

76TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMAR
HOUSE REVENUE COMMITTEE

MEASURE: HB 2569-3
CARRIER:

REVENUE: Revenue Impact Statement Issued
FISCAL: Fiscal Impact Statement Issued

Preliminary

Action:

Vote:

Yeas:

Nays:

Exc.:

MEASURE: HB 2569-3
EXHIBIT: 1
HOUSE REVENUE COMMITTEE
DATE: 3/28/2011 PAGES: 1
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Prepared By: Christine Broniak, Economist
Meeting Dates: 2/8, 3/11, 3/29

WHAT THE BILL DOES: For property tax appeals with over \$1 million at issue, gives county assessors the option to issue a deferred billing credit to the taxpayer.

Allows the assessor to give the deferred billing credit to address the risk presented by an appeal.

ISSUES DISCUSSED:

- Need for clarification of amount at issue, value and not tax
- Suitability of value threshold at \$1 million
- Clarification of what constitutes a single taxpayer for the purposes of an appeal

EFFECT OF COMMITTEE AMENDMENTS: Limits the amount that may be issued for a deferred billing credit to 80 percent of the tax associated with the real market or specially assessed value being appealed. For appeals that affect property in multiple counties, gives individual assessors the option to issue the credit for the portion of disputed value in their own county. Clarifies the amount at issue is real market value or specially assessed value. Removes the provision that allows the deferred billing credit to be issued on property owned by separate taxpayers. Adds the provision that a deferred billing credit may be issued on a property tax statement as well as in a separate notice of deferred billing. Clarifies that the amount of tax in a deferred billing credit that was delinquent before the credit was issued will not be considered delinquent once the credit is issued and before the appeal is resolved. Allows a 45 day period from the date of the mailing a notice for the taxpayer to pay any outstanding tax upon an unsuccessful appeal. Requires the county assessor to issue a quarterly report to the governing body of a county of any outstanding deferred billing credits. Provides that any additional taxes payable upon the resolution of an appeal receive a 3% discount if paid on time.

BACKGROUND: If property tax is refunded to taxpayers due to an appeal, interest is paid on the amount that is refunded at a rate of 12%. This measure would enable the assessor to mitigate the risk of a county being required to pay the 12% interest rate for the period prior to the time of the potential refund. Currently, the county would be responsible for paying any interest on taxes refunded due to an appeal that accrues in the time until the appeal is resolved.

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