

**PROPOSED AMENDMENTS TO
HOUSE BILL 2083**

1 On page 1 of the printed bill, line 2, after the semicolon delete the rest
2 of the line and delete line 3 and insert “creating new provisions; amending
3 ORS 311.356, 311.670, 311.672, 311.675, 311.679, 311.683, 311.688, 311.689 and
4 311.695 and section 1, chapter 494, Oregon Laws 2013; and prescribing an ef-
5 fective date.”.

6 Delete lines 5 through 28 and delete pages 2 through 6 and insert:

7 **“SECTION 1.** ORS 311.670 is amended to read:

8 “311.670. (1) Property is not eligible for tax deferral under ORS 311.666
9 to 311.701 unless, at the time a claim is filed and during the period for which
10 deferral is claimed[:], **the property meets the requirements of this sec-**
11 **tion.**

12 “[*(a)*] **(2)(a)** The property [*has*] **for which the claim is filed must have**
13 **been the homestead of the individual or individuals who file the claim for**
14 **deferral for at least five years preceding April 15 of the year in which the**
15 **claim is filed, except for an individual required to be absent from the home-**
16 **stead by reason of health.**

17 **“(b) The five-year requirement under paragraph (a) of this sub-**
18 **section does not apply to a homestead that meets all other require-**
19 **ments of this section, if the individual or individuals filing the claim**
20 **for deferral:**

21 **“(A) Moved to the homestead for which the claim is filed from a**
22 **homestead that was granted deferral under ORS 311.666 to 311.701 and**

1 **was of greater real market value than the homestead for which the**
2 **claim is filed;**

3 **“(B) Sell the prior homestead within one year of purchasing the**
4 **homestead for which the claim is filed;**

5 **“(C) Satisfy any lien created under ORS 311.673 or 311.679 and at-**
6 **tached to the prior homestead; and**

7 **“(D) Provide a written attestation that the individual or individuals**
8 **incurred debt for not more than 80 percent of the purchase price of the**
9 **homestead for which the claim is filed.**

10 “[*b*] **(3)** The individual claiming the deferral, individually or jointly,
11 [*owns*] **must own** the fee simple estate under a recorded instrument of sale,
12 or two or more individuals together **must** own the fee simple estate with
13 rights of survivorship under a recorded instrument of sale if all owners live
14 in the property and if all owners apply for the deferral jointly.

15 “[*c*] **(4)(a)** The homestead [*is*] **must be** insured for fire and other casu-
16 alty.

17 **“(b) If the homestead meets all other requirements of this section**
18 **and is insurable for fire and other casualty but not insured, the De-**
19 **partment of Revenue may purchase insurance for the homestead and**
20 **add the cost of the insurance coverage to a lien created under ORS**
21 **311.679.**

22 “[*d*] **(5)** There [*is*] **may be** no prohibition to the deferral of property
23 taxes contained in any provision of federal law, rule or regulation applicable
24 to a mortgage, trust deed, land sale contract or conditional sale contract for
25 which the homestead is security.

26 “[*2*] **(6)** [*Notwithstanding subsection (1) of this section,*] A homestead is
27 not eligible for deferral under ORS 311.666 to 311.701 if the real market value
28 of the homestead entered on the last certified assessment and tax roll is
29 equal to or greater than:

30 **“(a) 100 percent of county median RMV if, as of April 15 of the year in**

1 which a claim is filed, the taxpayers have continuously owned and lived in
2 the homestead [*at least five years but*] less than seven years.

3 “(b) 110 percent of county median RMV if, as of April 15 of the year in
4 which a claim is filed, the taxpayers have continuously owned and lived in
5 the homestead at least seven years but less than nine years.

6 “(c) 120 percent of county median RMV if, as of April 15 of the year in
7 which a claim is filed, the taxpayers have continuously owned and lived in
8 the homestead at least nine years but less than 11 years.

9 “(d) 130 percent of county median RMV if, as of April 15 of the year in
10 which a claim is filed, the taxpayers have continuously owned and lived in
11 the homestead at least 11 years but less than 13 years.

12 “(e) 140 percent of county median RMV if, as of April 15 of the year in
13 which a claim is filed, the taxpayers have continuously owned and lived in
14 the homestead at least 13 years but less than 15 years.

15 “(f) 150 percent of county median RMV if, as of April 15 of the year in
16 which a claim is filed, the taxpayers have continuously owned and lived in
17 the homestead at least 15 years but less than 17 years.

18 “(g) 160 percent of county median RMV if, as of April 15 of the year in
19 which a claim is filed, the taxpayers have continuously owned and lived in
20 the homestead at least 17 years but less than 19 years.

21 “(h) 170 percent of county median RMV if, as of April 15 of the year in
22 which a claim is filed, the taxpayers have continuously owned and lived in
23 the homestead at least 19 years but less than 21 years.

24 “(i) [180] **200** percent of county median RMV if, as of April 15 of the year
25 in which a claim is filed, the taxpayers have continuously owned and lived
26 in the homestead at least 21 years but less than 23 years.

27 “(j) [190] **225** percent of county median RMV if, as of April 15 of the year
28 in which a claim is filed, the taxpayers have continuously owned and lived
29 in the homestead at least 23 years but less than 25 years.

30 “(k) [200] **250** percent of county median RMV if, as of April 15 of the year

1 in which a claim is filed, the taxpayers have continuously owned and lived
2 in the homestead for 25 years or more.

3 **“SECTION 2.** ORS 311.679 is amended to read:

4 “311.679. (1)(a) At the time that property taxes are deferred under ORS
5 311.666 to 311.701, or if property taxes were deferred prior to July 1, 1990,
6 the Department of Revenue shall estimate the amount of property taxes de-
7 ferred for tax years beginning on or after July 1, 1990, interest on the de-
8 ferred taxes, **the cost of insurance purchased pursuant to ORS 311.670**
9 **(4)(b)** and any fees paid by the department in connection with lien filing,
10 recording, release or satisfaction.

11 “(b) The department shall have a lien in the amount of the estimate.

12 “(2) If during the period of deferral the amount of taxes[,] **and** interest
13 **on the deferred taxes, the cost of insurance purchased pursuant to**
14 **ORS 311.670 (4)(b)** and fees exceeds the estimate under subsection (1) of this
15 section, the department shall have a lien for the amount of the excess.

16 “(3)(a) A lien created under subsection (1) of this section attaches to the
17 homestead to which the deferral relates on July 1 of the first tax year of
18 deferral or on July 1, 1990, as applicable.

19 “(b) A lien for the excess created under subsection (2) of this section at-
20 taches to the homestead on July 1 of the tax year in which the excess occurs.

21 “(4) A lien created under subsection (1) or (2) of this section has the same
22 priority as other real property tax liens except that liens of mortgages, trust
23 deeds or security interests that are filed, recorded or noted on a certificate
24 of title or in any record maintained by the Department of Consumer and
25 Business Services pursuant to ORS 446.566 to 446.646 prior in time to the
26 attachment of a lien [*for deferred taxes*] **created under subsection (1) or**
27 **(2) of this section** are prior to the lien [*for deferred taxes*] **created under**
28 **subsection (1) or (2) of this section.**

29 “(5)(a) The notice of lien for deferred taxes recorded as provided in ORS
30 311.675 (1) and (2) arising on or after October 3, 1989, shall list the amount

1 of the estimate of deferred taxes[,] **and interest on the deferred taxes, the**
2 **cost of insurance purchased pursuant to ORS 311.670 (4)(b)** and fees
3 made by the department under subsection (1) of this section. Any amendment
4 to the notice of lien to reflect a lien for excess, as described under subsection
5 (2) of this section, shall list the amount of the excess that the department
6 claims as a lien.

7 “(b) If notice of lien with respect to any homestead has been filed or re-
8 corded as provided under ORS 311.675 (1) to (3) prior to January 1, 1990, and
9 the lien has not been released or satisfied, the department shall cause a
10 further notice of lien to be recorded in the mortgage records of the county.
11 The further notice of lien shall list the amount of the estimate of deferred
12 taxes and interest made by the department under subsection (1) of this sec-
13 tion and any amendment to the notice to reflect a lien for excess, described
14 under subsection (2) of this section, and shall list the amount of the excess
15 that the department claims as lien.

16 “(6)(a) A lien created under this section may be foreclosed by the de-
17 partment as if it were a purchase money mortgage under ORS chapter 88.

18 “(b) In a foreclosure action under this section, a court may award:

19 “(A) Reasonable attorney fees to the prevailing party.

20 “(B) All costs associated with foreclosure of the lien to the department
21 if the department prevails.

22 “(7) Receipts from foreclosure proceedings shall be credited in the same
23 manner as other repayments of deferred property taxes under ORS 311.701.

24 “(8)(a) By means of voluntary payment made as provided under ORS
25 311.690, the taxpayer may limit the amount of the lien [*for deferred taxes*]
26 created under this section.

27 “(b) If the taxpayer desires that the limit be reflected in the records of
28 the county, the taxpayer must request, subject to any rules adopted by the
29 department, that the department cause a partial satisfaction of the lien to
30 be recorded in the county.

1 “(c) Upon receipt of such a request, the department shall cause a partial
2 satisfaction, in the amount of the voluntary payment, to be recorded.

3 “(d) Nothing in this subsection affects the priority of the liens of the de-
4 partment, as originally created under subsections (1) and (2) of this section.

5 “(9)(a) Nothing in this section affects any lien arising under ORS 311.666
6 to 311.701 for taxes assessed before January 1, 1990.

7 “(b) A lien for taxes does not arise under ORS 311.666 to 311.701 for taxes
8 assessed after December 31, 1989, except as provided under this section.

9 “(10) This section first applies to liens [*for deferred taxes arising*] **created**
10 on or after October 3, 1989.

11 **“SECTION 3.** ORS 311.689 is amended to read:

12 “311.689. (1) The Department of Revenue shall certify the eligibility of
13 each homestead granted, and the respective taxpayers claiming, deferral un-
14 der ORS 311.666 to 311.701, not less than once every three years.

15 “(2) The department shall notify the taxpayers in writing of the obligation
16 to certify eligibility under this section and the taxpayers shall respond, by
17 the means prescribed by the department, within 65 days after the department
18 sends the notification.

19 **“(3) If the Department of Revenue has not received a response from**
20 **the taxpayers within 35 days after sending the notification, the de-**
21 **partment shall, as soon as practicable, electronically notify an office**
22 **of the Aging and Disability Resource Connection in the county in**
23 **which the homestead is located or the seniors and people with disa-**
24 **bilities division of the Department of Human Services that the tax-**
25 **payers have failed to respond to the notice as required under**
26 **subsection (2) of this section. The Department of Revenue may identify**
27 **the taxpayers by name, address and phone number if available.**

28 “[~~(3)~~] **(4)(a)** [*Failure to respond as required under subsection (2) of this*
29 *section renders the*] **Notwithstanding ORS 311.672 (3)(c), a homestead shall**
30 **be ineligible for deferral for the next following property tax year if:**

1 **“(A) The department receives information showing that the home-**
2 **stead is not eligible for, or the taxpayers are not eligible to claim, the**
3 **deferral; or**

4 **“(B) The Department of Revenue has not received a response to the**
5 **notice sent under subsection (2) of this section within 30 days after**
6 **notifying the office of the Aging and Disability Resource Connection**
7 **or the seniors and people with disabilities division of the Department**
8 **of Human Services under subsection (3) of this section.**

9 **“(b)** This subsection does not preclude the grant of deferral to an eligible
10 homestead in any subsequent property tax year for which an eligible claim-
11 ant files a timely application under ORS 311.672.

12 **“SECTION 4.** ORS 311.672 is amended to read:

13 **“311.672. (1)(a)** A taxpayer’s claim for deferral under ORS 311.666 to
14 311.701 must:

15 **“(A)** Be in writing on a form supplied by the Department of Revenue;

16 **“(B)** Describe the homestead;

17 **“(C)** Recite all facts establishing the eligibility of the homestead for, and
18 of the taxpayers to claim, the deferral; and

19 **“(D)** Have attached:

20 **“(i)** Any documentary proof required by the department; and

21 **“(ii)** A statement verified by a written declaration of all taxpayers
22 claiming deferral to the effect that the statements contained in the claim are
23 true.

24 **“(b)** The claim for deferral must be filed with the assessor of the county
25 in which the homestead is located, after January 1 and on or before April
26 15 immediately preceding the property tax year for which deferral is claimed.

27 **“(2)** The county assessor shall forward each claim filed under this section
28 to the department, and the department shall determine whether the property
29 is eligible for the deferral.

30 **“(3)** If the taxpayers and the homestead are determined to be eligible un-

1 der ORS 311.668 and 311.670, respectively, a timely claim for deferral has the
2 effect of:

3 “(a) Deferring the payment of the property taxes levied on the homestead
4 for the property tax year beginning on July 1 of the year in which the claim
5 is filed.

6 “(b) Continuing the deferral of the payment by the taxpayers of any
7 property taxes deferred under ORS 311.666 to 311.701 for previous years that
8 have not become delinquent under ORS 311.686.

9 “(c) **Except as otherwise provided in ORS 311.689**, continuing the
10 deferral of the payment by the taxpayers of any future property taxes for as
11 long as the homestead remains eligible for, and the taxpayers remain eligible
12 to claim, the deferral.

13 “(4)(a) Notwithstanding subsection (3) of this section:

14 “(A) For the property tax year beginning on July 1, 2012, the maximum
15 number of claims for deferral under ORS 311.666 to 311.701 that may be
16 granted to taxpayers who have not previously been granted deferral is the
17 number of such claims granted for the property tax year beginning on July
18 1, 2011, multiplied by 105 percent.

19 “(B) For each property tax year beginning after July 1, 2012, the maxi-
20 mum number of claims for deferral that may be granted to taxpayers who
21 have not previously been granted deferral is the maximum number deter-
22 mined under this subsection for the immediately preceding property tax year
23 multiplied by 105 percent.

24 “(b) For purposes of paragraph (a) of this subsection, spouses who con-
25 tinue deferral under ORS 311.688 are not considered taxpayers who have not
26 previously been granted deferral.

27 “(c) If the number of eligible claims described in paragraph (a) of this
28 subsection exceeds the maximum number determined under paragraph (a) of
29 this subsection, claims shall be granted in ascending order based on the ratio
30 that is equal to the real market value of the homestead entered on the last

1 certified assessment and tax roll divided by the county median RMV of the
2 homestead determined under ORS 311.670 [(2)] (6), until the maximum num-
3 ber determined under paragraph (a) of this subsection is reached.

4 “(5) Any taxpayer aggrieved by the denial of a claim for, or discontinua-
5 tion of, deferral under ORS 311.666 to 311.701 may appeal in the manner
6 provided by ORS 305.404 to 305.560.

7 **“SECTION 5.** ORS 311.688 is amended to read:

8 “311.688. (1) Notwithstanding ORS 311.684, when one of the circumstances
9 listed in ORS 311.684 (1) to (3) occurs, the spouse who was not eligible to
10 or did not file a claim jointly with the taxpayer may continue the property
11 in its deferred tax status by filing a claim in the manner prescribed under
12 ORS 311.672 if:

13 “(a) The spouse of the taxpayer is or will be 60 years of age or older not
14 later than six months from the day the circumstance listed in ORS 311.684
15 (1) to (3) occurs; and

16 “(b) The property is the homestead of the spouse of the taxpayer and
17 meets the requirements of ORS 311.670 [(1)].

18 “(2)(a) A spouse who does not meet the age requirements of subsection
19 (1)(a) of this section but is otherwise qualified to continue the property in
20 its tax-deferred status under subsection (1) of this section may continue the
21 deferral of property taxes deferred for previous years by filing a claim in the
22 manner prescribed under ORS 311.672.

23 “(b) If a spouse eligible for and continuing the deferral of taxes previously
24 deferred under this subsection becomes 62 years of age prior to April 15 of
25 any year, the spouse may continue the deferral of previous years’ taxes de-
26 ferred under this subsection and may elect to defer the current assessment
27 year’s taxes on the homestead by filing a claim in the manner prescribed
28 under ORS 311.672.

29 “(c) After a claim is filed under paragraph (b) of this subsection, payment
30 of the taxes levied on the homestead and deferred under this subsection and

1 payment of taxes levied on the homestead in the current assessment year and
2 in future years may be deferred under ORS 311.666 to 311.701.

3 “(3) Notwithstanding ORS 311.672, if the Department of Revenue deter-
4 mines that good and sufficient cause exists for the failure of a spouse to file
5 a claim under this section on or before April 15, the claim may be filed
6 within 180 days after notice of taxes due and payable under ORS 311.686 is
7 mailed or delivered by the department to the taxpayer or spouse.

8 **“SECTION 6.** ORS 311.675 is amended to read:

9 “311.675. (1) In each county in which there is tax-deferred property, the
10 Department of Revenue shall cause to be recorded in the mortgage records
11 of the county a list of tax-deferred properties that lie in the county. The list
12 shall contain a description of the property as listed on the assessment roll
13 together with the name of the owner as listed on the assessment roll.

14 “(2)(a) The recording of tax-deferred properties under subsection (1) of
15 this section is notice that the Department of Revenue claims a lien against
16 those properties in the amount of the deferred taxes plus interest on the
17 deferred taxes [*together with*], **the cost of insurance purchased pursuant**
18 **to ORS 311.670 (4)(b) and** any fees paid by the department in connection
19 with the filing, recording, release or satisfaction of the lien.

20 “(b) If the recording of tax-deferred properties under subsection (1) of this
21 section occurred prior to January 1, 1990, the recording is notice that the
22 department claims a lien against those properties in the amount of the de-
23 ferred taxes plus interest on the deferred taxes [*together with*], **the cost of**
24 **insurance purchased pursuant to ORS 311.670 (4)(b) and** any fees paid
25 by the department in connection with the filing, recording, release or satis-
26 faction of the lien, whether or not the amount of taxes[,] **and interest on**
27 **the deferred taxes, the cost of insurance purchased pursuant to ORS**
28 **311.670 (4)(b) or** fees is listed.

29 “(3)(a) When an ownership document is issued under ORS 446.566 to
30 446.646, or issuance of the document is pending, for a tax-deferred manufac-

1 tured structure assessed as personal property under ORS 308.875, the De-
2 partment of Revenue shall file with the Department of Consumer and
3 Business Services an application for notation of the deferred property tax
4 lien as a security interest on behalf of the State of Oregon. The Department
5 of Consumer and Business Services shall note the lien as a security interest
6 in the same manner as other security interests in manufactured structures.
7 A lien noted as a security interest in records maintained by the Department
8 of Consumer and Business Services pursuant to ORS 446.566 to 446.646 shall
9 have the same legal effect as other security interests in manufactured
10 structures.

11 “(b) For any other tax-deferred homestead assessed as personal property,
12 the Department of Revenue may file notice of the deferred property tax lien
13 as a security interest on behalf of the State of Oregon with the office of the
14 Secretary of State or with any other designated filing office pursuant to ORS
15 chapter 79.

16 “(4)(a) Notwithstanding the provisions of ORS 182.040 to 182.060 and
17 205.320 relating to the time and manner of payment of fees to the county
18 clerk, the department shall not be required to pay any filing, indexing or
19 recording fees to the county in connection with the filing, recording, release
20 or satisfaction of liens against tax-deferred properties of that county in ad-
21 vance or at the time entry is made. The manner of payment of the fees shall
22 be as provided in ORS 205.395 for the payment of fees for filing, recording
23 and making entry of warrants or orders in the County Clerk Lien Record.

24 “(b) The Department of Revenue shall pay filing fees for any application
25 for notation of the deferred property tax lien as a security interest in tax-
26 deferred properties to the Department of Consumer and Business Services as
27 provided in ORS 446.646 or in rules adopted under ORS 446.646.

28 “(c) If the Department of Revenue files notice of the deferred property tax
29 lien as a security interest on behalf of the State of Oregon with the office
30 of the Secretary of State or with any other designated filing office under

1 subsection (3) of this section, the department shall pay filing fees to the
2 Secretary of State or to the other filing office pursuant to ORS chapter 79.

3 **“SECTION 7.** ORS 311.683 is amended to read:

4 “311.683. (1) If tax-deferred homestead property is acquired by the De-
5 partment of Transportation through condemnation, the taxpayer may elect
6 to continue to defer the payment of taxes and interest **and the cost of in-**
7 **surance purchased pursuant to ORS 311.670 (4)(b)** by:

8 “(a) Filing a written notice of intent to continue deferral with the De-
9 partment of Revenue on or before 30 days after the date the Department of
10 Transportation has acquired title to the condemned homestead; and

11 “(b) Filing a claim for deferral with respect to a new homestead within
12 one year after the Department of Transportation has acquired title to the
13 condemned homestead.

14 “(2) Upon receipt of a notice of intent to continue deferral of taxes at-
15 tributable to a condemned homestead **under subsection (1) of this**
16 **section**, the Department of Revenue shall prepare an estimate of the amount
17 of taxes[,] **and interest, the cost of insurance purchased pursuant to**
18 **ORS 311.670 (4)(b)** and fees that have been and, if approved under sub-
19 sections (3) and (5) of this section, will continue to be deferred upon the re-
20 lease and satisfaction of the lien on the condemned homestead and the
21 recordation of the lien on the new homestead.

22 “(3) After preparing the estimate described in subsection (2) of this sec-
23 tion, the Department of Revenue shall grant a temporary deferral of taxes
24 with respect to the condemned homestead not to exceed the length of time
25 described in subsection (1)(b) of this section if:

26 “(a) The Department of Transportation has acquired title to the con-
27 demned homestead; and

28 “(b) The taxpayer has a legally enforceable escrow agreement with a title
29 company that:

30 “(A) Provides for an interest-bearing escrow account in which moneys are

1 deposited that are sufficient to pay in full the amount of deferred taxes[,]
2 **and interest, the cost of insurance purchased pursuant to ORS 311.670**
3 **(4)(b)** and fees on the condemned homestead property as estimated under
4 subsection (2) of this section;

5 “(B) Establishes the Department of Revenue as the beneficiary of the
6 escrow agreement;

7 “(C) Provides that the moneys of the escrow account are to be released
8 to the taxpayer upon the Department of Revenue’s approval of continued
9 deferral under subsection (5) of this section and the recordation of the lien
10 described in subsection (6) of this section with the county clerk; and

11 “(D) Provides that the full amount of the estimated deferred taxes[,] **and**
12 **interest, the cost of insurance purchased pursuant to ORS 311.670 (4)(b)**
13 **and fees related to the condemned homestead are to be released to the De-**
14 **partment of Revenue if the continued deferral described in subsection (5) of**
15 **this section is not granted by the Department of Revenue.**

16 “(4) The Department of Revenue shall provide a release or satisfaction
17 of the lien on the condemned homestead when an escrow account has been
18 established as provided under subsection (3) of this section.

19 “(5) Upon receipt of a claim for the deferral of taxes for a new homestead
20 that also seeks to continue the deferral of taxes attributable to a condemned
21 homestead for which a temporary deferral has been granted under subsection
22 (3) of this section, the Department of Revenue shall approve the continued
23 deferral of the taxes temporarily deferred under subsection (3) of this section
24 if:

25 “(a) The taxpayer’s equity interest in the new homestead equals or ex-
26 ceeds in value the total of the amount of deferred taxes[,] **and interest, the**
27 **cost of insurance purchased pursuant to ORS 311.670 (4)(b)** and fees on
28 the condemned homestead as estimated under subsection (2) of this section,
29 plus \$10,000;

30 “(b) The taxpayer is entitled to tax deferral under ORS 311.666 to 311.701

1 with respect to the new homestead; and

2 “(c) The taxpayer consents to the continued deferral of taxes and to the
3 lien on the new homestead property as provided in subsection (6) of this
4 section.

5 “(6) Upon granting the continued deferral under subsection (5) of this
6 section, the Department of Revenue shall have a lien on the new homestead
7 in the amount of the estimate prepared under subsection (2) of this section
8 plus interest and any fees incurred in connection with the recording of the
9 lien. The lien described in this subsection shall be in addition to any other
10 lien under ORS 311.673 that the Department of Revenue shall have with re-
11 spect to the new homestead. The provisions of ORS 311.679 relating to liens
12 shall apply to the lien described in this subsection. At the time the lien de-
13 scribed in this subsection is recorded, the escrow account described in sub-
14 section (3) of this section shall be closed and the moneys in the account
15 released to the taxpayer.

16 “(7) The Department of Revenue may prescribe such rules as are needed
17 to implement the provisions of this section.

18 **“SECTION 8.** ORS 311.695 is amended to read:

19 “311.695. (1) A transferee of a homestead who is ineligible to claim, or
20 does not claim, deferral under ORS 311.666 to 311.701, or that is not an in-
21 dividual, is jointly and severally liable for amounts payable under ORS
22 311.686 to the extent of the positive amount, if any, remaining after sub-
23 tracting the amount of all liens prior to the Department of Revenue’s liens
24 for deferred taxes arising under ORS 311.673 or 311.679 from the real market
25 value of the homestead entered on the last certified assessment and tax roll
26 prior to the date of the transfer.

27 “(2) The department shall issue by mail a notice of liability to a
28 transferee after deferred amounts for which the transferee is liable under
29 this section become payable under ORS 311.686.

30 “(3)(a) Within 30 days after the department mails the notice of liability

1 required under subsection (2) of this section, the transferee:

2 “(A) Shall pay the deferred amounts, plus interest, **the cost of insurance**
3 **purchased pursuant to ORS 311.670 (4)(b)** and fees; or

4 “(B)(i) Shall notify the department in writing of objections to the notice
5 of liability; and

6 “(ii) May request a conference. The provisions of ORS 305.265 governing
7 a conference requested relating to a notice of deficiency apply to a confer-
8 ence requested under this sub-subparagraph.

9 “(b) If the department does not receive payment or written objection to
10 the notice of liability within 30 days after the notice has been mailed, the
11 notice of liability becomes final.

12 “(c) A transferee may appeal the notice of liability to the tax court in the
13 manner provided for an appeal from a notice of assessment within 90 days
14 after the notice becomes final under this subsection.

15 “(4)(a) After a conference, or, if no conference is requested, a determi-
16 nation of the issues raised by the written objections, the department shall
17 mail to the transferee a conference letter affirming, canceling or adjusting
18 the notice of liability.

19 “(b) Within 90 days after the date on which the conference letter is mailed
20 to the transferee, the transferee shall pay the deferred amounts, plus
21 interest, **the cost of insurance purchased pursuant to ORS 311.670 (4)(b)**
22 and fees, or appeal to the tax court in the manner provided for an appeal
23 from a notice of assessment.

24 “(5)(a) If more than one transferee may be held jointly and severally liable
25 for payment of deferred amounts under this section, the department may re-
26 quire any or all of the transferees who may be held liable to appear before
27 the department for a joint determination of liability. The department shall
28 notify each transferee of the time and place set for the determination of li-
29 ability.

30 “(b) Each transferee notified of a joint determination under this sub-

1 section shall appear and present such information as is necessary to estab-
2 lish that person's liability or nonliability for payment of deferred amounts
3 to the department. If any person notified fails to appear, the department shall
4 make its determination on the basis of all the information and evidence
5 presented. The department's determination shall be binding on all persons
6 notified and required to appear under this subsection.

7 “(c)(A) If an appeal is taken to the Oregon Tax Court pursuant to ORS
8 305.404 to 305.560 by any transferee determined to be liable for deferred
9 amounts under this subsection, each person required to appear before the
10 department under this subsection shall be impleaded by the plaintiff. The
11 department may implead any transferee who may be held jointly and se-
12 verally liable for the payment of deferred amounts. Each person impleaded
13 under this paragraph shall be made a party to the action before the tax court
14 and shall make available to the tax court such information as was presented
15 before the department, as well as such other information as may be presented
16 to the court.

17 “(B) The court may determine that one or more persons impleaded under
18 this paragraph are liable for deferred amounts without regard to any earlier
19 determination by the department that an impleaded person was not liable for
20 deferred amounts.

21 “(C) If any person required to appear before the court under this sub-
22 section fails or refuses to appear or bring such information in part or in
23 whole, or is outside the jurisdiction of the tax court, the court shall make
24 its determination on the basis of all the evidence introduced. All such evi-
25 dence shall constitute a public record and shall be available to the parties
26 and the court. The determination of the tax court shall be binding on all
27 persons made parties to the action under this subsection.

28 “(d) Nothing in this section shall be construed to preclude a determi-
29 nation by the department or the Oregon Tax Court that more than one
30 transferee is jointly and severally liable for deferred amounts.

1 **“SECTION 9.** ORS 311.356 is amended to read:

2 “311.356. (1) After receipt of the tax roll each year the tax collector shall
3 receive and receipt for all moneys received for taxes and other amounts
4 charged on such roll, and for each payment, shall note on the tax roll at the
5 appropriate property assessment the following:

6 “(a) The date payment was received.

7 “(b) The amount of the payment.

8 “(c) The discount allowed, if any.

9 “(d) The interest charged, if any.

10 “(e) The number of the receipt issued for such payment.

11 “(2) Except as provided under subsection (3)(a) and (c) of this section, the
12 tax collector shall credit all payments of property taxes as follows:

13 “(a) First, to the payment of any taxes assessed against and due on the
14 property for which the payment was made, paying first the earliest such
15 taxes due on that property; and

16 “(b) Second, to the payment of taxes assessed on any other property which
17 have by any means become a lien against the property for which the payment
18 was made.

19 “(3)(a) Payments of property taxes made by the state on behalf of tax-
20 deferred homestead property under ORS 311.666 to 311.701 shall be credited
21 to the current tax year.

22 “(b) At the election of the taxpayer, payments of property taxes made by
23 the taxpayer on behalf of tax-deferred homestead property under ORS 311.666
24 to 311.701 shall be credited as provided in subsection (2) of this section, ex-
25 cept that the payments shall be credited first to the payment of taxes that
26 are not qualified to be deferred under ORS 311.688 (1) or as a result of a
27 determination of ineligibility made pursuant to ORS 311.689 [(1)], paying first
28 the earliest of such taxes due on that property.

29 “(c) Notwithstanding any contrary direction from the taxpayer, the tax
30 collector shall credit payments of property taxes to the latest year for which

1 taxes are due on the property for which payment is made if:

2 “(A) The payment is made by a payer who is a mortgagee, beneficiary
3 under a deed of trust or vendor under a land sales contract and who pays
4 taxes on behalf of any taxpayer; and

5 “(B) The mortgagee, beneficiary or vendor directs that the payment be
6 credited to the latest year for which taxes are due on the property; and

7 “(C) The mortgagee, beneficiary or vendor includes in the payment sub-
8 mitted with the direction given under subparagraph (B) of this paragraph
9 only the amounts for the payment of taxes on one or more properties for
10 which delinquent taxes are owed and does not include in that payment taxes
11 on property for which no delinquent taxes are owed.

12 “(d) If the mortgagee, beneficiary or vendor does not direct the tax col-
13 lector as to the application of taxes being paid, then the tax collector shall
14 apply all payments as provided under subsection (2) of this section.

15 “(4) The tax collector may, for convenience, divide the tax roll, as pay-
16 ments are made, into two portions, and file each separately, one portion
17 containing the paid accounts and another portion containing the unpaid ac-
18 counts. From time to time, and no later than the receipt of the next year’s
19 tax roll, the tax collector shall compute and indicate on the tax roll the
20 unpaid balance of taxes for each property assessment.

21 **“SECTION 10.** Section 1, chapter 494, Oregon Laws 2013, is amended to
22 read:

23 **“Sec. 1.** (1) Notwithstanding section 24 (1), chapter 723, Oregon Laws
24 2011, the amendments to ORS 311.670 by section 3, chapter 723, Oregon Laws
25 2011, relating to the five-year minimum requirement and the amendments to
26 ORS 311.700 by section 16, chapter 723, Oregon Laws 2011, relating to reverse
27 mortgages do not apply to a homestead that had been granted deferral under
28 ORS 311.666 to 311.701 for any property tax years beginning before July 1,
29 2011.

30 “(2) The Department of Revenue shall provide notice to all individuals

1 with inactive deferral accounts of the following:

2 “(a) The provisions of this section;

3 “(b) That the individuals may be eligible to claim deferral under ORS
4 311.666 to 311.701 for their homesteads for property tax years beginning on
5 or after July 1, 2014; and

6 “(c) That reactivating the homestead for deferral pursuant to this section
7 requires the individuals to file a claim for deferral in the manner prescribed
8 in ORS 311.672.

9 “(3) The department shall create and maintain a list of homesteads de-
10 termined to be eligible under this section for reactivation for deferral under
11 ORS 311.666 to 311.701. Homesteads shall appear on the list in the order in
12 which the individuals who own the homesteads file a claim for deferral in
13 the manner prescribed in ORS 311.672 on or after [*the effective date of this*
14 *2013 Act*] **October 7, 2013.**

15 “(4) A determination of eligibility under this section has the effect of re-
16 activating the homestead for deferral under ORS 311.666 to 311.701 beginning
17 with the first property tax year that begins after the date on which the de-
18 termination of eligibility is made and continuing for all subsequent property
19 tax years for which the homestead and the individuals who own the home-
20 stead remain eligible for the deferral.

21 “(5)(a) Notwithstanding subsection (4) of this section, for the property tax
22 year beginning on July 1, 2014, the maximum number of homesteads appear-
23 ing on the list created pursuant to subsection (3) of this section that may
24 be reactivated for deferral under this section is 700.

25 “(b) For the property tax year that begins on July 1, 2015, the cumulative
26 maximum number of homesteads appearing on the list that may be reactiv-
27 ated for deferral shall increase by five percent of the maximum number al-
28 lowable for the property tax year beginning on July 1, 2014, for a cumulative
29 maximum total of 735.

30 “(c) For each property tax year beginning on or after July 1, 2016, the

1 cumulative maximum number of homesteads appearing on the list that may
2 be reactivated for deferral shall increase by five percent of the maximum
3 number allowable for the immediately preceding property tax year, in the
4 manner prescribed in paragraph (b) of this subsection.

5 “(6) ORS 311.670 [(2)(a)] **(6)(a)** applies to a homestead reactivated for
6 deferral under this section if, as of April 15 of the year in which a claim for
7 deferral is filed, the taxpayers have continuously owned and lived in the
8 homestead less than seven years.

9 **“SECTION 11. The amendments to ORS 311.356, 311.670, 311.672,
10 311.675, 311.679, 311.683, 311.688, 311.689 and 311.695 and section 1, chap-
11 ter 494, Oregon Laws 2013, by sections 1 to 10 of this 2015 Act apply to
12 property tax years beginning on or after July 1, 2016.**

13 **“SECTION 12. This 2015 Act takes effect on the 91st day after the
14 date on which the 2015 regular session of the Seventy-eighth Legisla-
15 tive Assembly adjourns sine die.”.**

16
