

House Bill 3143

Sponsored by Representative NOSSE

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**.

Provides for daily rather than monthly computation of interest on delinquent property taxes. Permits county to authorize waiver or reduction of interest if taxpayer demonstrates good and sufficient cause for late payment. Defines "good and sufficient cause" as extraordinary circumstance beyond taxpayer's control that caused late payment.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to interest charged on delinquent property taxes; creating new provisions; amending ORS
3 311.505; and prescribing an effective date.

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

5 **SECTION 1.** ORS 311.505 is amended to read:

6 311.505. (1) Except as provided in subsection (6) of this section, the first one-third of all taxes
7 and other charges due from the taxpayer or property, levied or imposed and charged on the latest
8 tax roll, shall be paid on or before November 15, the second one-third on or before February 15, and
9 the remaining one-third on or before May 15 next following.

10 (2)(a) Interest shall be charged and collected on any taxes on property, other charges, and on
11 any additional taxes or penalty imposed for disqualification of property for special assessment or
12 exemption, or installment thereof not paid when due, at the rate of [*one and one-third percent per*
13 *month*] **0.043835 percent per day**, or fraction of a [*month*] **day** until paid.

14 **(b) The governing body of a county may adopt an ordinance or resolution that authorizes**
15 **the tax collector to waive or reduce the interest charged under this subsection if the tax-**
16 **payer demonstrates good and sufficient cause for the late payment. The ordinance or resol-**
17 **ution must establish the maximum number of days for which the interest may be waived.**

18 (3) Discounts shall be allowed on partial or full payments of such taxes, made on or before No-
19 vember 15 as follows:

20 (a) Two percent on two-thirds of such taxes so paid.

21 (b) Three percent where all of such taxes are so paid.

22 (4) For purposes of this section[,]:

23 **(a)(A) "Good and sufficient cause" means an extraordinary circumstance that:**

24 **(i) Is beyond the control of the taxpayer or the taxpayer's agent or representative re-**
25 **sponsible for payment of the taxes or other charges described in subsection (2)(a) of this**
26 **section;**

27 **(ii) Existed at the time the payment of the taxes or other charges became due; and**

28 **(iii) Caused the failure to pay the taxes or other charges when due.**

29 **(B) "Good and sufficient cause" does not include inadvertence, oversight, lack of knowl-**
30 **edge, financial hardship or reliance on misleading information provided by any person other**

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 **than an authorized tax official in the course of the official's duties.**

2 (b) "Taxes" includes all taxes on property as defined in ORS 310.140 and certified to the
3 assessor under ORS 310.060 except taxes assessed on any other property which have by any means
4 become a lien against the property for which the payment was made.

5 (5) All interest collected and all discounts allowed shall be prorated to the several municipal
6 corporations, taxing districts and governmental agencies sharing in the taxes or assessments.

7 (6) If the total property tax is less than \$40, no installment payment of taxes shall be allowed.

8 **SECTION 2. The amendments to ORS 311.505 by section 1 of this 2021 Act apply to taxes**
9 **that become due for property tax years beginning on or after July 1, 2021.**

10 **SECTION 3. This 2021 Act takes effect on the 91st day after the date on which the 2021**
11 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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