

# Enrolled House Bill 4148

Sponsored by Representatives NATHANSON, GOMBERG, VEGA PEDERSON, Senators COURTNEY, KNOPP, KRUSE, OLSEN, STARR, THOMSEN, WHITSETT, WINTERS; Representatives FREDERICK, HOYLE, KENY-GUYER, MCKEOWN, SMITH WARNER, Senators BAERTSCHIGER JR, BATES, BEYER, BOQUIST, CLOSE, DEMBROW, DEVLIN, EDWARDS, FERRIOLI, GEORGE, GIROD, HANSELL, HASS, JOHNSON, MONNES ANDERSON, MONROE, PROZANSKI, ROBLAN, ROSENBAUM, SHIELDS, STEINER HAYWARD (Presession filed.)

CHAPTER .....

AN ACT

Relating to the rate of interest on deferred taxes under the homestead property tax deferral program; creating new provisions; amending ORS 311.674; and prescribing an effective date.

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

**SECTION 1.** ORS 311.674 is amended to read:

311.674. (1) If eligibility for deferral of homestead property is established as provided in ORS 311.666 to 311.701, the Department of Revenue shall notify the county assessor and the county assessor shall show on the current ad valorem assessment and tax roll that the property is tax-deferred property by an entry clearly designating the property as tax-deferred property.

(2) When requested by the department, the tax collector shall send to the department the tax statement for each tax-deferred property as soon as the taxes are extended upon the roll.

(3) Interest shall accrue on the actual amount of taxes advanced to the county for the tax-deferred property at the rate of six percent [*compounded annually*] **per annum**.

(4)(a) For property taxes deferred after October 3, 1979, the state liens provided by ORS 311.673 and 311.679 and recorded under ORS 311.675 shall be for the actual amount of taxes advanced to the counties and not for the gross amount of taxes for which the property would be liable as shown on the tax statement for each tax-deferred property.

(b) For taxes deferred prior to October 3, 1979, the lien under ORS 311.673 is for the gross amount of taxes extended upon the tax roll against each tax-deferred property and interest shall continue to accrue on the gross amount of taxes rather than on the actual amount of taxes paid to the county.

**SECTION 2.** (1) **With respect to amounts paid pursuant to ORS 311.684 or 311.690 before July 1, 2016, ORS 311.674 (3), as in effect immediately before the effective date of this 2014 Act, applies to interest that accrues on taxes advanced to counties for tax-deferred property for property tax years beginning on or after July 1, 2011, and before July 1, 2016.**

**(2)(a) With respect to amounts paid pursuant to ORS 311.684 or 311.690 on or after July 1, 2016, the amendments to ORS 311.674 by section 1 of this 2014 Act apply to interest that accrues on taxes advanced to counties for tax-deferred property for property tax years beginning on or after July 1, 2011.**

(b) As soon as practicable after July 1, 2016, the Department of Revenue shall recompute all amounts of deferred property taxes that are outstanding on July 1, 2016, including residual balances on accounts for which partial payment was made before July 1, 2016, using the interest rate provided under ORS 311.674, as amended by section 1 of this 2014 Act.

**SECTION 3.** This 2014 Act takes effect on the 91st day after the date on which the 2014 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.

**Passed by House February 13, 2014**

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate February 24, 2014**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2014

**Approved:**

.....M.,....., 2014

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2014

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Kate Brown, Secretary of State