon Laws 2005, is
 10 amended to read:

11 311.701. (1) There is established in the State Treasury the Senior Property Tax Deferral Re-
 12 volving Account to be used by the Department of Revenue for the purpose of making the payments
 13 to:

14 (a) County tax collectors of:

15 **(A)** Property taxes deferred for tax years beginning on or after January 1, 1983, as required by
 16 ORS 311.676[.]; **and**

17 **(B) Additional taxes, as defined in section 1 of this 2007 Act, imposed for tax years be-**
 18 **ginning on or after January 1, 2001, as required by section 2 of this 2007 Act.**

19 (b) The appropriate local officer of special assessment improvement amounts deferred on or after
 20 October 15, 1983, as required by ORS 311.730.

21 (c) The department for its expenses in administering the property tax, [and] special assessment
 22 senior deferral **and additional tax assistance** programs.

23 (2) The Senior Property Tax Deferral Revolving Account may include a reserve for payment of
 24 department administrative expenses.

25 (3) All sums of money received by the Department of Revenue under ORS 311.666 to 311.701 as
 26 repayments of deferred property taxes, [or] under ORS 311.702 to 311.735 as repayments of deferred
 27 special assessment improvement amounts, **or under sections 1 to 20 of this 2007 Act as repay-**
 28 **ments of additional tax assistance**, including the interest accrued under ORS 311.674 (3) or
 29 311.711 (3) **or section 15 (2) of this 2007 Act**, shall, upon receipt, be credited to the revolving ac-
 30 count and are continuously appropriated to the department for the purposes of subsection (1) of this
 31 section.

32 (4) If there is not sufficient money in the revolving account to make the payments required by
 33 subsection (1) of this section, there is appropriated from the General Fund an amount sufficient
 34 [which] **that** together with the money in the revolving account will provide an amount sufficient to
 35 make the required payments.

36 (5)(a) On November 30 of each year, if the amount in the revolving account exceeds the greater
 37 of 35 percent of the total amount needed to make the payments described in subsection (1) of this
 38 section for the previous property tax year or \$5 million, the department shall calculate the differ-
 39 ence between the amount in the revolving account and the greater of an amount that equals 35
 40 percent of the total amount needed to make the payments described in subsection (1) of this section
 41 for the previous property tax year or \$5 million.

42 (b) No later than February 1 of each year, the department shall transfer an amount equal to the
 43 difference described in paragraph (a) of this subsection into the Oregon Project Independence Fund
 44 established in ORS 410.422.

45 **SECTION 23. Notwithstanding section 3 (1) of this 2007 Act, for tax years beginning on**

1 or after July 1, 2001, and before July 1, 2007, a qualifying taxpayer may file with the county
2 assessor, on forms supplied by the assessor, an application in writing, as provided under
3 section 3 of this 2007 Act, within 60 days after the effective date of this 2007 Act.

4 **SECTION 24.** Sections 1 to 20 of this 2007 Act and the amendments to ORS 311.701 by
5 sections 21 and 22 of this 2007 Act apply to property tax years beginning on or after July 1,
6 2000.

7 **SECTION 25.** This 2007 Act takes effect on the 91st day after the date on which the
8 regular session of the Seventy-fourth Legislative Assembly adjourns sine die.

9