

A-Engrossed
Senate Bill 563

Ordered by the Senate May 27
Including Senate Amendments dated May 27

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.

[Redirects deposit of interest on late payment of property taxes from County Assessment and Taxation Fund to County Assessment Function Funding Assistance Account.]

[Sunsets redirected deposits of interest for tax years beginning on or after July 1, 2013.]

Requires all interest on late payment of property taxes to be deposited in County Assessment and Taxation Fund.

Applies to tax years beginning on or after July 1, 2009.

A BILL FOR AN ACT

1
2 Relating to interest due on the late payment of property taxes; creating new provisions; and
3 amending ORS 311.385, 311.505 and 311.508.

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

5 **SECTION 1.** ORS 311.505 is amended to read:

6 311.505. (1) Except as provided in subsection (6) of this section, the first one-third of all taxes
7 and other charges due from the taxpayer or property, levied or imposed and charged on the latest
8 tax roll, shall be paid on or before November 15, the second one-third on or before February 15, and
9 the remaining one-third on or before May 15 next following.

10 (2) Interest shall be charged and collected on any taxes on property, other charges, and on any
11 additional taxes or penalty imposed for disqualification of property for special assessment or ex-
12 emption, or installment thereof not paid when due, at the rate of one and one-third percent per
13 month, or fraction of a month until paid.

14 (3) Discounts shall be allowed on partial or full payments of such taxes, made on or before No-
15 vember 15 as follows:

16 (a) Two percent on two-thirds of such taxes so paid.

17 (b) Three percent where all of such taxes are so paid.

18 (4) For purposes of this section, "taxes" includes all taxes on property as defined in ORS 310.140
19 and certified to the assessor under ORS 310.060 except taxes assessed on any other property which
20 have by any means become a lien against the property for which the payment was made.

21 (5) *[All interest collected and]* All discounts allowed shall be prorated to the several municipal
22 corporations, taxing districts and governmental agencies sharing in the taxes or assessments.

23 (6) If the total property tax is less than \$40, no installment payment of taxes shall be allowed.

24 **SECTION 2.** ORS 311.508 is amended to read:

25 311.508. *[(1) Except as provided under subsection (2) of this section and notwithstanding ORS*
26 *311.505 (5):]*

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 *[(a) (1) [Twenty-five percent of] The interest charged and collected under ORS 311.505 shall be*
2 *deposited and credited to the County Assessment and Taxation Fund created under ORS 294.187[;*
3 *and].*

4 *[(b) An additional 25 percent of the interest charged and collected under ORS 311.505 shall be*
5 *deposited and credited to the County Assessment and Taxation Fund created under ORS 294.187 to the*
6 *extent the interest would otherwise be distributed to cities or other taxing districts that are not counties*
7 *or districts within the public school system.]*

8 *[(2) On or before June 15 of each year, the Department of Revenue shall estimate the amount of*
9 *interest that will be deposited and credited to the County Assessment Function Funding Assistance*
10 *Account created under ORS 294.184 for the ensuing fiscal year. If the estimate is less than \$13 million,*
11 *the department shall certify to each county treasurer an increase in the percentage specified under*
12 *subsection (1)(a) of this section to the end that the estimate reaches \$13 million. However, no increase*
13 *in percentage shall be certified that will raise and make available for deposit and credit to the County*
14 *Assessment Function Funding Assistance Account for the ensuing fiscal year an amount that is in*
15 *excess of \$3 million over the amount estimated under this subsection to be received under subsection*
16 *(1)(a) of this section for the ensuing fiscal year.]*

17 *[(3) Upon receipt of certification from the department under subsection (2) of this section, the county*
18 *treasurer shall deposit and credit to the County Assessment and Taxation Fund for the fiscal year to*
19 *which the certification applies the percentage of the interest charged and collected under ORS 311.505*
20 *so certified.]*

21 *[(4) The percentage of the interest on unpaid taxes and penalties required to be deposited and*
22 *credited to the County Assessment and Taxation Fund under this section shall be deposited and cred-*
23 *ited in the same manner that the remaining interest is deposited and credited under ORS 311.385.]*

24 **(2) The interest on unpaid taxes and penalties required to be deposited and credited to**
25 **the County Assessment and Taxation Fund under this section shall be deposited and credited**
26 **in the same manner as property tax moneys are deposited and credited under ORS 311.385.**

27 **SECTION 3.** ORS 311.385 is amended to read:

28 311.385. (1) The tax collector shall deposit all property tax moneys with the county treasurer
29 no later than:

30 (a) One business day after:

31 (A) Payment of the moneys is made in person at the office of the tax collector; or

32 (B) The tax collector receives moneys collected by a financial institution or other collection
33 agency; or

34 (b) Thirty calendar days after the payment arrives by mail in the county mail receptacle.

35 (2) The tax collector shall take a receipt for all moneys deposited with the county treasurer.

36 (3) Property tax moneys shall not be deposited in any account other than the unsegregated tax
37 collections account, except as provided in ORS 311.370, 311.484 and 311.508.

38 (4) No later than one business day after receiving notice of collection of tax moneys by a fi-
39 nancial institution or other collection agency, the tax collector shall notify the county treasurer of
40 the collection of those tax moneys.

41 (5) Except as provided in ORS 311.370, 311.484 and 311.508, the county treasurer shall deposit
42 all property tax moneys to an account in the records of the county treasurer designated as the un-
43 segregated tax collections account. Only those moneys that will be distributed under ORS 311.390
44 and interest earned from the investment of those moneys shall be deposited to the unsegregated tax
45 collections account.

1 (6) As used in this section, “property tax moneys” includes all ad valorem taxes and all taxes
2 on property, as defined in ORS 310.140, and all other amounts specifically authorized by law to be
3 included on the assessment and tax roll, that are certified for collection under ORS 310.060 or other
4 law [*and any interest on those taxes*].

5 **SECTION 4. The amendments to ORS 311.385, 311.505 and 311.508 by sections 1 to 3 of this**
6 **2009 Act apply to tax years beginning on or after July 1, 2009.**

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