



HOUSE BILL 2570

Property Tax: Liens & Bona Fide Purchasers

Testimony of Multnomah County: SUPPORT

Public Hearing, February 8, 2011

ISSUE SUMMARY

- Current law allows assessors to make changes to the roll to correct errors and omissions and to impose liens for any resultant additional taxes.
- However, this authority is limited in order to protect bona fide purchasers of property who have relied on the certified roll in making the purchase.
- For instance, with respect to the **current year**, no lien for additional taxes may be imposed if both the roll correction and the purchase of property occur after certification.
 - Conversely, a lien may be imposed for the current year when both the correction and the purchase occur before certification. ORS 311.235.
- With respect to **prior years**, current statutes maintain the distinction between purchasing before certification and purchasing after certification, **EXCEPT in one instance**.
 - For instance, under ORS 311.405 (7), liens for additional taxes may not be imposed for the years before the year in which property is purchased.
 - NOTE: This rule is consistent and would not be changed by this proposal.
 - **ODDLY**, however, ORS 311.405 (7) also prohibits the imposition of liens for additional taxes for a prior year in which property was purchased, **even if the property was purchased before certification of the roll in that year**.
 - **THIS IS INCONSISTENT WITH THE STATUTORY SCHEME**
 - Just like **current-year** purchases before certification, there is no reliance in **prior-year** purchases before certification.

SOLUTION: HB 2570 – Amend ORS 311.405 (7)

To be consistent with the distinction between purchasing before and after certification, assessors should be authorized to impose liens for additional taxes for a prior year so long as the taxpayer purchased the property before the roll was certified in that year.