

# HB 2485 - Tax Collections – Refunds, Small Delinquencies and Floating homes

## Problems

This collection of concepts deals with housekeeping issues in the tax collection statutes where the policy has been stated by the legislature but not all scenarios have been conformed to that policy. These concepts are about aligning existing provisions in ways that make them work together more effectively and consistently.

## Solutions

- First, this concept aligns the legislative policy for refunds, specifically, to whom they are to be payable. In cases where an appeal is made and taxes are reduced by order of the court, the refund statute (Section 1 of the bill) directs the tax collector to refund to the petitioner. However, once the appeal has been filed, if the assessor agrees and settles and corrects the tax roll, the refund statute has the refund going to the owner, not necessarily the petitioner. It's a subtle reference to a process that does not happen that frequently but to be consistent the refund should go to the petitioner.

See Page 2, Lines 2-8

- Secondly, when someone's property burns and they file a request for their taxes to be prorated, this is allowed under current law, the refund statute fails to link to the standard process in two ways.
  - It fails to direct the refund to the person who requested the proration and
  - It does not link to the minimum refund provision. See Page 3, Lines 19-20. The minimum refund provision provides that if it's under \$10 the collector does not have to refund. Think about a \$.25 refund.

These changes would bring the corrections for the proration of tax in line with all other corrections.

See page 2, lines 11-12 and Page 4, lines 1-2

- Thirdly, under current law, certain corrections to the tax records can be made on an account for 5 years but if a refund is due it cannot be made for all five years depending on the time of year it is issued. There is a timing mismatch of six months. This concept would align the correction and refund statutes by allowing the collector to refund the full amount to the taxpayer for the same period for which the records are being corrected.

See page 2, lines 13-17. This language is changed to match the corrections statute which is ORS 311.216(1)

- Next, at the bottom of page 2, line 45 we recommend removing the word “exemption” because it does not make any sense.
- Then, there are two areas where manufactured structures and floating homes are treated differently and it makes more sense, we believe, to treat them the same.
  - The law provides that for real property and manufactured structures the tax collector is to send a copy of the tax statement to the mortgagee if so requested. This should be allowed for floating homes with a mortgage.
  - Not all refund provisions that apply to real property and manufactured structures apply to floating homes. This bill aligns the three.

See page 4, Sections 4 and 5

- Finally, current law says that the minimum to refund is \$10. However, the minimum to collect on a delinquent account is \$5. County tax collectors report that it is often not cost effective to force collection of small amounts of money. This gives the county the discretion to cancel in most cases where they deem it more efficient.