

**Fiscal:** Fiscal impact issued  
**Revenue:** Revenue impact issued

---

**Action Date:** 02/23/15  
**Action:** Do Pass And Refer To Finance And Revenue By Prior Reference.  
**Meeting Dates:** 02/23  
**Senate**  
**Yeas:** 5 - Burdick, Gelser, Thatcher, Prozanski, Kruse

**Prepared By:** Channa Newell, Counsel

---

**WHAT THE MEASURE DOES:**

Requires seller of business personal property to provide purchaser with disclosure notice that includes whether property taxes were assessed against property, liens against property, other counties that have assessed tax against property, others who have had possession, control, or ownership of property, and requirements of bona fide purchaser of business personal property. Specifies bona fide business property purchaser is not liable for assessed taxes if purchased in good faith, for value, at arms-length, and without notice of delinquent taxes. Lists criteria for meeting “without notice” standard. Allows tax collector to accept equitable compromise payment on property from purchaser. Maintains right to recovery against former owner personally. Allows county tax collector to submit electronic filing warrant for delinquent property taxes on business personal property. Requires Secretary of State (SOS) to mark, hold, and index filed warrants. Requires electronic filing of release or cancellation of warrants to SOS. Requires SOS to maintain public access to notices and cancellations. Allows SOS to charge fee for accepting electronic notices. Specifies tax collector must still properly record warrant. Provides that notice of warrant expires 10 years from date of filing, unless extended for additional 10 years with properly filed certificate of extension.

**ISSUES DISCUSSED:**

- Liens due to unpaid taxes follow property
- Liens recorded at county level, not state level
- Property may be sold across county lines
- Diligent lien search will not uncover lien if filed in different county
- No ability for tax assessors to remove or modify collection requirements
- Personal experiences with taxes and liens following business property
- Recording similar to state-level Uniform Commercial Code filing of finance statements
- Difference between personal business property and personal manufactured property

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

In Oregon, counties are authorized to collect taxes for personal business property. Personal business property includes machinery, equipment, furniture, books, non-inventory supplies, etc., used by a business, whether currently in use, in storage, or held for sale. Purely personal-use items, farm animals, inventory and intangible personal property, such as interest or stock, are tax-exempt personal property. When personal property taxes become delinquent, the tax collector must give written notice of the taxes due and delinquency, the date of delinquency, the interest rate, and the date at which a warrant may be served. Thirty days later, a

warrant may be issued to enforce payment. A properly served and noticed warrant acts as a judgment against the property owner, who may then be subject to liens, garnishment or seizure.

Senate Bill 161 requires sellers to give notice to buyers of liens that may be against the personal business property and sets up a structure for relieving a bona fide purchaser from the tax delinquency of a former owner. It also allows the tax collector to send notice of the electronic warrant to the Secretary of State (SOS). It does not relieve the obligation of the tax collector to properly serve the warrant or to record the lien. The SOS must provide public access to warrant notices and cancellation of warrants in a manner similar to that used for financing statements.