

**HB 2407 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

---

**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 3/1

---

**WHAT THE MEASURE DOES:**

With respect to deferred billing credits, in instances where amount of refund due exceeds the deferred billing credit, reduces computation of interest from one percent per month to one-third of one percent per month. Eliminates three percent prompt payment discount in instances where taxes are due following final resolution of appeal. Requires taxes due following final resolution of appeal to be paid with interest computed at rate of one-third of one percent per month. Specifies that accrual of interest begins with inclusion of deferred billing credit and ends with the final resolution of the appeal to which the credit relates. Applies to deferred billing credits ordered on or after January 1, 2017.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Enacted in 2011 by HB 2569, Deferred Billing Credits (DBC) provide the county assessor with the authority to, at their discretion, issue a DBC to taxpayers when tax assessment is appealed and dollar amount in dispute exceeds \$1 million. Assessor is allowed to provide DBC in any amount deemed necessary to address the risk presented by an appeal. The issuance of a DBC mitigates the risk to the county tax collector, and in effect local taxing districts, from being required to refund taxes previously collected, with 12% interest in instances where final resolution of appeal results in a refund of taxes paid. When a DBC has been issued, taxpayer is not required to pay taxes extended equal to amount of the deferred billing credit. If final resolution of appeal results in taxes being owed by property owner, taxes are due within 45 days following the date on which the county assessor mails the notice of tax due. Taxes paid within 45 days of notice are payable without interest and after application of the three percent discount for prompt payment.

Interest charge and collected on delinquent property taxes accrues at the rate of one and one-third percent per month (ORS 311.505). Refund interest paid accrues at a rate of one percent per month (ORS 311.812).