

D R A F T

SUMMARY

Eliminates discount for partial or full payment of property taxes on or before November 15.

Applies to property tax years beginning on or after July 1, 2013.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the payment of property taxes; creating new provisions; amending
3 ORS 86.260, 92.095, 294.361, 294.368, 305.286, 307.244, 308.260, 308.640,
4 311.250, 311.356, 311.392, 311.395, 311.415, 311.465, 311.505, 311.508, 311.531,
5 311.812, 315.119, 496.340 and 757.883; repealing ORS 311.507; and prescrib-
6 ing an effective date.

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

8 **SECTION 1.** ORS 311.505 is amended to read:

9 311.505. (1) Except as provided in subsection [(6)] **(5)** of this section, the
10 first one-third of all taxes and other charges due from the taxpayer or prop-
11 erty, levied or imposed and charged on the latest tax roll, shall be paid on
12 or before November 15, the second one-third on or before February 15, and
13 the remaining one-third on or before May 15 next following.

14 (2) Interest shall be charged and collected on any taxes on property, other
15 charges, and on any additional taxes or penalty imposed for disqualification
16 of property for special assessment or exemption, or installment thereof not
17 paid when due, at the rate of one and one-third percent per month, or frac-
18 tion of a month until paid.

19 [(3) *Discounts shall be allowed on partial or full payments of such taxes,*
20 *made on or before November 15 as follows:*]

1 [(a) *Two percent on two-thirds of such taxes so paid.*]

2 [(b) *Three percent where all of such taxes are so paid.*]

3 [(4)] (3) For purposes of this section, “taxes” includes all taxes on prop-
4 erty as defined in ORS 310.140 and certified to the assessor under ORS
5 310.060 except taxes assessed on any other property which have by any means
6 become a lien against the property for which the payment was made.

7 [(5)] (4) All interest collected [*and all discounts allowed*] shall be prorated
8 to the several municipal corporations, taxing districts and governmental
9 agencies sharing in the taxes or assessments.

10 [(6)] (5) If the total property tax is less than \$40, no installment payment
11 of taxes shall be allowed.

12 **SECTION 2.** ORS 311.250 is amended to read:

13 311.250. (1) Except as to real property assessed to “unknown owners”
14 pursuant to ORS 308.240 (2), on or before October 25 in each year, the tax
15 collector shall deliver or mail to each person (as defined in ORS 311.605)
16 shown on the tax roll as an owner of real or personal property, or to an
17 agent or representative authorized in writing pursuant to ORS 308.215 by
18 such person, a written statement of property taxes payable on the following
19 November 15.

20 (2) The failure of a taxpayer to receive the statement described in this
21 section shall not invalidate any assessment, levy, tax, or proceeding to col-
22 lect tax.

23 (3) The tax collector shall not be liable for failure to deliver or mail the
24 tax statements by October 25 as provided in subsection (1) of this section if
25 [*such*] **the** failure was caused by not receiving the tax roll from the assessor
26 by the time provided by law or by reason of any other circumstance beyond
27 the control of the tax collector. In such case the tax collector shall deliver
28 or mail the statements as soon as possible.

29 (4) Where, for any reason the taxes due on any property on the assessment
30 roll in any year cannot be ascertained from the tax roll by November 5 of
31 that year, within 15 days thereafter the owner or other person liable for or

1 desiring to pay the taxes on [*such*] **the** property may tender to the tax col-
2 lector, and the tax collector may collect, a payment of all or part of the taxes
3 estimated by the tax collector to be due on [*such*] **the** property. Immediately
4 after the taxes are actually extended on the tax roll, the tax collector shall
5 credit the amount paid as provided by law[, *allowing the discount under ORS*
6 *311.505 and not*] **without** charging interest for the amount of taxes satisfied
7 by [*such*] **the** payment. Where there has been an underpayment, additional
8 taxes shall be collected, and where there has been an overpayment, refund
9 shall be made as otherwise provided by law.

10 (5) The tax statement described in this section shall be designed by the
11 Department of Revenue and shall contain such information as the depart-
12 ment shall prescribe by rule including:

13 (a) The real market value of the property for which the tax statement is
14 being prepared (or the property's specially assessed value if the property is
15 subject to special assessment) for the current and prior tax year;

16 (b) The property's assessed value for the current and prior tax year; and

17 (c) The total amount of taxes due on the property.

18 **SECTION 3.** ORS 311.356, as amended by section 2, chapter 13, Oregon
19 Laws 2012, is amended to read:

20 311.356. (1) After receipt of the tax roll each year the tax collector shall
21 receive and receipt for all moneys received for taxes and other amounts
22 charged on [*such*] **the** roll, and for each payment, shall note on the tax roll
23 at the appropriate property assessment the following:

24 (a) The date payment was received.

25 (b) The amount of the payment.

26 [(c) *The discount allowed, if any.*]

27 [(d)] (c) The interest charged, if any.

28 [(e)] (d) The number of the receipt issued for [*such*] **the** payment.

29 (2) Except as provided under subsection (3)(a) and (c) of this section, the
30 tax collector shall credit all payments of property taxes as follows:

31 (a) First, to the payment of any taxes assessed against and due on the

1 property for which the payment was made, paying first the earliest such
2 taxes due on that property; and

3 (b) Second, to the payment of taxes assessed on any other property
4 [which] **that** have by any means become a lien against the property for
5 which the payment was made.

6 (3)(a) Payments of property taxes made by the state on behalf of tax-
7 deferred homestead property under ORS 311.666 to 311.701 shall be credited
8 to the current tax year.

9 (b) At the election of the taxpayer, payments of property taxes made by
10 the taxpayer on behalf of tax-deferred homestead property under ORS 311.666
11 to 311.701 shall be credited as provided in subsection (2) of this section, ex-
12 cept that the payments shall be credited first to the payment of taxes that
13 are not qualified to be deferred under ORS 311.688 (1) or as a result of a
14 determination of ineligibility made pursuant to ORS 311.689 (1), paying first
15 the earliest of such taxes due on that property.

16 (c) Notwithstanding any contrary direction from the taxpayer, the tax
17 collector shall credit payments of property taxes to the latest year for which
18 taxes are due on the property for which payment is made if:

19 (A) The payment is made by a payer who is a mortgagee, beneficiary un-
20 der a deed of trust or vendor under a land sales contract and who pays taxes
21 on behalf of any taxpayer; and

22 (B) The mortgagee, beneficiary or vendor directs that the payment be
23 credited to the latest year for which taxes are due on the property; and

24 (C) The mortgagee, beneficiary or vendor includes in the payment sub-
25 mitted with the direction given under subparagraph (B) of this paragraph
26 only the amounts for the payment of taxes on one or more properties for
27 which delinquent taxes are owed and does not include in that payment taxes
28 on property for which no delinquent taxes are owed.

29 (d) If the mortgagee, beneficiary or vendor does not direct the tax col-
30 lector as to the application of taxes being paid, [then] the tax collector shall
31 apply all payments as provided under subsection (2) of this section.

1 (4) The tax collector may, for convenience, divide the tax roll, as pay-
 2 ments are made, into two portions, and file each separately, one portion
 3 containing the paid accounts and another portion containing the unpaid ac-
 4 counts. From time to time, and no later than the receipt of the next year's
 5 tax roll, the tax collector shall compute and indicate on the tax roll the
 6 unpaid balance of taxes for each property assessment.

7 **SECTION 4.** ORS 311.392 is amended to read:

8 311.392. *[(1)]* If, in the discretion of the county court, it is more econom-
 9 ical to advance to those municipalities from the general fund of the county
 10 the total amount of taxes, assessments or other charges levied against prop-
 11 erty in the county, the county court may advance from the general fund of
 12 the county the full amount of the taxes, assessments and charges levied by
 13 those subdivisions and the county court may order the county tax collector
 14 to revise the tax distribution schedule provided by ORS 311.390 so that all
 15 taxes, assessments and charges advanced by the county will be allocated to
 16 the county. If the county makes the payments provided in this section, it
 17 shall have no recourse against the political subdivision for recovery of the
 18 shrinkage in collections from that anticipated at the time the payment was
 19 made.

20 *[(2) If the county advances taxes under this subsection, before December 1*
 21 *of each year, it may deduct from the levy the three percent discount which*
 22 *would have been given by the district had all of the taxes been paid by No-*
 23 *vember 15 and turned over to the district on or before December 1 of each year.*
 24 *If the payment is made after December 1, no discount shall be taken by the*
 25 *county.]*

26 **SECTION 5.** ORS 311.415 is amended to read:

27 311.415. (1) Before any judgment or final order shall be entered or become
 28 operative in any court in this state in any of the causes listed in subsection
 29 (3) of this section, it shall first be shown to the satisfaction of the court that
 30 all taxes due or owing from the defendant, judgment debtor, heir, devisee,
 31 executor, administrator, trustee, agent, conservator or guardian, or which

1 may be collected by virtue of the assessment and taxation laws of this state,
2 have been paid.

3 (2) If the judgment or final order is to be taken and entered after January
4 1, while the assessment roll is in the possession of the assessor, and pertains
5 to an assessment to be made as of January 1, the receipt for the taxes shall
6 be given by the assessor upon an assessment made as follows:

7 (a) If the exact amount of taxes, special assessments, fees and charges are
8 able to be computed by the assessor, [*such amount*] **the amount computed**
9 shall be paid to the tax collector. The assessor is authorized to levy and the
10 tax collector is authorized to collect such amount.

11 (b) If the assessor is unable to compute the exact amount at the time[,
12 *either*]:

13 (A) There shall be paid the amount estimated by the assessor to be needed
14 to pay the taxes, special assessments, fees and other charges to become
15 due[.]; or

16 (B) There shall be deposited with the tax collector a bond with good and
17 sufficient undertaking in the amount that the assessor considers adequate to
18 [*insure*] **ensure** payment of the taxes to become due.

19 (c) In no event shall the bond amount exceed twice the amount of the
20 previous year's taxes, special assessments, fees and other charges computed
21 under this subsection. [*Taxes paid or bonded for under this section shall be*
22 *entitled to any discount provided by ORS 311.505.*]

23 (d) ORS 311.370 [*shall apply*] **applies** to amounts assessed and collected
24 under this subsection.

25 (3) This section applies to the following causes:

26 (a) An assignment for the benefit of creditors.

27 (b) The estate of a deceased person or any other proceeding in probate
28 involving the distribution of personal property.

29 (c) Any proceeding to enforce the payment of a debt where the property
30 involved is assessable personal property.

31 **SECTION 6.** ORS 311.465 is amended to read:

1 311.465. (1) Subsection (2) of this section applies if:

2 (a) The county assessor discovers personal property subject to assessment
3 for taxation in any year and taxes imposed on the property in a prior year
4 are delinquent; or

5 (b) In the opinion of the assessor it seems probable that personal property
6 may be removed from the county, sold, dissipated or destroyed before the
7 taxes on the property otherwise become due and payable and it further ap-
8 pears that the owner or person liable for the taxes had no property subject
9 to taxation in the county during either of the two preceding tax years, or
10 was delinquent in the payment of any tax imposed during the two preceding
11 tax years in respect to property in any jurisdiction, whether within or
12 without the state, or is not financially responsible or intends to depart from
13 the state before the taxes become due.

14 (2) The assessor may, immediately after listing and valuing the personal
15 property for assessment and taxation, levy, demand and collect for remit-
16 tance to the tax collector, or the tax collector may collect, the taxes on the
17 property as follows:

18 (a) If the assessor is able to compute the exact amount of taxes, special
19 assessments, fees and charges, [*such amount*] **the amount computed** shall
20 be paid to the assessor for remittance to the tax collector or directly to the
21 tax collector; or

22 (b) If the assessor is unable to compute the exact amount at the time[,
23 *either*]:

24 (A) There shall be paid the amount that the assessor estimates is needed
25 to pay the taxes, special assessments, fees and other charges to become due;
26 or

27 (B) There shall be deposited with the tax collector a bond with a good
28 and sufficient undertaking in the amount that the assessor considers ade-
29 quate to ensure payment of the taxes to become due.

30 (c) In no event shall the bond amount exceed twice the amount of the
31 taxes, special assessments, fees and other charges computed by the assessor

1 under *[this]* paragraph **(b) of this subsection.**

2 (3)(a) *[Taxes paid or bonded for under subsection (2) of this section shall*
3 *be entitled to the discount provided by ORS 311.505.]* ORS 311.370 *[shall*
4 *apply]* **applies** to the amounts assessed and collected under subsection (2) of
5 this section.

6 **(b)** Any taxes collected under subsection (2) of this section, and subject
7 to refund on order of the tax court under ORS 311.467, shall be held in the
8 special account mentioned in ORS 311.370 by the county treasurer until the
9 period for petitioning for review of the assessor's action has expired, or,
10 when a review is had, until the review is determined.

11 **(c)** If the tax court, upon review, orders a refund, the county treasurer
12 shall make the refund from the special account within three days after entry
13 of the *[department's]* **Department of Revenue's** order.

14 (4)(a) If the owner or person liable for the taxes on the personal property
15 fails to pay the tax on demand by the assessor, the assessor shall certify the
16 assessment and tax levies made under this section to the tax collector of the
17 county.

18 **(b)** The taxes thereupon shall be collected by the tax collector in the
19 manner of collecting delinquent taxes on personal property.

20 **(c)** The taxes when so certified by the assessor are delinquent and subject
21 to the provisions of law for the collection of delinquent taxes on personal
22 property.

23 **SECTION 7.** ORS 311.508 is amended to read:

24 311.508. (1) Except as provided under subsection (2) of this section and
25 notwithstanding ORS 311.505 *[(5)]* **(4)**:

26 (a) Twenty-five percent of the interest charged and collected under ORS
27 311.505 shall be deposited and credited to the County Assessment and Taxa-
28 tion Fund created under ORS 294.187; and

29 (b) An additional 25 percent of the interest charged and collected under
30 ORS 311.505 shall be deposited and credited to the County Assessment and
31 Taxation Fund created under ORS 294.187 to the extent the interest would

1 otherwise be distributed to cities or other taxing districts that are not
2 counties or districts within the public school system.

3 (2) On or before June 15 of each year, the Department of Revenue shall
4 estimate the amount of interest that will be deposited and credited to the
5 County Assessment Function Funding Assistance Account created under
6 ORS 294.184 for the ensuing fiscal year. If the estimate is less than \$13
7 million, the department shall certify to each county treasurer an increase in
8 the percentage specified under subsection (1)(a) of this section to the end
9 that the estimate reaches \$13 million. However, no increase in percentage
10 shall be certified that will raise and make available for deposit and credit
11 to the County Assessment Function Funding Assistance Account for the en-
12 suing fiscal year an amount that is in excess of \$3 million over the amount
13 estimated under this subsection to be received under subsection (1)(a) of this
14 section for the ensuing fiscal year.

15 (3) Upon receipt of certification from the department under subsection (2)
16 of this section, the county treasurer shall deposit and credit to the County
17 Assessment and Taxation Fund for the fiscal year to which the certification
18 applies the percentage of the interest charged and collected under ORS
19 311.505 so certified.

20 (4) The percentage of the interest on unpaid taxes and penalties required
21 to be deposited and credited to the County Assessment and Taxation Fund
22 under this section shall be deposited and credited in the same manner that
23 the remaining interest is deposited and credited under ORS 311.385.

24 **SECTION 8.** ORS 311.531 is amended to read:

25 311.531. (1) On or before August 1 of each year the tax collector shall file
26 with the county clerk a statement, on forms supplied by the Department of
27 Revenue, compiled from the tax rolls, showing separately for each tax year
28 for the prior seven years the following information as to transactions during
29 the past fiscal year ending June 30:

30 (a) The total amounts certified under ORS 311.105 (1) to be collected by
31 the tax collector, broken down among real property, personal property and

1 property assessed pursuant to ORS 308.505 to 308.665.

2 (b) The total amount of all adjustments made by the tax collector, in
3 dollars, increasing the total amount to be collected, and a like figure for the
4 decreases.

5 (c) The total amount collected, exclusive of interest and penalties, **and**
6 the total amount remaining uncollected, broken down among real property,
7 personal property and property assessed pursuant to ORS 308.505 to 308.665.

8 (d) The total amount of interest and penalties collected, and the total
9 amount of [*discounts or*] rebates allowed.

10 (e) Other matters affecting the statement of the tax collector, striking a
11 balance between the total of the tax roll and the total of collections.

12 (2) The tax collector then shall make a certificate over the official sig-
13 nature of the collector, to be annexed to the statement, that the facts set
14 forth therein are correct. A copy of the statement shall be filed with the
15 county clerk, a copy filed with the county court and a copy filed with the
16 Department of Revenue. A copy of the statement and also of the certificate
17 shall be retained by the tax collector as a public record.

18 **SECTION 9.** ORS 311.812 is amended to read:

19 311.812. (1) Except as provided in subsection (2) of this section, interest
20 may not be paid upon any tax refunds made under ORS 311.806.

21 (2) Interest as provided in subsection (3) of this section shall be paid on
22 the following refunds:

23 (a) A refund resulting from the correction under ORS 308.242 (2) or (3)
24 or 311.205 of an error made by the assessor, Department of Revenue or tax
25 collector.

26 (b) A refund resulting from a written stipulation of the county assessor
27 or the county tax collector if the written stipulation constitutes a final de-
28 termination that is not subject to appeal.

29 (c) Any refund ordered by the Department of Revenue if no appeal is
30 taken or can be taken from the department's order.

31 (d) Refunds ordered by the Oregon Tax Court or the Supreme Court if the

1 order constitutes a final determination of the matter.

2 (e) Refunds of taxes collected against real or personal property not within
3 the jurisdiction of the tax levying body.

4 (f) Refunds due to reductions in value ordered by a county board of
5 property tax appeals where no appeal is taken.

6 (g) Refunds due to reductions in value made pursuant to ORS 309.115.

7 (h) Refunds due to a claim for a veteran's exemption for a prior tax year
8 that is filed pursuant to ORS 307.262.

9 (3)(a) The interest provided by subsection (2) of this section shall be paid
10 at the rate of one percent per month, or fraction of a month, computed from
11 the time the tax was paid or from the time the first installment thereof was
12 due, whichever is the later. *[If a discount is given at the time the taxes are*
13 *paid, interest shall be computed only on the net amount of taxes to be*
14 *refunded.]* If any portion of a refund described in subsection (2) of this sec-
15 tion results from an assessment based on inaccurate information contained
16 in a report filed by a taxpayer, interest shall be computed on only the por-
17 tion of the refund that is not attributable to the inaccurate information
18 contained in the taxpayer report.

19 (b) As used in this subsection, "report" means a return, statement or any
20 other information provided by a taxpayer in writing to the department or
21 county assessor.

22 **SECTION 10.** ORS 86.260 is amended to read:

23 86.260. (1) If a lender has a requirement that the borrower pay funds into
24 a lender's security protection provision for the payment of property taxes on
25 property that is the security for the real estate loan agreement, insurance
26 premiums[,] and similar charges, and there are funds in the account, the
27 lender shall pay the taxes, or the amount in the account if less than the
28 taxes due, *[in time to take advantage of any discount authorized by ORS*
29 *311.505,]* and all other charges on or before the due dates for payments.

30 (2)(a) If the lender fails to pay the taxes in accordance with subsection
31 (1) of this section *[resulting in a loss of discount to the borrower]*, the lender

1 shall credit the lender's security protection provision in an amount equal to
2 the amount of [*discount denied on account of such failure, together with*
3 *any*] interest that has accrued on the unpaid property taxes to the date the
4 property taxes are finally paid.

5 (b) If the failure of the lender to comply with subsection (1) of this section
6 is willful [*and results in the loss to the borrower of the discount*], or if the
7 failure to comply was not willful but upon discovery of the failure to comply
8 [*and the loss of discount*], the lender fails to credit the lender's security
9 protection provision **as** required by paragraph (a) of this subsection, the
10 borrower shall have a cause of action against the lender to recover an
11 amount equal to [*15 times*] the amount of [*discount the borrower would have*
12 *received, together with any*] interest that accrued on the unpaid property
13 taxes to the date of recovery. The court may award reasonable attorney fees
14 to the prevailing party in an action under this section.

15 **SECTION 11.** ORS 92.095 is amended to read:

16 92.095. (1) A subdivision or partition plat may not be recorded unless all
17 ad valorem taxes have been paid, including additional taxes, interest and
18 penalties imposed on land disqualified for any special assessment and all
19 special assessments, fees or other charges required by law to be placed upon
20 the tax roll that have become a lien upon the land or that will become a lien
21 during the tax year.

22 (2) After July 1, and before the certification under ORS 311.105 of any
23 year, the subdivider or partitioner shall:

24 (a) If the exact amount of taxes, penalties, special assessments, fees and
25 charges can be computed by the assessor, pay the amount to the tax collec-
26 tor. The assessor is authorized to levy and the tax collector is authorized to
27 collect the amount.

28 (b) If the assessor is unable to compute the amount at the time[, *either*]:

29 (A) Pay the amount estimated by the assessor to be needed to pay the
30 taxes, penalties, special assessments, fees and other charges to become due;

31 or

1 (B) Deposit with the tax collector a bond or irrevocable letter of credit
2 with a good and sufficient undertaking in an amount the assessor considers
3 adequate to ensure payment of the taxes to become due. The bond or irrev-
4 ocable letter of credit amount may not exceed twice the amount of the pre-
5 vious year's taxes, special assessments, fees and other charges upon the land.

6 [(3) *Taxes paid or for which security is given under subsection (2)(a) or (b)*
7 *of this section are entitled to the discount provided by ORS 311.505.*]

8 [(4)] (3) ORS 311.370 applies to all taxes levied and collected under sub-
9 section (2) of this section, except that any deficiency constitutes a personal
10 debt against the person subdividing or partitioning the land and not a lien
11 against the land and must be collected as provided by law for the collection
12 of personal property taxes.

13 [(5)] (4) If a subdivision or partition plat is recorded, any additional taxes,
14 interest or penalties imposed upon land disqualified for any special assess-
15 ment become a lien upon the land on the day before the plat was recorded.

16 **SECTION 12.** ORS 294.361 is amended to read:

17 294.361. (1) Each municipal corporation shall estimate in detail its budget
18 resources for the ensuing year or ensuing budget period by funds and
19 sources.

20 (2) Budget resources include but are not limited to:

21 (a) The balance of cash, cash equivalents and investments (in the case of
22 a municipal corporation on the cash basis) or the net working capital (in the
23 case of a municipal corporation on the accrual or modified accrual basis of
24 accounting) that will remain in each fund on the last day of the current year
25 or current budget period;

26 (b) Taxes;

27 (c) Fees;

28 (d) Licenses;

29 (e) Fines;

30 (f) Interest on deposits or on securities of any kind;

31 (g) Endowments;

- 1 (h) Annuities;
- 2 (i) Penalties;
- 3 (j) Sales of property or other assets or products of any kind;
- 4 (k) Delinquent taxes;
- 5 (L) Judgments;
- 6 (m) Damages;
- 7 (n) Rent;
- 8 (o) Premiums on sales of bonds;
- 9 (p) Reimbursement for services, road or other work performed for others;
- 10 (q) Transfer or reverter of unused balances of any kind;
- 11 (r) Reimbursement for services provided other funds;
- 12 (s) Rebates;
- 13 (t) Refunds of moneys heretofore paid on any account;
- 14 (u) Apportionment, grant, contribution, payment or allocation from the
- 15 federal government, state government or any other governmental units;
- 16 (v) Taxes for the ensuing year or ensuing budget period;
- 17 (w) Interfund revenue transfers; and
- 18 (x) Revenues from any and all other sources of whatsoever kind or char-
- 19 acter.

20 (3) Budget resources do not include:

21 [(a) *The estimate for the ensuing year or ensuing budget period of discounts*

22 *under ORS 311.505.*]

23 [(b)] (a) The estimate of uncollectible amounts of taxes, fees or charges

24 for the ensuing year or ensuing budget period.

25 [(c)] (b) Moneys accumulated under an approved employee deferred com-

26 pensation plan and interest or investment returns earned on such moneys.

27 [(d)] (c) Grants, gifts, bequests or devises transferred to a municipal cor-

28 poration in trust for specific uses in the year of transfer. However, such

29 grants, gifts, bequests or devises shall be included as budget resources if, by

30 the time the budget committee approves the budget, the amount thereof that

31 will be received in the ensuing year or ensuing budget period can be rea-

1 sonably estimated. Such grants, gifts, bequests or devises may be placed in
2 a trust and agency fund, to then be appropriated from such fund or funds.

3 [(e)] (d) Amounts deducted from taxes pursuant to ORS 294.632.

4 **SECTION 13.** ORS 294.368 is amended to read:

5 294.368. (1) Each municipal corporation that has the power to levy an ad
6 valorem property tax shall estimate, in the manner provided in this section,
7 the amount of revenues that will be received in the ensuing year or ensuing
8 budget period through the imposition of taxes upon the taxable property
9 within the municipal corporation.

10 (2) Subject to the additional adjustments required under subsection (4) of
11 this section, the estimated ad valorem taxes that will be received in the en-
12 suing year or ensuing budget period shall not exceed the following:

13 (a) The amount derived by multiplying the estimated assessed value for
14 the ensuing year or each fiscal year of the ensuing budget period of the
15 taxable property within the municipal corporation, after boundary changes
16 have been filed in final approved form with the county assessor and the De-
17 partment of Revenue as provided in ORS 308.225, by whichever of the fol-
18 lowing is applicable to the municipal corporation:

19 (A) The municipal corporation's permanent rate limit on operating taxes,
20 as defined in ORS 310.202 (7); or

21 (B) The municipal corporation's statutory rate limit on operating taxes,
22 as defined in ORS 310.202 (10).

23 (b) If the municipal corporation is authorized to levy a local option tax
24 that was authorized by the electors as a dollar amount, the dollar amount
25 of such local option tax that is authorized to be levied in the ensuing year
26 or ensuing budget period.

27 (c) If the municipal corporation is authorized to levy a local option tax
28 that was authorized by the electors as a tax rate, the amount derived by
29 multiplying the authorized rate of such local option tax for the ensuing year
30 or ensuing budget period by the estimated assessed value for the ensuing
31 year or each fiscal year of the ensuing budget period of the taxable property

1 within the municipal corporation.

2 (d) Subject to subsection (3) of this section, the municipal corporation's
3 estimate of the amount required to pay the principal and interest on bonded
4 indebtedness that is not subject to limitation under **Article XI**, section 11
5 (11) or section 11b, [*Article XI*] of the Oregon Constitution.

6 (e) The municipal corporation's estimate of the amount required to repay
7 taxing district bond obligations or pension and disability plan obligations
8 described in **Article XI**, section 11 (5), [*Article XI*] of the Oregon Constitu-
9 tion.

10 (3)(a) The estimate described in subsection (2)(d) of this section may in-
11 clude:

12 (A) An amount equal to the total of the payments on the principal and
13 interest on bonded indebtedness that are due and payable in the fiscal period
14 following the fiscal period for which the budget is being prepared and before
15 a sufficient amount of property taxes to pay the bonded indebtedness are
16 collected in that fiscal period, pursuant to ORS 294.398.

17 (B) Amounts to reimburse the municipal corporation for the payment of
18 principal and interest on exempt bonded indebtedness that the municipal
19 corporation made from other moneys because collections of taxes levied for
20 exempt bonded indebtedness were not sufficient to pay the exempt bonded
21 indebtedness.

22 (b) If the bonded indebtedness is a tax credit bond or other bond that
23 bears interest that is includable in gross income under the Internal Revenue
24 Code, as amended and in effect on June 25, 2009, the payments described in
25 paragraph (a) of this subsection may include deposits that the municipal
26 corporation has agreed to make in a sinking fund that is dedicated to pay
27 the bonded indebtedness.

28 (4) The amounts determined under subsection (2)(a), (b) and (c) of this
29 section shall be reduced by an amount equal to the estimated amount of such
30 taxes that will not be collected as a result of:

31 [(a) *The discounts allowed under ORS 311.505;*]

1 [(b)] (a) The limits imposed under ORS 310.150 (3); and

2 [(c)] (b) The failure of taxpayers to pay such taxes in the year for which
3 they are levied.

4 (5)(a) The estimated ad valorem taxes determined in accordance with
5 subsection (2)(a), (b) and (c) of this section, prior to adjustment by subsection
6 (4) of this section, shall be used by the municipal corporation for purposes
7 of complying with the requirements of ORS 310.060 (1).

8 (b) The amounts determined under subsection (2)(d) and (e) of this section
9 shall, for purposes of complying with the requirements of ORS 310.060 (1),
10 be increased by an amount equal to the estimated amount of taxes that will
11 not be collected as a result of:

12 [(A) *The discounts allowed under ORS 311.505;*]

13 [(B)] (A) The limits imposed under ORS 310.150 (3); or

14 [(C)] (B) The failure of taxpayers to pay taxes in the year for which they
15 are levied.

16 **SECTION 14.** ORS 307.244 is amended to read:

17 307.244. (1) The assessor shall compute and list the value and compute and
18 list the amount of tax which would have been charged on each property re-
19 ceiving an exemption under ORS 307.242 had the property not received an
20 exemption. On or before October 15, the county assessor shall certify the
21 total amounts so computed for each county to the Department of Revenue
22 and to the county treasurer.

23 (2) Not later than November 15, the Department of Revenue shall pay to
24 each county treasurer the amount certified under subsection (1) of this
25 section[, *less any discount provided in ORS 311.505*]. The payments made by
26 the department under this section shall be made from the suspense account
27 referred to in ORS 310.692. If necessary, the payments may be prorated as
28 provided in ORS 310.692.

29 (3) Payments made by the department to the various county treasurers
30 under this section shall be distributed to the taxing units of the county in
31 accordance with the schedule of percentages computed under ORS 311.390.

1 **SECTION 15.** ORS 308.260 is amended to read:

2 308.260. (1) Any ship, vessel or other watercraft shall be assessed and
3 taxed in the manner provided in this section if:

4 (a) On or after January 1 of any assessment year, the ship, vessel or other
5 watercraft is docked or moored in any waters subject to the jurisdiction of
6 the State of Oregon; and

7 (b) The ship, vessel or other watercraft is employed or used as a plant for
8 the reduction or processing, but excluding canning, of deep-sea fish.

9 (2) Immediately on docking or mooring, the owner or person in charge of
10 a ship, vessel or other watercraft described in subsection (1) of this section
11 shall notify the county assessor. The county assessor shall assess it, to-
12 gether with all machinery and equipment thereon, at its assessed value de-
13 termined under ORS 308.146 and 308.232. Upon determination of value, the
14 owner or person in charge shall:

15 (a) Pay the exact amount of taxes, special assessments, fees and charges,
16 if the assessor is able to compute the exact amount; or

17 (b) If the assessor is unable to compute the exact amount at the time the
18 property is assessed, either pay to the tax collector the amount estimated by
19 the assessor to be needed to pay the taxes, special assessments, fees and
20 other charges to become due, or deposit with the tax collector a bond with
21 a good and sufficient undertaking in the amount that the assessor considers
22 adequate to ensure payment of the taxes to become due. The bond amount
23 may not exceed twice the amount of the taxes, special assessments, fees and
24 other charges computed by the assessor under this subsection.

25 (3) It shall be unlawful to operate a floating reduction or processing plant
26 until the county assessor has been notified and the tax paid as provided in
27 this section. If the owner or person in charge fails to notify the assessor, or
28 proceeds to operate the plant before full payment of the tax, the owner or
29 person in charge shall forfeit to the county, for the use of the several taxing
30 jurisdictions interested, a sum equal to twice the amount of the tax. The
31 forfeiture may be recovered by the assessor in an action brought in the name

1 of the county in any court having jurisdiction over the action. In the action,
2 the penalty shall be preferred before all other debts or claims.

3 (4) No mistake in the name of the owner of any floating reduction or
4 processing plant shall affect the right to collect the tax or to recover the
5 penalty under this section.

6 (5) The county assessor is authorized to levy, collect and remit to the tax
7 collector, or the tax collector is authorized to collect, taxes under conditions
8 described in this section. Either the assessor or tax collector is authorized
9 to allow any [*discount or*] rebate otherwise provided by law for payment of
10 taxes before the regular due date or dates. ORS 311.370 shall apply to all
11 taxes collected before the regular due date or dates.

12 (6) Appeals of assessments of floating reduction or processing plants shall:

13 (a) Be heard by the county board of property tax appeals in the same
14 manner as assessments of other properties are appealed; and

15 (b) Be made as provided in ORS 308.146 and 308.232.

16 **SECTION 16.** ORS 308.640 is amended to read:

17 308.640. (1) The Department of Revenue shall determine the assessed value
18 of the personal property of each small private railcar company by multiply-
19 ing the real market value of the company's personal property by the average
20 ratio of assessed value to real market value of all property of large private
21 railcar companies.

22 (2) The department shall determine the tax to be imposed on small private
23 railcar companies as follows:

24 (a) Taxes to be credited to the county school funds shall be calculated
25 by applying to the assessed value of the property the average school tax rate
26 in the state for the immediately prior tax year, applying to the assessed
27 values of large private railcar companies as determined by the department
28 for the year.

29 (b) Taxes to be credited to the county general funds shall be calculated
30 by applying to the assessed value thereof the average nonschool tax rate in
31 the state for the immediately prior tax year, applying to the assessed values

1 of large private railcar companies as determined by the department for the
2 year.

3 (c) The taxes determined under this subsection may not be imposed in an
4 amount that exceeds the limits established in ORS 310.150 for any year.

5 (3) The department may charge, levy and collect the tax so determined
6 on the personal property of any small private railcar company having a
7 taxable situs in this state. Each tax so charged and levied constitutes a lien
8 as of July 1 of the tax year on all the personal property of the company
9 within this state and shall be payable in the same manner, at the same due
10 dates and with the same rates of [*discount or*] interest provided by law in
11 respect to taxes on personal property payable in the several counties. In
12 collecting such taxes, the Department of Revenue may pursue any or all of
13 the rights, remedies or processes provided by law for the collection of de-
14 linquent taxes on personal property and, in connection therewith, the de-
15 partment shall have, in any county, the power and authority of the sheriff
16 and tax collector thereof.

17 (4) Moneys collected by the department under this section shall be ap-
18 portioned to each county in the proportion that the portion of the assessed
19 value of cars of large private railcar companies that is attributable to the
20 county bears to the total assessed value of cars of large private railcar
21 companies. Moneys so distributed to each county treasurer shall be credited
22 to the county school fund and general fund of the county as directed by the
23 department.

24 (5) Real property of large private railcar companies and small private
25 railcar companies shall be apportioned to the several counties according to
26 the location of the real property.

27 **SECTION 17.** ORS 315.119 is amended to read:

28 315.119. (1) As used in this section:

29 (a) "Effective property tax rate" means:

30 (A) The ratio of the total amount of property taxes imposed on the ac-
31 count that contains the machinery and equipment for which a credit is being

1 claimed (after application of ORS 310.150 [*but prior to discount under ORS*
2 *311.505*]) over the assessed value of the property tax account; and

3 (B) The ratio determined under subparagraph (A) of this paragraph for the
4 property tax year that begins in the income tax year for which the credit is
5 claimed.

6 (b) “Farm operator” means a person that operates a farming business as
7 defined in section 263A of the Internal Revenue Code.

8 (c) “Machinery and equipment” means machinery and equipment that
9 meets the definition of section 1245 property in section 1245 of the Internal
10 Revenue Code.

11 (d) “Processing”:

12 (A) Means any activity that is directly related and necessary to clean,
13 sort, grade, produce, prepare, manufacture, handle, package, store or ship a
14 farm crop or livestock product after the point of harvest and before the point
15 of sale, in a modified state or altered form.

16 (B) Does not include an activity primarily associated with the promotion
17 or retail sale of a product for personal or household use that is normally sold
18 through consumer retail distribution.

19 (e) “Qualified machinery and equipment” means machinery and equipment
20 used in processing that meets the requirements of subsections (3) and (4) of
21 this section for the tax year.

22 (2) A taxpayer who is a farm operator may claim a credit against the
23 taxes that are otherwise due under ORS chapter 316 or, if the taxpayer is a
24 corporation, under ORS chapter 317 or 318 for ad valorem property taxes paid
25 or incurred on qualified machinery and equipment.

26 (3) A credit under this section may be claimed only if:

27 (a) The machinery and equipment is owned by the farm operator or by a
28 person who is related to the farm operator under section 267 of the Internal
29 Revenue Code;

30 (b) The machinery and equipment is used for processing primarily occur-
31 ring on land described in subsection (4) of this section; and

1 (c)(A) The farm operator has grown or raised at least one-half of the total
2 volume of farm crop or livestock products processed with the machinery and
3 equipment for which the credit is being claimed in three of the five previous
4 income tax years; or

5 (B)(i) The farm operator has grown or raised at least one-tenth of the
6 total volume of farm crop or livestock products processed with the machinery
7 and equipment for which the credit is being claimed in three of the five
8 previous income tax years; and

9 (ii) The farm operator has used the machinery and equipment to process
10 at least one-half of the volume of the applicable farm crop or livestock pro-
11 ducts grown or raised by the farm operator in three of the five previous in-
12 come tax years.

13 (4) In addition to the requirements under subsection (3) of this section,
14 a credit under this section may be claimed only if:

15 (a) The machinery and equipment is located on land that is specially as-
16 sessed for farm use under ORS 308A.050 to 308A.128 and the machinery and
17 equipment is owned or otherwise controlled by the farm operator; or

18 (b) The machinery and equipment is located on land that is contiguous
19 to land that is specially assessed for farm use under ORS 308A.050 to
20 308A.128 and the machinery and equipment is owned or otherwise controlled
21 by the farm operator.

22 (5) A credit may be claimed under this section only for qualified ma-
23 chinery and equipment that was subject to assessment and property taxation
24 for the property tax year beginning in the income tax year for which the
25 credit is being claimed.

26 (6) The amount of the credit shall be the lesser of:

27 (a) The effective property tax rate multiplied by the adjusted basis of the
28 qualified machinery and equipment; or

29 (b) \$30,000.

30 (7) The adjusted basis of the qualified machinery and equipment shall be
31 the adjusted basis of the qualified machinery and equipment for personal

1 income or corporate excise or income tax purposes as of the last day of the
2 income tax year for which the credit is being claimed, except that the ad-
3 justed basis shall be increased by the cost of any qualified machinery and
4 equipment that the taxpayer elected to expense under section 179 of the
5 Internal Revenue Code, until the qualified machinery and equipment is fully
6 depreciated for personal income or corporate excise or income tax purposes.
7 The adjusted basis shall reflect any depreciation allowable for the current
8 tax year. A credit under this section may not be allowed for a tax year in
9 which the qualified machinery and equipment is fully depreciated for per-
10 sonal income or corporate excise or income tax purposes.

11 (8) The credit allowed under this section for any one tax year may not
12 exceed the tax liability of the taxpayer.

13 (9) Any tax credit otherwise allowable under this section that is not used
14 by the taxpayer in a particular year may be carried forward and offset
15 against the taxpayer's tax liability for the next succeeding tax year. Any
16 credit remaining unused in the next succeeding tax year may be carried
17 forward and used in the second succeeding tax year, and likewise, any credit
18 not used in that second succeeding tax year may be carried forward and used
19 in the third succeeding tax year, and any credit not used in that third suc-
20 ceeding tax year may be carried forward and used in the fourth succeeding
21 tax year, and any credit not used in that fourth succeeding tax year may be
22 carried forward and used in the fifth succeeding tax year, but may not be
23 carried forward for any tax year thereafter.

24 (10) The credit allowed under this section is not in lieu of any depreci-
25 ation or amortization deduction to which the taxpayer otherwise may be
26 entitled under ORS chapter 316, 317 or 318 for the tax year.

27 (11) The taxpayer's adjusted basis for determining gain or loss may not
28 be further decreased by any amount of credit allowed under this section.

29 (12) A nonresident shall be allowed the credit under this section in the
30 proportion provided in ORS 316.117.

31 (13) If a change in the status of a taxpayer from resident to nonresident

1 or from nonresident to resident occurs, the credit allowed under this section
2 shall be determined in a manner consistent with ORS 316.117.

3 (14) If a change in the taxable year of a taxpayer occurs as described in
4 ORS 314.085, or if the Department of Revenue terminates the taxpayer's
5 taxable year under ORS 314.440, the credit allowed under this section shall
6 be prorated or computed in a manner consistent with ORS 314.085.

7 **SECTION 18.** ORS 496.340 is amended to read:

8 496.340. (1) Except as provided in subsection (3) of this section, whenever
9 real property owned by the State Fish and Wildlife Commission is exempt
10 from taxation on January 1 of any year by reason of its ownership by the
11 state, the commission shall pay to the county in which the property is situ-
12 ated an amount equal to the ad valorem taxes that would have been charged
13 against the property if it had been assessed to a taxable owner as of January
14 1 of such year as provided in subsection (2) of this section. The county
15 assessor shall determine the value of such property and shall notify the
16 commission of the determination of the county assessor. Upon request of the
17 commission, the Department of Revenue shall review the determination of
18 value and shall redetermine the value if it concludes the value initially de-
19 termined was substantially incorrect.

20 (2)(a) Except as provided in paragraph (b) or (c) of this subsection, the
21 value of the property shall be computed at its assessed value under ORS
22 308A.107 or for forestland use, whichever is applicable.

23 (b) Paragraph (a) of this subsection shall not apply to any property upon
24 which open field burning takes place. If open field burning takes place on
25 any property described in this section, the property shall be valued at its
26 highest and best use rather than the values authorized in paragraph (a) of
27 this subsection on the January 1 following the date of the open field burning.
28 If in the next year, the open field burning is discontinued, paragraph (a) of
29 this subsection shall apply the next January 1 and each year thereafter as
30 long as no open field burning occurs.

31 (c) Paragraph (a) of this subsection shall not apply to any property ac-

1 quired by the commission after September 9, 1971, if such property was val-
2 ued under farm use or forestland use special assessment provisions, at the
3 time the property was acquired by the commission. However, no payments
4 in lieu of taxes made to a county pursuant to this section prior to January
5 1, 1974, shall be refunded to the commission.

6 (3) This section does not apply to real property used for bird farms, fish
7 hatcheries, office quarters, fishing access sites or impoundments, capital im-
8 provements or real property acquired pursuant to the Act of May 19, 1948
9 (62 Stat. 240), Public Law 80-537.

10 (4) The amount prescribed in subsection (1) of this section shall be de-
11 termined annually by the assessor of the county in which the property is
12 situated and certified by the assessor to the county court or the board of
13 county commissioners. A notice of the determination, signed by the county
14 judge or the chairperson of the board of county commissioners, shall be
15 mailed to the principal office of the commission not later than October 15.
16 The notice shall contain a statement of the value of the property and a
17 complete explanation of the method used in computing the amount claimed
18 pursuant to subsection (1) of this section. Not later than November 15, the
19 commission shall pay each amount[, *less a discount equivalent to that which*
20 *is provided in ORS 311.505*]. Payment shall be made to the county treasurer,
21 who shall distribute the payment to the taxing districts of the county in
22 accordance with the schedule of percentages computed under ORS 311.390.

23 (5) Notwithstanding any other provision of the wildlife laws, the com-
24 mission shall make the payments to counties required by this section annu-
25 ally from the moneys in the State Wildlife Fund established by ORS 496.300.

26 **SECTION 19.** ORS 757.883 is amended to read:

27 757.883. (1) Oregon Community Power shall make payments in lieu of
28 property taxes on all property that would otherwise be subject to assessment
29 under ORS 308.505 to 308.665 if owned by a taxable owner. Oregon Commu-
30 nity Power shall pay to each county in which property of Oregon Community
31 Power is located an amount equal to the ad valorem property taxes that

1 would have been charged by the county if Oregon Community Power prop-
 2 erty had been assessed to a taxable owner as of January 1 of the assessment
 3 year for which payment is being made.

4 (2) The Department of Revenue shall determine the assessed value of
 5 Oregon Community Power property as if the property were subject to as-
 6 sessment under ORS 308.505 to 308.665, and shall transmit the value infor-
 7 mation as provided in ORS 308.505 to 308.665 to the appropriate county
 8 assessor. Oregon Community Power shall comply with property reporting
 9 requirements under ORS 308.505 to 308.665 as if the property were subject
 10 to assessment under ORS 308.505 to 308.665.

11 (3) The amount of the in lieu payment to be made to each county under
 12 this section shall be determined and certified annually by the county
 13 assessor of the county. A notice of the determination and certification shall
 14 be mailed to Oregon Community Power not later than October 15. The notice
 15 shall contain a statement of the value of the property and a complete ex-
 16 planation of the method used in computing the amount of the in lieu payment
 17 due under this section. Not later than November 15, Oregon Community
 18 Power shall pay the amount due to each county under this section[, *less a*
 19 *discount equivalent to that which is provided in ORS 311.505*]. Payment shall
 20 be made to the county treasurer. The county treasurer shall distribute the
 21 payment to the taxing districts of the county in accordance with the schedule
 22 of percentages computed under ORS 311.390.

23 **SECTION 20. ORS 311.507 is repealed.**

24 **SECTION 21.** ORS 311.395 is amended to read:

25 311.395. (1) The tax collector shall make statements of the exact amounts
 26 of property tax moneys in cash and warrants collected as follows:

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

30 (b) For the period beginning the first Monday following the last Friday
 31 of November through the last Friday of October of the ensuing year, the tax

1 collector shall make quarterly statements of those taxes that are collected
2 for the current tax year.

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

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

11 (e) If the processing of tax payments for the current tax year received or
12 postmarked on or before the November 15 due date [*or if the due date is*
13 *extended under ORS 311.507, the due date pursuant to the extension*] is not
14 substantially completed as of the last Friday in November, the tax collector
15 shall continue to make weekly statements until the end of a week when the
16 processing is substantially completed.

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

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

21 (c) A copy of each statement shall be filed with the county clerk and a
22 copy shall be filed with the county treasurer no later than the fifth business
23 day after the last business day of the period for which the statement is pre-
24 pared. A copy of each statement shall be retained in the office of the tax
25 collector.

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

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

29 (b) The tax collector receives tax moneys or notice of tax moneys col-
30 lected by a financial institution or other collection agency;

31 (c) The tax collector receives payment or notice of payment of tax moneys

1 by the state; or

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

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

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

12 (6) The county treasurer shall credit the total amount of moneys set out
13 in the statements prepared under subsections (1) and (2) of this section, ex-
14 cept for the amount deposited into the property tax bankruptcy account un-
15 der ORS 311.484, to the several funds for which the moneys were respectively
16 received in accordance with the schedule provided in ORS 311.390. The
17 county treasurer shall keep the moneys and warrants received from the tax
18 collector in their respective funds.

19 (7) Within five business days of receiving a statement required by sub-
20 section (1) or (2) of this section, the county treasurer shall distribute the
21 amount of money set out in the statement, except for the amount deposited
22 into the property tax bankruptcy account under ORS 311.484, to the several
23 taxing units according to the ratios provided in ORS 311.390. The county
24 treasurer shall distribute interest earned on moneys in the unsegregated tax
25 collections account at least as often as the treasurer receives a statement
26 from the tax collector under subsection (1)(b) or (d) of this section. When
27 statements are received under subsection (1)(a) of this section, the county
28 treasurer shall distribute interest at least once a calendar month.

29 **SECTION 22.** ORS 305.286 is amended to read:

30 305.286. (1)(a) Whenever any property value or claim for exemption or
31 cancellation of a property tax assessment is appealed, if the dollar amount

1 in dispute exceeds \$1 million, the assessor of the county in which the prop-
2 erty is located may order the officer in charge of the assessment and tax roll
3 to include a deferred billing credit in the property tax statement of the
4 property or in a separate notice of deferred billing.

5 (b) If the appeal relates to property assessed under ORS 308.505 to 308.665,
6 the assessor of each county to which a portion of the value is apportioned
7 may order inclusion of a deferred billing credit under paragraph (a) of this
8 subsection:

9 (A) Even if the dollar amount in dispute with respect to the county is \$1
10 million or less; and

11 (B) Independently of the assessor of any other county.

12 (2) For purposes of this section, the dollar amount in dispute means the
13 dollar amount of real market value or specially assessed value in dispute:

14 (a) For all tax years to which the appeal relates and any tax year during
15 the pendency of the appeal; and

16 (b)(A) For all property of a taxpayer that is the subject of an appeal, re-
17 gardless of whether the property is the subject of separate appeals; or

18 (B) For property that is assessed under ORS 308.505 to 308.665, for all
19 current appeals relating to the property or to a unit of which the property
20 is a part.

21 (3) For purposes of this section, the county assessor shall determine a
22 deferred billing credit as the dollar amount necessary to address the risk
23 presented to the county by an appeal with respect to the tax year that is the
24 subject of the property tax statement of the property, or of the separate no-
25 tice of deferred billing, in which the deferred billing credit is included.

26 (4) The county assessor may order issuance of a separate notice of de-
27 ferred billing pursuant to this section at any time during a tax year to which
28 an appeal relates and any tax year during the pendency of the appeal.

29 (5)(a) The portion of a deferred billing credit representing tax amounts
30 that have been paid shall be refunded without interest under ORS 311.806
31 as soon as practicable.

1 (b) Any amount paid after notice of a deferred billing credit in a property
2 tax statement or a separate notice of deferred billing is mailed that exceeds
3 the amount due after applying the deferred billing credit shall be returned
4 to the taxpayer without interest.

5 (6) Inclusion of a deferred billing credit in a property tax statement or a
6 separate notice of deferred billing does not give rise to a cause of action
7 other than an action to ensure proper application of the provisions of this
8 section.

9 (7)(a) If a deferred billing credit is included in a property tax statement
10 or a separate notice of deferred billing, tax amounts credited may not be
11 considered delinquent during the period beginning with the inclusion of the
12 credit and ending with the final resolution of the appeal to which the credit
13 relates.

14 (b) During the period described in paragraph (a) of this subsection, in-
15 terest may not be charged or collected on tax amounts described in para-
16 graph (a) of this subsection.

17 (8) If a refund is ordered upon final resolution of the appeal to which a
18 deferred billing credit relates, interest shall be paid as provided in ORS
19 311.812 for the period beginning on the later of the payment date or due date
20 and ending on the date of refund, on:

21 (a) The amount refunded pursuant to subsection (5)(a) of this section that
22 is affirmed by order upon final resolution of the appeal; and

23 (b) The amount by which the refund exceeds the deferred billing credit.

24 (9) If the final resolution of the appeal results in additional taxes due, the
25 county assessor shall mail to the taxpayer as soon as practicable a notice
26 containing the amount of the taxes due and the information specified in
27 subsection (10) of this section.

28 (10)(a) Additional taxes due upon final resolution of the appeal are paya-
29 ble without interest [*and after application of the discount of three percent*
30 *under ORS 311.505*] if paid within 45 days following the date on which the
31 county assessor mails the notice required under subsection (9) of this section.

1 (b)(A) If the additional taxes are not paid within the period specified in
2 paragraph (a) of this subsection, except as provided in subsection (7) of this
3 section, the additional taxes shall be considered for all purposes of collection
4 and enforcement of payment as having been delinquent on the date the taxes
5 would normally have become delinquent if the additional taxes had been
6 timely extended on the roll.

7 (B) Notwithstanding subparagraph (A) of this paragraph, interest on the
8 additional taxes shall be computed beginning on the 46th day after the date
9 on which the county assessor mails the notice required under subsection (9)
10 of this section.

11 (11) The county assessor shall provide a quarterly report to the governing
12 body of the county showing the status of all current deferred billing credits
13 and the status of the appeals to which the credits relate.

14 (12) As used in this section:

15 (a) "Property tax statement" means the document described in ORS
16 311.250.

17 (b) "Separate notice of deferred billing" means a notice to the taxpayer,
18 other than the property tax statement, that the provisions of this section
19 apply and stating the amount of the deferred billing credit and the amount
20 of refund, if any.

21 **SECTION 23. The amendments to ORS 86.260, 92.095, 294.361, 294.368,**
22 **305.286, 307.244, 308.260, 308.640, 311.250, 311.356, 311.392, 311.395, 311.415,**
23 **311.465, 311.505, 311.508, 311.531, 311.812, 315.119, 496.340 and 757.883 by**
24 **sections 1 to 19, 21 and 22 of this 2013 Act and the repeal of ORS 311.507**
25 **by section 20 of this 2013 Act apply to property tax years beginning on**
26 **or after July 1, 2013.**

27 **SECTION 24. This 2013 Act takes effect on the 91st day after the**
28 **date on which the 2013 regular session of the Seventy-seventh Legis-**
29 **lative Assembly adjourns sine die.**

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