

House Bill 2459

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

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**.

Applies statutory bar to foreclosure of outstanding property taxes to outstanding taxes owed by individual who was, or whose homestead was determined to be, ineligible for homestead property tax deferral program as result of recent changes in law and whose homestead was reactivated for deferral during certain period.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to homestead property taxes; creating new provisions; amending ORS 311.693; and pre-
3 scribing an effective date.

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

5 **SECTION 1. (1) This section applies to outstanding property taxes that became due on**
6 **or after September 29, 2011, and before January 1, 2016, and that are owed by an individual:**

7 (a) **Whose homestead was granted deferral under ORS 311.666 to 311.701 prior to Sep-**
8 **tember 29, 2011;**

9 (b) **Who was, or whose homestead was, determined to be ineligible pursuant to ORS**
10 **311.689 (1) on or after September 29, 2011; and**

11 (c) **Whose homestead was reactivated for the homestead property tax deferral program**
12 **on or after September 29, 2011, and before January 1, 2016.**

13 (2)(a) **Notwithstanding any provision of ORS chapter 312 to the contrary and ORS 311.696**
14 **(1), upon compliance with ORS 311.693, taxes described in subsection (1) of this section that**
15 **remain unpaid shall remain a lien and, except as provided in paragraph (b) of this subsection,**
16 **shall become delinquent as otherwise provided by law, but are not subject to foreclosure**
17 **under ORS chapter 312 before August 15 of the calendar year following the calendar year in**
18 **which one of the circumstances listed in ORS 311.684 occurs.**

19 (b) **Interest on delinquent taxes described in subsection (1) of this section shall accrue**
20 **at the rate provided in ORS 311.674 (3).**

21 (3) **This section does not apply if:**

22 (a) **The tax-deferred homestead property is a manufactured structure or floating home**
23 **and is moved out of state;**

24 (b) **The tax-deferred homestead property is personal property, other than a manufactured**
25 **structure or floating home; or**

26 (c) **The owner of the tax-deferred homestead property has household income, for the**
27 **calendar year immediately preceding the calendar year in which application is filed under**
28 **ORS 311.693, that exceeds the amounts allowable under ORS 311.668.**

29 (4) **If property described in subsection (1) of this section has been included on a foreclo-**

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 sure list, or a judgment of foreclosure entered, the property shall be removed from the
 2 foreclosure list, or the judgment vacated, unless the proceeding against the property involves
 3 delinquent taxes other than those described in subsection (1) of this section.

4 (5)(a) Upon removal from the foreclosure list, or upon vacation of the judgment, a pen-
 5 alty may not be imposed under ORS 312.110 or 312.120.

6 (b) If the penalty has been imposed, the penalty is abated, or if the penalty has been paid,
 7 upon application made to the county assessor on or before July 1 of the year immediately
 8 following the year of removal or vacation, the penalty shall be refunded out of the unsegre-
 9 gated tax collections account in the manner provided in ORS 311.806.

10 (6) Within 60 days after approval of an application under ORS 311.693, with respect to any
 11 property to which this section applies, the tax collector shall make the proper entries on the
 12 tax roll and shall remove the property from the foreclosure list and proceeding.

13 (7) If a judgment has been entered foreclosing liens for delinquent taxes against any
 14 property that is the subject of an application filed under ORS 311.693 pursuant to this sec-
 15 tion, and the delinquent taxes include only those taxes described in subsection (1) of this
 16 section, or taxes in excess of those described in subsection (1) of this section are paid, the
 17 judgment shall be null and void and of no effect and the tax collector shall make the proper
 18 entries on the assessment and tax rolls to reflect the vacation of the judgment and to ac-
 19 knowledge the subsisting liens.

20 (8) Nothing in this section removes or releases property to which this section applies
 21 from the lien of any unpaid tax thereon, but the unpaid taxes remain valid and subsisting
 22 liens as though the foreclosure proceeding had not been instituted or as though the foreclo-
 23 sure proceeding had not been instituted and a judgment entered.

24 (9) Nothing in this section affects a foreclosure proceeding instituted, or a judgment en-
 25 tered, to foreclose liens for delinquent taxes against properties subject to foreclosure if the
 26 delinquent taxes include taxes other than those described under subsection (1) of this sec-
 27 tion. Such foreclosure proceedings shall be instituted or continued without regard to this
 28 section and such judgment shall be of full force and effect as if this section did not exist.

29 (10) Interest on taxes to which this section applies shall be determined from the same
 30 dates, in the same manner and until paid as for other property taxes remaining unpaid upon
 31 the due dates, upon preparation of the foreclosure list in accordance with ORS chapter 312
 32 and subsection (2) of this section and upon entry and following a judgment of foreclosure.

33 **SECTION 2.** Section 1 of this 2013 Act is repealed on January 2, 2020.

34 **SECTION 3.** ORS 311.693 is amended to read:

35 311.693. (1)(a) Delay in foreclosure on account of delinquent taxes as provided in ORS 311.691
 36 or section 1 of this 2013 Act may not be granted unless the owner of the tax-deferred homestead
 37 files an application for the delay with the county assessor prior to the date the period of redemption
 38 expires under ORS 312.120.

39 (b) An application filed under this subsection must contain or be accompanied by a verified
 40 statement of total household income of the owner for the calendar year immediately preceding the
 41 calendar year in which the application is filed.

42 (2)(a) Upon receipt of an application under subsection (1) of this section, the county assessor
 43 shall approve or deny the application.

44 (b) If the application is denied, the owner may appeal to the circuit court in the county where
 45 the tax-deferred homestead property is located within 90 days after notice in writing of the denial

1 is mailed to the owner by the county assessor.

2 (c) Orders of the circuit court in an appeal taken under this subsection may be appealed to the
3 Court of Appeals within the time and in the manner provided under ORS 312.210.

4 **SECTION 4.** ORS 311.693, as amended by section 3 of this 2013 Act, is amended to read:

5 311.693. (1)(a) Delay in foreclosure on account of delinquent taxes as provided in ORS 311.691
6 [*or section 1 of this 2013 Act*] may not be granted unless the owner of the tax-deferred homestead
7 files an application for the delay with the county assessor prior to the date the period of redemption
8 expires under ORS 312.120.

9 (b) An application filed under this subsection must contain or be accompanied by a verified
10 statement of total household income of the owner for the calendar year immediately preceding the
11 calendar year in which the application is filed.

12 (2)(a) Upon receipt of an application under subsection (1) of this section, the county assessor
13 shall approve or deny the application.

14 (b) If the application is denied, the owner may appeal to the circuit court in the county where
15 the tax-deferred homestead property is located within 90 days after notice in writing of the denial
16 is mailed to the owner by the county assessor.

17 (c) Orders of the circuit court in an appeal taken under this subsection may be appealed to the
18 Court of Appeals within the time and in the manner provided under ORS 312.210.

19 **SECTION 5.** The amendments to ORS 311.693 by section 4 of this 2013 Act become oper-
20 ative on January 2, 2016.

21 **SECTION 6.** This 2013 Act takes effect on the 91st day after the date on which the 2013
22 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.
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