

## HB 2781 -2 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Meeting Dates:** 4/27, 5/18

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#### **WHAT THE MEASURE DOES:**

Authorizes county court, upon request of tax collector and district attorney, to order tax collector to cancel property taxes assessed on specific property if county assessor and property tax collector determine such taxes to be wholly uncollectible. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- History of port activity.
- Scope of base bill, and effects of amendments.
- Affected ports.
- Administration of delinquent taxes.
- History of particular delinquent accounts.

#### **EFFECT OF AMENDMENT:**

-2 Replaces bill. Cancels property taxes and interest on port without a working waterfront with existing property tax delinquency since January 1, 2012. Cancels property taxes and interest on port which was transferred from federal government to port district under ORS Chapter 777.

#### **BACKGROUND:**

Per the Department of Revenue Property Tax Statistics: Based on property values assessed as of January 1, taxes are levied and become a lien on property on July 1. Tax payments are due on November 15 of the same calendar year. Under the partial payment schedule, the first one-third of taxes is due on November 15, the second one-third on February 15, and the remaining one-third on May 15. If the taxpayer makes the full tax payment by November, a discount of 3 percent is allowed; a 2 percent discount is allowed for a two-thirds payment made by November 15. For late payments, interest accrues at a rate of 1.33 percent per month (16 percent annual rate). If taxes remain unpaid after three years from the beginning of delinquency date, counties then initiate property foreclosure proceedings.

Two known counties, Coos and Tillamook, have ports that have past due property tax bills that have thus far been uncollectable. Oregon statute prohibits the recorded sale of properties that do not have current property tax accounts.