

HB 2482 - Principal and Secondary Industrial Property

Problem

Certain appeal rights vary between county appraised and department appraised property for the property tax. This distinction was made in 2011. Confusion arises where an account transfers between the county and the state. This bill is needed to clarify how appraisal responsibility transfers between the two and clearly establishes the appropriate appeal venue which will provide more certainty for businesses affected. Additionally this bill conforms an appeal venue question for a certain type of appeal that was missed in the conforming language of the 2011 bill.

This bill was passed unanimously out of the House Revenue Committee and passed the House with 59 ayes and one excused.

Solution

The bill solves the problem by:

1. Cleaning up archaic language:
 - The terms “principal” and “secondary” industrial property are industrial property appraised by the department. These terms were used because the state accepted these accounts incrementally beginning in 1989. The references are no longer relevant and should be collapsed into a single reference - “state appraised” accounts. Section 1 cleans this up these references in the definition section.
 - By way of the definitions used, we clear up taxpayer and county confusion over where appeals are correctly made for state appraised accounts *that were delegated to the county*. This has been a problem for businesses losing their right to appeal due to the confusion.
2. Simplifying the process of transferring accounts between the department and the counties.
 - Section 1 also simplifies the accounts transfer process and makes for orderly transition.
3. Conforming all appeals references to the same policy decision made in 2011:
 - When the decision was made to have the complex industrial appeals go right to the magistrate division of the Tax Court the bill did not include all the various types of appeals that can be made, one of these is for appeals that result from new property added to the tax roll up to December 1. This is in Section 13 of the bill.
4. Additional conforming changes.
 - Sections 2 through 12 conform the statutes to recognize the new term “state appraised” wherever the terms “principal” and “secondary” were used.

Stakeholder Feedback

We sought feedback from the Business Finance Committee of the Oregon Business, the National Federation of Independent Businesses and Associated Oregon Industries. No concerns have been raised for us from those three organizations. We worked with the county assessors on this concept and the association supports it.