

A-Engrossed
House Bill 3640

Ordered by the House February 8
Including House Amendments dated February 8

Sponsored by Representative HOYLE; Representatives CLEM, DOHERTY, HOLVEY, KAHL, KOTEK, NOLAN, RILEY, Senator EDWARDS (Pre-session filed.)

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.

Requires county assessor in county with population of more than 340,000 to cancel property tax assessment for manufactured structures if total assessed value of all manufactured structures taxable as personal property of taxpayer is less than \$12,500.

Applies to property tax years beginning on or after July 1, 2010, and before July 1, 2014.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to cancellation of ad valorem tax assessment of personal property; creating new provisions;
3 amending ORS 308.250 and 308.290; and prescribing an effective date.

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

5 **SECTION 1.** ORS 308.250 is amended to read:

6 308.250. (1) All personal property not exempt from ad valorem taxation or subject to special
7 assessment shall be valued at 100 percent of its real market value, as of January 1, at 1:00 a.m. and
8 shall be assessed at its assessed value determined as provided in ORS 308.146.

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

13 **(b) If, in a county with a population of more than 340,000, the total assessed value of all**
14 **manufactured structures taxable as personal property under ORS 308.875 of any taxpayer is**
15 **less than \$12,500 in any assessment year, the county assessor shall cancel the ad valorem**
16 **tax assessment for the manufactured structures for that year.**

17 (3) In any assessment year or years following an assessment year for which taxes are canceled
18 under subsection (2)(a) of this section, the taxpayer may meet the requirements of ORS 308.290 by
19 filing, within the time required or extended under ORS 308.290, a verified statement with the county
20 assessor indicating that the total assessed value of all taxable personal property of the taxpayer
21 required to be reported under ORS 308.290 in the county is less than \$12,500. The statement shall
22 contain the name and address of the taxpayer, the information needed to identify the account and
23 other pertinent information, but shall not be required to contain a listing or value of property or
24 property additions or retirements.

25 (4)(a) For each tax year beginning on or after July 1, 2003, the Department of Revenue shall
26 recompute the maximum amount of the assessed value of taxable personal property **in subsection**

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)(a) and (b) of this section** for which ad valorem property taxes may be canceled under this
2 section. The computation shall be as follows:

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

5 (B) Recompute the maximum amount of assessed value for which taxes may be canceled **under**
6 **subsection (2)(a) or (b) of this section** by multiplying \$12,500 by the appropriate indexing factor
7 determined as provided in subparagraph (A) of this paragraph.

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

11 (c) If any change in the maximum amount of assessed value determined under paragraph (a) of
12 this subsection is not a multiple of \$500, the increase shall be rounded to the nearest multiple of
13 \$500.

14 **SECTION 2.** ORS 308.250, as amended by section 1 of this 2010 Act, is amended to read:

15 308.250. (1) All personal property not exempt from ad valorem taxation or subject to special
16 assessment shall be valued at 100 percent of its real market value, as of January 1, at 1:00 a.m. and
17 shall be assessed at its assessed value determined as provided in ORS 308.146.

18 [(2)(a)] **(2)** If the total assessed value of all taxable personal property required to be reported
19 under ORS 308.290 in any county of any taxpayer is less than \$12,500 in any assessment year, the
20 county assessor shall cancel the ad valorem tax assessment [*for property required to be reported*
21 *under ORS 308.290*] for that year.

22 [(b) *If, in a county with a population of more than 340,000, the total assessed value of all manu-*
23 *factured structures taxable as personal property under ORS 308.875 of any taxpayer is less than*
24 *\$12,500 in any assessment year, the county assessor shall cancel the ad valorem tax assessment for the*
25 *manufactured structures for that year.*]

26 (3) In any assessment year or years following an assessment year for which taxes are canceled
27 under subsection [(2)(a)] **(2)** of this section, the taxpayer may meet the requirements of ORS 308.290
28 by filing, within the time required or extended under ORS 308.290, a verified statement with the
29 county assessor indicating that the total assessed value of all taxable personal property of the tax-
30 payer required to be reported under ORS 308.290 in the county is less than \$12,500. The statement
31 shall contain the name and address of the taxpayer, the information needed to identify the account
32 and other pertinent information, but shall not be required to contain a listing or value of property
33 or property additions or retirements.

34 (4)(a) For each tax year beginning on or after July 1, 2003, the Department of Revenue shall
35 recompute the maximum amount of the assessed value of taxable personal property [*in subsection*
36 *(2)(a) and (b) of this section*] for which ad valorem property taxes may be canceled under this section.
37 The computation shall be as follows:

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

40 (B) Recompute the maximum amount of assessed value for which taxes may be canceled [*under*
41 *subsection (2)(a) or (b) of this section*] by multiplying \$12,500 by the appropriate indexing factor de-
42 termined as provided in subparagraph (A) of this paragraph.

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

1 (c) If any change in the maximum amount of assessed value determined under paragraph (a) of
2 this subsection is not a multiple of \$500, the increase shall be rounded to the nearest multiple of
3 \$500.

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

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

14 (b) Paragraph (a) of this subsection does not apply to personal property exempt from taxation
15 under ORS 307.162.

16 (2) Every person and the managing agent or officer of any business, firm, corporation or asso-
17 ciation owning or in possession of taxable real property shall make a return of the property for ad
18 valorem tax purposes when so requested by the assessor of the county in which the property is sit-
19 uated.

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

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

32 (c) There shall be annexed to each return the affidavit or affirmation of the person making the
33 return that the statements contained in the return are true. All returns shall be in a form that the
34 county assessor, with the approval of the Department of Revenue, may prescribe. Prior to December
35 31 preceding the assessment year, the department or assessor shall cause blank forms for the returns
36 to be prepared and distributed by mail, but failure to receive or secure the form does not relieve the
37 person, managing agent or officer from the obligation of making any return required by this section.

38 (4) All returns shall be filed on or before March 1 of each year, but the county assessor or the
39 Department of Revenue may grant an extension of time to April 15 within which to file the return
40 as provided by subsection (6), (7) or (8) of this section.

41 (5)(a) In lieu of the returns required under subsection (1)(a) or (2) of this section, every person
42 and the managing agent or officer of any business, firm, corporation or association owning or having
43 in possession or under control taxable real and personal property that is either principal industrial
44 property or secondary industrial property as defined in ORS 306.126 (1) and is appraised by the
45 Department of Revenue shall file a combined return of the real and personal property with the de-

1 partment.

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

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

9 (d) If the department has delegated appraisal of the property to the county assessor under ORS
10 306.126 (3), the department shall notify the person otherwise required to file the combined return
11 under this subsection as soon as practicable after the delegation that the combined return is re-
12 quired to be filed with the assessor.

13 (e) Notwithstanding subsection (2) of this section, a combined return of real and personal prop-
14 erty that is industrial property appraised by the department shall be filed with the department on
15 or before March 1 of the year.

16 (6)(a) Any person required to file a return under subsection (5) of this section may apply to the
17 Department of Revenue for an extension of time to April 15, within which to file the return.

18 (b) Extensions granted under this subsection may be based on a finding by the department that:

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

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

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

27 (d) The department shall notify assessors in affected counties when the department grants ex-
28 tensions under this subsection.

29 (7)(a) Except as provided in subsection (6) of this section, any person required to file a return
30 with the county assessor under this section may apply to the assessor for an extension of time to
31 April 15 within which to file the return.

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

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

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

39 (8)(a) Any person required to file returns in more than one county may apply to the Department
40 of Revenue for an extension of time to April 15 within which to file the returns. The department
41 may grant extensions to a person required to file returns in more than one county.

42 (b) Extensions granted under this subsection may be based on a finding by the department that:

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

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

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

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

6 (9) The Department of Revenue shall, by rule, establish procedures and criteria for granting,
7 denying or revoking extensions under this section after consultation with an advisory committee
8 selected by the department that represents the interests of county assessors and affected taxpayers.

9 (10) A return is not in any respect controlling on the county assessor or on the Department of
10 Revenue in the assessment of any property. On any failure to file the required return, the property
11 shall be listed and assessed from the best information obtainable from other sources.

12 (11)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810 are
13 confidential records of the Department of Revenue or the county assessor's office in which the re-
14 turns are filed or of the office to which the returns are forwarded under paragraph (b) of this sub-
15 section.

16 (b) The assessor or the department may forward any return received in error to the department
17 or the county official responsible for appraising the property described in the return.

18 (c) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this
19 subsection may be disclosed to:

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

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

24 (C) The county assessor, the county tax collector, the assessor's representative or the tax
25 collector's representative for the purpose of:

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

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

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

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

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

37 (d) Notwithstanding paragraph (a) of this subsection:

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

41 (B) Information regarding the valuation of leased property reported on a property return filed
42 by a lessor under this section may be disclosed to the lessee or other person in possession of the
43 property. Information regarding the valuation of leased property reported on a property return filed
44 by a lessee under this section may be disclosed to the lessor of the property.

45 (12) If the assessed value of any personal property in possession of a lessee is less than the

1 maximum amount of the assessed value of taxable personal property for which ad valorem property
2 taxes may be canceled under ORS 308.250 (2)(a), the person in possession of the roll may disregard
3 an election made under subsection (1)(a) of this section and assess the owner or lessor of the prop-
4 erty.

5 **SECTION 4.** ORS 308.290, as amended by section 3 of this 2010 Act, is amended to read:

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

15 (b) Paragraph (a) of this subsection does not apply to personal property exempt from taxation
16 under ORS 307.162.

17 (2) Every person and the managing agent or officer of any business, firm, corporation or asso-
18 ciation owning or in possession of taxable real property shall make a return of the property for ad
19 valorem tax purposes when so requested by the assessor of the county in which the property is sit-
20 uated.

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

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

33 (c) There shall be annexed to each return the affidavit or affirmation of the person making the
34 return that the statements contained in the return are true. All returns shall be in a form that the
35 county assessor, with the approval of the Department of Revenue, may prescribe. Prior to December
36 31 preceding the assessment year, the department or assessor shall cause blank forms for the returns
37 to be prepared and distributed by mail, but failure to receive or secure the form does not relieve the
38 person, managing agent or officer from the obligation of making any return required by this section.

39 (4) All returns shall be filed on or before March 1 of each year, but the county assessor or the
40 Department of Revenue may grant an extension of time to April 15 within which to file the return
41 as provided by subsection (6), (7) or (8) of this section.

42 (5)(a) In lieu of the returns required under subsection (1)(a) or (2) of this section, every person
43 and the managing agent or officer of any business, firm, corporation or association owning or having
44 in possession or under control taxable real and personal property that is either principal industrial
45 property or secondary industrial property as defined in ORS 306.126 (1) and is appraised by the

1 Department of Revenue shall file a combined return of the real and personal property with the de-
2 partment.

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

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

10 (d) If the department has delegated appraisal of the property to the county assessor under ORS
11 306.126 (3), the department shall notify the person otherwise required to file the combined return
12 under this subsection as soon as practicable after the delegation that the combined return is re-
13 quired to be filed with the assessor.

14 (e) Notwithstanding subsection (2) of this section, a combined return of real and personal prop-
15 erty that is industrial property appraised by the department shall be filed with the department on
16 or before March 1 of the year.

17 (6)(a) Any person required to file a return under subsection (5) of this section may apply to the
18 Department of Revenue for an extension of time to April 15, within which to file the return.

19 (b) Extensions granted under this subsection may be based on a finding by the department that:

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

22 (B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-term
23 voluntary compliance. An extension granted under this subparagraph shall continue in effect for
24 each subsequent property tax year until the taxpayer cancels the extension or the department re-
25 vokes the extension.

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

28 (d) The department shall notify assessors in affected counties when the department grants ex-
29 tensions under this subsection.

30 (7)(a) Except as provided in subsection (6) of this section, any person required to file a return
31 with the county assessor under this section may apply to the assessor for an extension of time to
32 April 15 within which to file the return.

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

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

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

40 (8)(a) Any person required to file returns in more than one county may apply to the Department
41 of Revenue for an extension of time to April 15 within which to file the returns. The department
42 may grant extensions to a person required to file returns in more than one county.

43 (b) Extensions granted under this subsection may be based on a finding by the department that:

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

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

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

7 (9) The Department of Revenue shall, by rule, establish procedures and criteria for granting,
8 denying or revoking extensions under this section after consultation with an advisory committee
9 selected by the department that represents the interests of county assessors and affected taxpayers.

10 (10) A return is not in any respect controlling on the county assessor or on the Department of
11 Revenue in the assessment of any property. On any failure to file the required return, the property
12 shall be listed and assessed from the best information obtainable from other sources.

13 (11)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810 are
14 confidential records of the Department of Revenue or the county assessor's office in which the re-
15 turns are filed or of the office to which the returns are forwarded under paragraph (b) of this sub-
16 section.

17 (b) The assessor or the department may forward any return received in error to the department
18 or the county official responsible for appraising the property described in the return.

19 (c) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this
20 subsection may be disclosed to:

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

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

25 (C) The county assessor, the county tax collector, the assessor's representative or the tax
26 collector's representative for the purpose of:

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

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

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

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

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

38 (d) Notwithstanding paragraph (a) of this subsection:

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

42 (B) Information regarding the valuation of leased property reported on a property return filed
43 by a lessor under this section may be disclosed to the lessee or other person in possession of the
44 property. Information regarding the valuation of leased property reported on a property return filed
45 by a lessee under this section may be disclosed to the lessor of the property.

1 (12) If the assessed value of any personal property in possession of a lessee is less than the
2 maximum amount of the assessed value of taxable personal property for which ad valorem property
3 taxes may be canceled under ORS 308.250 [(2)(a)], the person in possession of the roll may disregard
4 an election made under subsection (1)(a) of this section and assess the owner or lessor of the prop-
5 erty.

6 **SECTION 5. (1) The amendments to ORS 308.250 and 308.290 by sections 1 and 3 of this**
7 **2010 Act apply to property tax years beginning on or after July 1, 2010, and before July 1,**
8 **2014.**

9 **(2) The amendments to ORS 308.250 and 308.290 by sections 2 and 4 of this 2010 Act apply**
10 **to property tax years beginning on or after July 1, 2014.**

11 **SECTION 6. This 2010 Act takes effect on the 91st day after the date on which the special**
12 **session of the Seventy-fifth Legislative Assembly adjourns sine die.**

13