

House Bill 2407

Sponsored by Representative LIVELY; Representative HELM (Presession filed.)

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**.

With respect to deferred billing credits, provides that four percent interest be charged for period of dispute on additional taxes ordered upon final resolution of dispute. Decreases interest payable on refunds ordered upon final resolution of dispute from 12 percent to four percent. Eliminates application of three percent discount for timely payment of additional taxes upon final resolution of dispute.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to deferred billing credits; creating new provisions; amending ORS 305.286; and prescribing
3 an effective date.

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

5 **SECTION 1.** ORS 305.286 is amended to read:

6 305.286. (1)(a) Whenever any property value or claim for exemption or cancellation of a property
7 tax assessment is appealed, if the dollar amount in dispute exceeds \$1 million, the assessor of the
8 county in which the property is located may order the officer in charge of the assessment and tax
9 roll to include a deferred billing credit in the property tax statement of the property or in a separate
10 notice of deferred billing.

11 (b) If the appeal relates to property assessed under ORS 308.505 to 308.681, the assessor of each
12 county to which a portion of the value is apportioned may order inclusion of a deferred billing credit
13 under paragraph (a) of this subsection:

14 (A) Even if the dollar amount in dispute with respect to the county is \$1 million or less; and

15 (B) Independently of the assessor of any other county.

16 (2) For purposes of this section, the dollar amount in dispute means the dollar amount of real
17 market value or specially assessed value in dispute:

18 (a) For all tax years to which the appeal relates and any tax year during the pendency of the
19 appeal; and

20 (b)(A) For all property of a taxpayer that is the subject of an appeal, regardless of whether the
21 property is the subject of separate appeals; or

22 (B) For property that is assessed under ORS 308.505 to 308.681, for all current appeals relating
23 to the property or to a unit of which the property is a part.

24 (3) For purposes of this section, the county assessor shall determine a deferred billing credit as
25 the dollar amount necessary to address the risk presented to the county by an appeal with respect
26 to the tax year that is the subject of the property tax statement of the property, or of the separate
27 notice of deferred billing, in which the deferred billing credit is included.

28 (4) The county assessor may order issuance of a separate notice of deferred billing pursuant to
29 this section at any time during a tax year to which an appeal relates and any tax year during the

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 pendency of the appeal.

2 (5)(a) The portion of a deferred billing credit representing tax amounts that have been paid shall
 3 be refunded without interest under ORS 311.806 as soon as practicable.

4 (b) Any amount paid after notice of a deferred billing credit in a property tax statement or a
 5 separate notice of deferred billing is mailed that exceeds the amount due after applying the deferred
 6 billing credit shall be returned to the taxpayer without interest.

7 (6) Inclusion of a deferred billing credit in a property tax statement or a separate notice of de-
 8 ferred billing does not give rise to a cause of action other than an action to ensure proper appli-
 9 cation of the provisions of this section.

10 (7)(a) If a deferred billing credit is included in a property tax statement or a separate notice of
 11 deferred billing, tax amounts credited may not be considered delinquent during the period beginning
 12 with the inclusion of the credit and ending with the final resolution of the appeal to which the credit
 13 relates, **except to the extent provided in subsection (10)(a) of this section.**

14 (b) During the period described in paragraph (a) of this subsection, interest may not be charged
 15 or collected on tax amounts described in paragraph (a) of this subsection.

16 (8) If a refund is ordered upon final resolution of the appeal to which a deferred billing credit
 17 relates, [*interest shall be paid as provided in*] **notwithstanding** ORS 311.812, **interest shall be paid**
 18 **at the rate of one-third of one percent per month or fraction of a month** for the period be-
 19 ginning on the later of the payment date or due date and ending on the date of refund, on:

20 (a) The amount refunded pursuant to subsection (5)(a) of this section that is affirmed by order
 21 upon final resolution of the appeal; and

22 (b) The amount by which the refund exceeds the deferred billing credit.

23 (9) If the final resolution of the appeal results in additional taxes due, the county assessor shall
 24 mail to the taxpayer as soon as practicable a notice containing the amount of the taxes due and the
 25 information specified in subsection (10) of this section.

26 (10)(a) Additional taxes due upon final resolution of the appeal are payable without [*interest and*
 27 *after*] application of the discount of three percent under ORS 311.505 [*if paid*], **and with interest**
 28 **at the rate of one-third of one percent per month or fraction of a month for the period de-**
 29 **scribed in subsection (7)(a) of this section**, within 45 days following the date on which the county
 30 assessor mails the notice required under subsection (9) of this section.

31 (b)(A) If the additional taxes are not paid within the period specified in paragraph (a) of this
 32 subsection, except as provided in subsection (7) of this section, the additional taxes shall be con-
 33 sidered for all purposes of collection and enforcement of payment as having been delinquent on the
 34 date the taxes would normally have become delinquent if the additional taxes had been timely ex-
 35 tended on the roll.

36 (B) Notwithstanding subparagraph (A) of this paragraph, interest on the additional taxes shall
 37 be computed beginning on the 46th day after the date on which the county assessor mails the notice
 38 required under subsection (9) of this section.

39 (11) The county assessor shall provide a quarterly report to the governing body of the county
 40 showing the status of all current deferred billing credits and the status of the appeals to which the
 41 credits relate.

42 (12) As used in this section:

43 (a) "Property tax statement" means the document described in ORS 311.250.

44 (b) "Separate notice of deferred billing" means a notice to the taxpayer, other than the property
 45 tax statement, that the provisions of this section apply and stating the amount of the deferred billing

1 credit and the amount of refund, if any.

2 **SECTION 2. The amendments to ORS 305.286 by section 1 of this 2017 Act apply to de-**
3 **ferred billing credits ordered on or after January 1, 2017.**

4 **SECTION 3. This 2017 Act takes effect on the 91st day after the date on which the 2017**
5 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

6