

House Bill 2573

Sponsored by Representative GOMBERG (Pre-session 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**.

Clarifies language relating to certain personal property not subject to ad valorem property taxation. Requires county assessor to provide notice that taxpayer's personal property is not subject to taxation for current property tax year and form with which taxpayer may attest that value of personal property has not changed. Provides that signed form returned in timely manner makes personal property not subject to taxation for subsequent property tax year.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the taxation of certain personal property; creating new provisions; amending ORS
3 308.250 and 308.290; and prescribing an effective date.

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

5 **SECTION 1.** ORS 308.250 is amended to read:

6 308.250. (1) All personal property not exempt from ad valorem taxation or subject to special
7 assessment shall be valued at 100 percent of its real market value, as of January 1, at 1:00 a.m. and
8 shall be assessed at its assessed value determined as provided in ORS 308.146.

9 (2)[(a)] **Notwithstanding subsection (1) of this section:**

10 (a) If the total assessed value of all taxable personal property required to be reported under
11 ORS 308.290 in any county of any taxpayer is less than \$12,500 in any assessment year, the [county
12 assessor shall cancel the ad valorem tax assessment for property required to be reported under ORS
13 308.290] **property is not subject to ad valorem property taxation** for that year.

14 (b) If, in a county with a population of more than 340,000, the total assessed value of all manu-
15 factured structures taxable as personal property under ORS 308.875 of any taxpayer is less than
16 \$12,500 in any assessment year, the [county assessor shall cancel the ad valorem tax assessment for
17 the manufactured structures for that year and any special assessment provided for those structures
18 under ORS 446.525] **manufactured structures are not subject to ad valorem property taxation**
19 **for that year.**

20 [(3) In any assessment year or years following an assessment year for which taxes are canceled
21 under subsection (2)(a) of this section, the taxpayer may meet the requirements of ORS 308.290 by fil-
22 ing, within the time required under ORS 308.290, a verified statement with the county assessor indi-
23 cating that the total assessed value of all taxable personal property of the taxpayer required to be
24 reported under ORS 308.290 in the county is less than \$12,500. The statement shall contain the name
25 and address of the taxpayer, the information needed to identify the account and other pertinent infor-
26 mation, but shall not be required to contain a listing or value of property or property additions or re-
27 tirements.]

28 (3)(a) **As soon as practicable after January 1 of each year, the county assessor shall**
29 **provide a notice to each taxpayer whose taxable personal property is not subject to ad**

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 **valorem property taxation for the current property tax year under subsection (2)(a) of this**
 2 **section.**

3 **(b) The notice required under this subsection must:**

4 **(A) State that the taxpayer's personal property is not subject to ad valorem property**
 5 **taxation for the current property tax year.**

6 **(B) Include a form prescribed by the Department of Revenue by rule on which the tax-**
 7 **payer may attest by signing the form that the value of the taxable personal property has not**
 8 **changed since the prior assessment year.**

9 **(c) A signed form returned to the county assessor within the time required under ORS**
 10 **308.290 shall be sufficient to make the taxable personal property of the taxpayer identified in**
 11 **the notice not subject to ad valorem property taxation for the subsequent property tax year.**

12 (4)(a) For each tax year beginning on or after July 1, 2003, the Department of Revenue shall
 13 recompute the maximum amount of the assessed value of taxable personal property in subsection
 14 (2)(a) and (b) of this section [*for which ad valorem property taxes may be canceled under this section.*
 15 *The computation shall be*] as follows:

16 (A) Divide the average U.S. City Average Consumer Price Index for the prior calendar year by
 17 the average U.S. City Average Consumer Price Index for 2002.

18 (B) Recompute the maximum amount of assessed value [*for which taxes may be canceled*] under
 19 subsection (2)(a) or (b) of this section by multiplying \$12,500 by the appropriate indexing factor de-
 20 termined as provided in subparagraph (A) of this paragraph.

21 (b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City
 22 Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of
 23 Labor Statistics of the United States Department of Labor.

24 (c) If any change in the maximum amount of assessed value determined under paragraph (a) of
 25 this subsection is not a multiple of \$500, the increase shall be rounded to the nearest multiple of
 26 \$500.

27 **SECTION 2.** ORS 308.290 is amended to read:

28 308.290. (1)(a) Except as provided in paragraph (b) of this subsection, every person and the
 29 managing agent or officer of any business, firm, corporation or association owning, or having in
 30 possession or under control taxable personal property shall make a return of the property for ad
 31 valorem tax purposes to the assessor of the county in which the property has its situs for taxation.
 32 As between a mortgagor and mortgagee or a lessor and lessee, however, the actual owner and the
 33 person in possession may agree between them as to who shall make the return and pay the tax, and
 34 the election shall be followed by the person in possession of the roll who has notice of the election.
 35 Upon the failure of either party to file a personal property tax return on or before March 15 of any
 36 year, both parties shall be jointly and severally subject to the provisions of ORS 308.296.

37 (b) Paragraph (a) of this subsection does not apply to personal property exempt from taxation
 38 under ORS 307.162.

39 (2) Every person and the managing agent or officer of any business, firm, corporation or asso-
 40 ciation owning or in possession of taxable real property shall make a return of the property for ad
 41 valorem tax purposes when so requested by the assessor of the county in which the property is sit-
 42 uated.

43 (3)(a) Each return of personal property shall contain a full listing of the property and a state-
 44 ment of its real market value, including a separate listing of those items claimed to be exempt as
 45 imports or exports. Each statement shall contain a listing of the additions or retirements made since

1 the prior January 1, indicating the book cost and the date of acquisition or retirement. Each return
2 shall contain the name, assumed business name, if any, and address of the owner of the personal
3 property and, if it is a partnership, the name and address of each general partner or, if it is a cor-
4 poration, the name and address of its registered agent.

5 (b) Each return of real property shall contain a full listing of the several items or parts of the
6 property specified by the county assessor and a statement exhibiting their real market value. Each
7 return shall contain a listing of the additions and retirements made during the year indicating the
8 book cost, book value of the additions and retirements or the appraised real market value of re-
9 tirements as specified in the return by the assessor.

10 (c) There shall be annexed to each return the affidavit or affirmation of the person making the
11 return that the statements contained in the return are true. All returns shall be in a form that the
12 county assessor, with the approval of the Department of Revenue, may prescribe.

13 (4) All returns shall be filed on or before March 15 of each year.

14 (5)(a) In lieu of the returns required under subsection (1)(a) or (2) of this section, every person
15 and the managing agent or officer of any business, firm, corporation or association owning or having
16 in possession or under control taxable real and personal property that is state-appraised industrial
17 property as defined in ORS 306.126 shall file a combined return of the real and personal property
18 with the Department of Revenue.

19 (b) The contents and form of the return shall be as prescribed by rule of the department. Any
20 form shall comply with ORS 308.297. Notwithstanding ORS 308.875, a manufactured structure that
21 is a part of a state-appraised industrial property shall be included in a combined return.

22 (c) In order that the county assessor may comply with ORS 308.295, the department shall provide
23 a list to the assessor of all combined returns that are required to be filed with the department under
24 this subsection but that were not filed on or before the due date.

25 (d) If the department has delegated appraisal of the state-appraised industrial property to the
26 county assessor under ORS 306.126 (3), the department shall notify the person otherwise required
27 to file the combined return under this subsection as soon as practicable after the delegation that the
28 combined return is required to be filed with the assessor.

29 (e) Notwithstanding subsection (2) of this section, a combined return of real and personal prop-
30 erty that is state-appraised industrial property shall be filed with the department on or before March
31 15 of each year.

32 (6) A return is not in any respect controlling on the county assessor or on the Department of
33 Revenue in the assessment of any property. On any failure to file the required return, the property
34 shall be listed and assessed from the best information obtainable from other sources.

35 (7)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810 are
36 confidential records of the Department of Revenue or the county assessor's office in which the re-
37 turns are filed or of the office to which the returns are forwarded under paragraph (b) of this sub-
38 section.

39 (b) The assessor or the department may forward any return received in error to the department
40 or the county official responsible for appraising the property described in the return.

41 (c) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this
42 subsection may be disclosed to:

43 (A) The Department of Revenue or its representative;

44 (B) The representatives of the Secretary of State or to an accountant engaged by a county under
45 ORS 297.405 to 297.555 for the purpose of auditing the county's personal property tax assessment

1 roll (including adjustments to returns made by the Department of Revenue);

2 (C) The county assessor, the county tax collector, the assessor's representative or the tax
3 collector's representative for the purpose of:

4 (i) Collecting delinquent real or personal property taxes; or

5 (ii) Correctly reflecting on the tax roll information reported on returns filed by a business op-
6 erating in more than one county or transferring property between counties in this state during the
7 tax year;

8 (D) Any reviewing authority to the extent the return being disclosed relates to an appeal
9 brought by a taxpayer;

10 (E) The Division of Child Support of the Department of Justice or a district attorney to the
11 extent the return being disclosed relates to a case for which the Division of Child Support or the
12 district attorney is providing support enforcement services under ORS 25.080; or

13 (F) The Legislative Revenue Officer for the purpose of preparation of reports, estimates and
14 analyses required by ORS 173.800 to 173.850.

15 (d) Notwithstanding paragraph (a) of this subsection:

16 (A) The Department of Revenue may exchange property tax information with the authorized
17 agents of the federal government and the several states on a reciprocal basis, or with county
18 assessors, county tax collectors or authorized representatives of assessors or tax collectors.

19 (B) Information regarding the valuation of leased property reported on a property return filed
20 by a lessor under this section may be disclosed to the lessee or other person in possession of the
21 property. Information regarding the valuation of leased property reported on a property return filed
22 by a lessee under this section may be disclosed to the lessor of the property.

23 (8) If the assessed value of any personal property in possession of a lessee is less than the
24 maximum amount [*of the assessed value of taxable personal property for which ad valorem property*
25 *taxes may be canceled under*] **described in** ORS 308.250 (2)(a), the person in possession of the roll
26 may disregard an election made under subsection (1)(a) of this section and assess the owner or lessor
27 of the property.

28 **SECTION 3. The amendments to ORS 308.250 and 308.290 by sections 1 and 2 of this 2017**
29 **Act apply to property tax years beginning on or after July 1, 2017.**

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

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