

House Bill 2127

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires agent providing closing and settlement services in conveyance of real property to tax-exempt government transferee to withhold and pay to county in which real property is located property taxes on real property outstanding as of date of conveyance.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the withholding of outstanding taxes on real property transfers; and prescribing an ef-
3 fective date.

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

5 **SECTION 1. (1) As used in this section:**

6 (a) **"Authorized agent" means an agent who is responsible for closing and settlement**
7 **services in a conveyance.**

8 (b) **"Closing and settlement services" means services that are provided by:**

9 (A) **A licensed escrow agent in a real estate closing escrow within the meaning of ORS**
10 **696.505 to 696.590; or**

11 (B) **An attorney for the benefit of a transferor or a transferee in a conveyance, if, si-**
12 **multaneously with the conveyance, the attorney deposits the unpaid purchase price into the**
13 **attorney's client trust account for disbursement pursuant to the written instructions of, or the**
14 **agreement between, the transferor and transferee.**

15 (c) **"Consideration" means the amount of cash paid for a conveyance.**

16 (d) **"Conveyance" means a transfer of, or a contract to transfer, fee title to any real**
17 **property located in the State of Oregon to a transferee whose property is exempt from tax-**
18 **ation under ORS 307.040 or 307.090.**

19 (2) **An authorized agent in a conveyance is required to withhold from the consideration**
20 **payable to the transferor an amount equal to the amount of outstanding property taxes on**
21 **the real property as of the date of the conveyance.**

22 (3)(a) **Amounts withheld pursuant to this section are held in trust for the taxing districts**
23 **within the county in which the real property is located and shall be paid to the county tax**
24 **collector before the consideration, net of the amounts withheld, may be paid to the**
25 **transferor.**

26 (b) **If an authorized agent fails to timely pay to the county an amount withheld by the**
27 **authorized agent under this section, the county may recover from the authorized agent the**
28 **amount withheld with interest at the rate prescribed under ORS 311.505.**

29 (c) **If an authorized agent fails to withhold the amount required under this section, the**
30 **county may recover a penalty not to exceed the greater of:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (A) \$500; or

2 (B) Ten percent of the amount required to be withheld under this section, but not more
3 than \$2,500.

4 (d) An authorized agent may withhold and pay funds to the county under this section
5 without written instructions from the transferor.

6 SECTION 2. Section 1 of this 2015 Act applies to conveyances of real property that be-
7 come final on or after the effective date of this 2015 Act.

8 SECTION 3. This 2015 Act takes effect on the 91st day after the date on which the 2015
9 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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