



**Intergovernmental  
Relations**

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February 8, 2011

Representative Barnhart, Co-Chair  
Representative Berger, Co-Chair  
House Committee on Revenue

RE: House Bill 2569 – Deferred Billing in Property tax Appeals

Dear Co-Chairs Barnhart and Berger and Members of the Committee:

The City of Eugene strongly **supports** House Bill 2569, which would provide local governments with a tool to save the loss of tax revenues due to large property tax appeals that may occur in the future.

This bill, which comes from an Association of Oregon Counties interim task force, would allow property under appeal with a disputed value above \$1 million to be assessed, taxed and sent a tax bill as normal but then the assessor in certain circumstances could then issue a "deferred billing credit" notice to the taxpayer informing them to not pay some portion of the tax related to the disputed value. Under this scenario, the taxpayer would hold on to their money pending an appeal so that the district would not incur the 12% interest required by statute on a refund if the appeal succeeds. If the value is upheld and/or no change in the original tax amount occurs, then the taxpayer must pay the tax amount due within 30 days for immediate distribution to the districts.

The intent of this bill is for this to be used in very limited circumstances as a way to mitigate the 12% interest that accrues to all the districts on refunds for appeals that go on for years. Right now, assessors only have the ability to set up a refund reserve for disputed principal in certain situations but they have no way to stop the interest accrual or set aside money for the interest for districts. Under the current statutory scheme, sophisticated taxpayers may be utilizing the property tax appeal process and the 12% interest on refunds as an investment strategy, which is to the detriment of our local governments and schools.

HB 2569 would provide a valuable tool for local governments that does not change the valuation process or the tax bill/tax distribution schedule. We urge your support of House Bill 2569.

Sincerely,

Brenda Wilson,  
Intergovernmental Relations Manager

MEASURE: HB 2569  
EXHIBIT: F  
HOUSE REVENUE COMMITTEE  
DATE: 2/8/2011 PAGES: 1  
SUBMITTED BY: BRENDA WILSON