

# House Bill 3305

Sponsored by Representative ESQUIVEL; Representatives BUCKLEY, FREEMAN, GARRARD

## 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 **as introduced**.

Directs counties to recover costs of property assessment and tax collection from taxing districts. Sets limit of two percent of tax distribution greater than amount of tax distribution for 2011-2012 fiscal year that counties can withhold. Prohibits withholding from tax distribution for bonded indebtedness.

## A BILL FOR AN ACT

1  
2 Relating to county property tax collections; creating new provisions; and amending ORS 311.390,  
3 311.395 and 311.658.

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

5 **SECTION 1. (1) A tax collector shall withhold from the property tax collection distrib-**  
6 **ution made pursuant to ORS 311.390 (1) an amount equal to the county's annual cost to as-**  
7 **sess property and collect property tax, subject to subsections (2) and (3) of this section.**

8 **(2) A county shall determine annually its cost to assess property and collect property tax,**  
9 **and shall adopt this cost in its annual budget.**

10 **(3) After determining the annual cost of property assessment and property tax collection,**  
11 **a county shall apportion the costs among taxing districts in direct proportion to each**  
12 **district's share of total county property tax collections, including property tax collections**  
13 **retained by the county, subject to the following limitations:**

14 **(a) The county shall deduct all funds received from the County Assessment Function**  
15 **Funding Assistance Account under ORS 294.178 from costs apportioned among taxing dis-**  
16 **tricts.**

17 **(b) The county shall exclude all amounts distributed to taxing districts levied for the**  
18 **payment of bonded indebtedness or interest thereon when calculating a taxing district's ap-**  
19 **portioned costs.**

20 **(c) The costs apportioned among taxing districts may not exceed two percent of the**  
21 **amount of each taxing district's distribution that is greater than the amount distributed to**  
22 **that taxing district for the 2011-2012 fiscal year and is not bonded indebtedness or interest**  
23 **thereon.**

24 **SECTION 2. ORS 311.390 is amended to read:**

25 311.390. (1)(a) When the tax collector receives the assessor's certificate pursuant to ORS 311.115,  
26 the tax collector shall prepare and file with the county treasurer a percentage schedule of the ratio  
27 of taxes on property, as defined in ORS 310.140, and other amounts to be collected, after reductions  
28 necessary to comply with section 11b, Article XI of the Oregon Constitution, after making adjust-  
29 ments in accordance with ORS 311.105 (1)(c), for each governmental unit as shown in such certifi-  
30 cate, compared to the total of each of those amounts.

**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 (b) If a tax supervising and conservation commission has submitted to the tax collector a list  
 2 of municipal corporations subject to proration and the amounts prorated under ORS 294.632, before  
 3 the tax collector calculates the ratio of taxes on property under this subsection, the tax collector  
 4 shall deduct the amounts submitted by the tax supervising and conservation commission from the  
 5 amounts scheduled for distribution under this section for municipal corporations subject to the ju-  
 6 risdiction of the tax supervising and conservation commission. The amount deducted from the dis-  
 7 tribution to the municipal corporations shall be added to the amount distributed to the county.

8 (c) The schedule shall be approved by the county accountant, if one exists in the county, or by  
 9 the county clerk before filing. Except as provided in subsections (2) and (3) of this section, the  
 10 distribution of collections by the tax collector shall be made on the basis of the ratios computed  
 11 pursuant to this section. The ratios computed pursuant to this section for a given fiscal year shall  
 12 be used for the distribution of all taxes on property or penalties that have been imposed, collected  
 13 and received for that fiscal year, regardless of the actual date of receipt, except for moneys retained  
 14 by a county to pay bankruptcy costs under ORS 311.484 **and moneys withheld by a tax collector**  
 15 **under section 1 of this 2011 Act.** Interest earned on moneys in the unsegregated tax collections  
 16 account shall be distributed according to the ratio applicable to the year in which the moneys are  
 17 distributed.

18 (2) If, after the ratios are computed pursuant to this section, the amount of a levy or other tax  
 19 on property is changed, or a levy or other tax on property is filed with the assessor pursuant to  
 20 ORS 310.060 that had not been included in the tax distribution schedule for that year, the tax col-  
 21 lector shall revise the percentages provided in subsection (1) of this section to reflect the corrected  
 22 or added levy or tax and shall adjust the amounts previously distributed and to be distributed  
 23 thereafter to reflect the revision in percentages.

24 (3) If, in the opinion of the tax collector, it is not feasible to make the revisions described in  
 25 subsection (2) of this section, the tax collector shall treat the amount of the change in levy or tax  
 26 or the additional levy or tax as a separate tax collection and segregate the moneys collected for the  
 27 particular district or districts in the periodic statement of tax collections given to the county  
 28 treasurer pursuant to ORS 311.395.

29 (4) If the percentage schedule is revised, a copy shall be filed with the county treasurer after  
 30 approval by the county accountant, if one exists in the county, or by the county clerk.

31 (5) If, after the ratios are computed under this section, a levy or tax is changed or a levy or tax  
 32 is filed with the assessor pursuant to ORS 310.060, that was not included in the tax distribution  
 33 schedule for that year, future distributions of interest shall be based on the revised percentages that  
 34 reflect the corrected or added levy or tax. No adjustments shall be made for previously distributed  
 35 interest.

36 **SECTION 3.** ORS 311.395 is amended to read:

37 311.395. (1) The tax collector shall make statements of the exact amounts of property tax moneys  
 38 in cash and warrants collected as follows:

39 (a) For the period beginning on the first Monday following the last Friday in October through  
 40 the last Friday in November, the tax collector shall make weekly statements of those taxes that are  
 41 collected for the current tax year.

42 (b) For the period beginning the first Monday following the last Friday of November through the  
 43 last Friday of October of the ensuing year, the tax collector shall make quarterly statements of  
 44 those taxes that are collected for the current tax year.

45 (c) The tax collector shall make quarterly statements of taxes collected for prior years.

1 (d) Notwithstanding paragraph (b) or (c) of this subsection, if the balance in the unsegregated  
 2 tax collection account as of the close of any month for any tax year (the current tax year or any  
 3 prior tax year) exceeds \$10,000 or if requested by any taxing district, and if weekly statements are  
 4 not required, then the tax collector shall make a statement for the period since the last statement  
 5 for the tax year.

6 (e) If the processing of tax payments for the current tax year received or postmarked on or be-  
 7 fore the November 15 due date (or if the due date is extended under ORS 311.507, the due date  
 8 pursuant to the extension) is not substantially completed as of the last Friday in November, the tax  
 9 collector shall continue to make weekly statements until the end of a week when the processing is  
 10 substantially completed.

11 (2)(a) Each statement shall be of taxes collected during the weekly, monthly, quarterly or other  
 12 period for which the statement is required.

13 (b) The statements prepared under subsection (1) of this section shall specify the tax years for  
 14 which the payments of taxes were made.

15 (c) A copy of each statement shall be filed with the county clerk and a copy shall be filed with  
 16 the county treasurer no later than the fifth business day after the last business day of the period  
 17 for which the statement is prepared. A copy of each statement shall be retained in the office of the  
 18 tax collector.

19 (3) For the purposes of this section, property tax moneys are collected when:

20 (a) Payment is made in person at the office of the tax collector;

21 (b) The tax collector receives tax moneys or notice of tax moneys collected by a financial in-  
 22 stitution or other collection agency;

23 (c) The tax collector receives payment or notice of payment of tax moneys by the state; or

24 (d) The tax collector has posted a payment that arrived by mail in the county mail receptacle.

25 (4) Each statement required under subsections (1) and (2) of this section shall separately state  
 26 the amount deposited into the property tax bankruptcy account under ORS 311.484 for the period  
 27 covered by the statement.

28 (5) The statements required under subsections (1) and (2) of this section may be made more often  
 29 and for shorter periods if the tax collector so desires but one of the statements so filed shall cover  
 30 a period coinciding with the last business day of the particular calendar month or quarter during  
 31 the period.

32 (6) The county treasurer shall credit the total amount of moneys set out in the statements pre-  
 33 pared under subsections (1) and (2) of this section, except for the amount deposited into the property  
 34 tax bankruptcy account under ORS 311.484 **and the amount withheld under section 1 of this 2011**  
 35 **Act**, to the several funds for which the moneys were respectively received in accordance with the  
 36 schedule provided in ORS 311.390. The county treasurer shall keep the moneys and warrants re-  
 37 ceived from the tax collector in their respective funds.

38 (7) Within five business days of receiving a statement required by subsection (1) or (2) of this  
 39 section, the county treasurer shall distribute the amount of money set out in the statement, except  
 40 for the amount deposited into the property tax bankruptcy account under ORS 311.484 **and the**  
 41 **amount withheld under section 1 of this 2011 Act**, to the several taxing units according to the  
 42 ratios provided in ORS 311.390. The county treasurer shall distribute interest earned on moneys in  
 43 the unsegregated tax collections account at least as often as the treasurer receives a statement from  
 44 the tax collector under subsection (1)(b) or (d) of this section. When statements are received under  
 45 subsection (1)(a) of this section, the county treasurer shall distribute interest at least once a calen-

1 dar month.

2 **SECTION 4.** ORS 311.658 is amended to read:

3 311.658. (1) Each of the several counties shall collect and pay over as required by law the  
4 amount apportioned as provided under ORS 311.657 and 311.375 and this section.

5 (2) The state shall be considered a taxing district for purposes of ORS 311.105. However, the  
6 state shall not be included in any distribution of moneys (in lieu of tax or otherwise) that are re-  
7 quired to be apportioned among and offset against the levy of one or more particular districts, but  
8 only in the distribution of those tax moneys that are used to reduce the amount of taxes extended  
9 on the roll and collected by the tax collector.

10 (3) Notwithstanding ORS 311.385, property tax moneys collected pursuant to a state levy shall  
11 not be deposited to the unsegregated tax collections account under ORS 311.385 but shall be de-  
12 posited in the county treasury and distributed as provided under ORS 311.375.

13 (4) The state shall not be included in the percentage distribution schedule under ORS 311.390  
14 **and is not subject to withholding under section 1 of this 2011 Act.**

15 (5) It shall not be necessary to change the values of the particular descriptions of property as-  
16 sessed in each of the several counties on the assessment rolls on account of a state levy of ad  
17 valorem property tax.

18 (6) No deduction or abatement shall be made from the apportionment of any county because of  
19 the delinquency of any taxpayer, or error or omission in the assessment roll or for any other reason.

20 (7) In exercising its supervisory powers under ORS 306.115 (1), the Department of Revenue may  
21 adopt rules governing the certification, apportionment, transmission of transcript, extension, offset,  
22 collection and distribution of the state tax levy. The Department of Revenue and the Oregon De-  
23 partment of Administrative Services shall develop procedures for informing the State Treasurer of  
24 the condition of any general obligation bond fund program and any state levy anticipated or made  
25 under this section.

26 **SECTION 5. Section 1 of this 2011 Act and the amendments to ORS 311.390, 311.395 and**  
27 **311.658 by sections 2, 3 and 4 of this 2011 Act first apply to taxes levied by counties for the**  
28 **fiscal year beginning July 1, 2012.**

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