

House Bill 3119

Sponsored by Representative OSBORNE

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**.

Changes interest charged on delinquent property taxes to simple interest at current primary credit rate of discount window program of United States Federal Reserve System plus three percent. Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to interest on delinquent taxes; creating new provisions; amending ORS 311.505; and pre-
3 scribing 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, all taxes and other charges due
7 from the taxpayer or property, levied or imposed and charged on the latest tax roll, shall be paid
8 as follows:

- 9 (a) The first one-third on or before November 15;
10 (b) The second one-third on or before February 15; and
11 (c) The remaining one-third on or before May 15 next following.

12 (2)(a) Interest shall begin to accrue, and shall be collected, [*at the rate of one and one-third*
13 *percent per month, or fraction of a month, until paid,*] on any taxes on property, other charges, and
14 on any additional taxes or penalty imposed for disqualification of property for special assessment
15 or exemption, or installment thereof not paid on or before the following dates:

- 16 [(a)] (A) December 15, for the first one-third;
17 [(b)] (B) February 15, for the second one-third; and
18 [(c)] (C) May 15 next following, for the remaining one-third.

19 **(b)(A) Simple interest shall be charged, per month or fraction of a month, at the current**
20 **primary credit rate of the discount window program of the United States Federal Reserve**
21 **System, plus three percent, per annum, until all delinquent taxes, charges, penalties and in-**
22 **terest owing have been paid.**

23 **(B) The current primary credit rate shall be determined as of the third quarter of the**
24 **calendar year preceding the date on which the delinquent taxes became due.**

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

- 27 (a) Two percent on two-thirds of such taxes so paid.
28 (b) Three percent where all of such taxes are so paid.

29 (4) For purposes of this section, "taxes" includes all taxes on property as defined in ORS 310.140
30 and certified to the assessor under ORS 310.060 except taxes assessed on any other property which
31 have by any means become a lien against the property for which the payment was made.

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

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

4 **SECTION 2. The amendments to ORS 311.505 by section 1 of this 2023 Act apply to**
5 **amounts that become delinquent on or after the effective date of this 2023 Act.**

6 **SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023**
7 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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