

House Bill 2983

Sponsored by Representative CAMERON; Representatives BENTZ, BERGER, ROBLAN, THATCHER

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 counties to sell property tax lien certificates.

Directs Department of Revenue to adopt rules establishing standards and procedures for property tax lien certificate sales programs.

A BILL FOR AN ACT

1
2 Relating to property tax liens; creating new provisions; and amending ORS 294.178 and 312.020.

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

4 **SECTION 1. (1) As used in this section, "property tax lien certificate" means evidence**
5 **that the holder has a right to collect the amount of a judgment lien of ad valorem property**
6 **tax entered pursuant to ORS 312.090.**

7 **(2) The Department of Revenue shall adopt rules consistent with this section that es-**
8 **tablish:**

9 **(a) Uniform standards and an approval process for county property tax lien certificate**
10 **sales programs; and**

11 **(b) Procedures by which a property tax lien certificate holder's judgment may be fore-**
12 **closed.**

13 **(3) A county may sell a property tax lien certificate if:**

14 **(a) The county governing body has, by ordinance or resolution, adopted a program for the**
15 **sale of property tax lien certificates; and**

16 **(b) The county's property tax lien certificate sales program has been approved by the**
17 **department.**

18 **(4) The sale of a property tax lien certificate is not subject to any limitation under ORS**
19 **311.785.**

20 **(5) A purchaser of a property tax lien certificate acquires the right to receive payment**
21 **of delinquent taxes, including penalties and interest due at the time of purchase, that are the**
22 **subject of the lien and may foreclose the lien in accordance with rules adopted by the de-**
23 **partment pursuant to this section.**

24 **(6) A county shall deposit the proceeds from the sale of a property tax lien certificate in**
25 **the unsegregated tax collections account described in ORS 311.385. The proceeds must be**
26 **distributed to taxing districts in the same manner as property tax collections.**

27 **SECTION 2. ORS 312.020 is amended to read:**

28 312.020. (1) The Department of Revenue shall have general supervision and control over tax
29 foreclosure proceedings under ORS 312.010 to 312.120 and 312.130 to 312.240 **and section 1 of this**
30 **2009 Act** to the end that such proceedings shall be conducted in a uniform and orderly manner in
31 all counties of the state.

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 (2) Whenever any district attorney fails to institute or complete foreclosure proceedings in the
 2 manner required by this chapter, the department may call upon the Attorney General to institute
 3 or complete such proceedings. For this purpose, the Attorney General shall have the same powers
 4 and authority as a district attorney under this chapter. All costs incurred by the Attorney General
 5 shall be borne by the county in which the foreclosure proceedings are undertaken. Upon presenta-
 6 tion by the Attorney General to the county governing body of a certified, itemized statement of
 7 costs, the governing body shall order payment to the Attorney General out of any available funds
 8 of the county. If no payment is made within 30 days thereafter, the Attorney General shall submit
 9 to the Secretary of State a certified, itemized statement of such costs and the Attorney General shall
 10 be reimbursed upon the order of the Secretary of State to the State Treasurer, from the county's
 11 share of the state's cigarette and liquor revenues.

12 **SECTION 3.** ORS 294.178 is amended to read:

13 294.178. (1) Before issuing *[any certificate]* **certification** under ORS 294.175, the Department of
 14 Revenue shall estimate the amount available in the County Assessment Function Funding Assistance
 15 Account created under ORS 294.184 for distribution as grants to counties for the ensuing fiscal year.

16 (2) The estimate shall be used to determine the estimated percent of the moneys available in the
 17 County Assessment Function Funding Assistance Account that each county will receive as grants
 18 and the total estimated grant that each county will receive for the ensuing fiscal year. The estimates
 19 so determined shall serve as the estimates required to be included in any certification issued under
 20 ORS 294.175 for that county.

21 (3) On or before the 25th day of the month following the close of each fiscal quarter, the de-
 22 partment shall pay a percentage of the moneys in the County Assessment Function Funding Assist-
 23 ance Account as of the close of that fiscal quarter to each county to which a certificate has been
 24 issued under ORS 294.175.

25 (4) Except as provided under subsection (5) of this section, the percentage to be paid to each
 26 county under subsection (3) of this section shall be the percentage that the expenditures of the
 27 county certified by the department to the county governing body under ORS 294.175 bears to the
 28 total of all expenditures of all counties certified by the department to counties under ORS 294.175.
 29 In determining the expenditures of a county or in determining the total of all expenditures for pur-
 30 poses of this subsection:

31 (a) No expenditures *[shall]* **may** be included that have not been certified under ORS 294.175.

32 (b) No expenditures of any county that did not file an estimate of expenditures under ORS
 33 294.175 *[shall]* **may** be included.

34 (c) No expenditures of any county for which certification has been denied *[shall]* **may** be in-
 35 cluded.

36 (d) No expenditures of any county that does not make its appropriation under ORS 294.435 based
 37 upon 100 percent of the expenditures certified *[shall]* **may** be included.

38 (e) No expenditures of any county that does not certify compliance under ORS 294.181 *[shall]*
 39 **may** be included.

40 (5) If the expenditures of a county are not included for a fiscal quarter on account of subsection
 41 (4) of this section, no grant *[shall]* **may** be made to that county under subsection (3) of this section
 42 for that fiscal quarter. If grant funds are denied to any county under this subsection for any fiscal
 43 quarter, the percentage determined under subsection (4) of this section shall be redetermined, ex-
 44 cluding from the computation for that fiscal quarter the certified expenditures of the county for
 45 which grant funds are denied to the end that all of the funds available in the County Assessment

1 Function Funding Assistance Account as of the close of the fiscal quarter may be distributed.

2 **(6) In determining the estimated percentages used to determine the amount of grants to**
3 **be made under this section, the department shall consider the effects of property tax lien**
4 **certificate sales by counties that have adopted property tax lien certificate sales programs**
5 **under section 1 of this 2009 Act.**

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