

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
Seventy-Sixth Oregon Legislative  
Assembly  
2011 Regular Session  
Legislative Revenue Office**

**Bill Number: HB 2570  
Revenue Area: Property Tax  
Economist: Christine Broniak  
Date: 2/21/2011**

**Measure Description:**

Provides exception to tax lien for taxes owed on omitted property if property is transferred to bona fide purchaser in prior tax year after date on which tax roll is certified and prior to date of lien.

**Revenue Impact:**

The revenue impact to county governments and taxing districts is expected to be positive, but much smaller than the total amount of taxes collected for roll corrections.

**Impact Explanation:**

The measure makes bona fide purchasers subject to retroactive roll changes for the year in which they purchased property if they purchased it before the date the roll was certified in October of the purchase year. Roll corrections can be made for the current year if taxpayers purchased property prior to the date that property tax roll was certified. However, for future roll changes that affect the year of purchase retroactively, bona fide purchasers are free from roll changes for the year of purchase if they purchased the property after January of that year.

By making more bona fide purchasers subject to retroactive roll corrections for the year in which they purchased property, this measure has a positive impact on revenues to counties and taxing districts. Roll corrections are made for various reasons such as errors in assessment or omission of properties, and only a subset of these corrections involve bona fide purchasers. Then, only a portion of the roll changes involving bona fide purchasers apply to the first year of purchase. For example, if a bona fide purchaser pays taxes on roll corrections for four years retroactively, only the taxes for the earliest year, or the year of purchase, would be changed by this measure.

The total amount added to rolls in 2009-10 for the 5 previous tax years is given below. The additional tax revenues that would come from this measure are not reflected in the roll changes below. Information is not available to determine the amount of additional tax revenues that come from the first year's roll changes for bona-fide purchasers, but revenues are anticipated to be much smaller than the total amount of retroactive roll corrections to all taxpayers for all applicable reasons given below.

Total Amount Added to Rolls Retroactively in 2009-10, All Counties				
2008-2009	2007-2008	2006-2007	2005-2006	2004-2005
936,415.87	803,457.86	62,309.16	78,816.76	54,159.56
<b>Total: \$1,935,159</b>				

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

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