

**PRELIMINARY STAFF MEASURE SUMMARY**

**House Committee On Revenue**

**Fiscal:** Has minimal fiscal impact  
**Revenue:** May have revenue impact, but no statement yet issued

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**Action Date:**

**Action:**

**Meeting Dates:** 03/23

**Prepared By:** Kyle Easton, Economist

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**WHAT THE MEASURE DOES:**

Requires authorized agent providing closing and settlement services in conveyance of real property to tax-exempt government transferee to withhold and pay to county in which property is located, property taxes on the real property as of the date of the conveyance. Allows county to recover from authorized agent amount withheld with interest and penalty, if authorized agent fails to timely pay to county amount withheld related to conveyance. Defines terms. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Dollar amounts of imposed property taxes in question
- Process by which sale and requirement of taxes paid is administered in cases where both parties to sale are taxable entities
- Sale process between taxable and tax exempt owner and whether transactions are administered by authorized agent
- Possible loophole in amendment language related to "intent to obtain the certificate"
- Frequency of which taxable to tax exempt buyer transactions occur
- Reach of provision relating to county clerk not recording instrument of sale.

**EFFECT OF COMMITTEE AMENDMENT:**

-1 Replaces content of bill

Requires authorized agent providing closing and settlement services in conveyance of real property to tax-exempt government transferee to withhold and pay to county in which property is located, property taxes on the real property as of the date of the conveyance. Authorized agent is not required to withhold any amount if conveyer of property provides authorized agent a written declaration of intent to obtain certificate issued by county assessor attesting that all charges against the real property have been paid. Allows county clerk to not record fee title of real property if certificate issued by county assessor does not accompany instrument conveying or contracting to convey fee title.

Requires a person seeking to record an instrument of sale to exempt government transferee, to pay to tax collector amount of charges against real property or assessor's estimate of charges if exact amount is unknown. Any deficiency required to be paid constitutes a personal debt and is not a lien on the property and is required to be collected as delinquent personal property. Requires assessor to issue certificate prescribed by the Department of Revenue attesting that all charges against the real property have been paid as of date of recording. Defines terms. Takes effect on 91st day following adjournment sine die.

-2 Replaces content of bill

Allows authorized agent providing closing and settlement services in conveyance of real property to tax-exempt government transferee to withhold and pay to county in which property is located, property taxes on the real property as of the date of the conveyance if written instructions to do so are received from transferor. Prohibits

county clerk from recording fee title of real property if certificate issued by county assessor does not accompany instrument conveying or contracting to convey fee title.

Requires a person seeking to record an instrument of sale to exempt government transferee, to pay to tax collector amount of charges against real property or assessor's estimate of charges if exact amount is unknown. Any deficiency required to be paid constitutes a personal debt and is not a lien on the property and is required to be collected as delinquent personal property. Requires assessor to issue certificate prescribed by the Department of Revenue attesting that all charges against the real property have been paid as of date of recording. Defines terms. Takes effect on 91st day following adjournment sine die.

**BACKGROUND:**

If property is sold or transferred from a taxable owner to an exempt government agency, taxes that are unpaid at time of the transfer may be uncollectable. Delinquent taxes remain a lien on the property and accrue interest, however, as the government agency is exempt from taxation under ORS 307.040 and 307.090, the assessor and/or county tax collector are unable to foreclose, seize, and sell the property to collect the delinquent tax.