

House Bill 2086

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue for Representative Nancy Nathanson)

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**.

Allows correction of maximum assessed value due to new property or new improvements to property erroneously added to tax roll for current tax year and up to five preceding tax years.

Requires annual tax statement to include notice in cases of increase of more than three percent of property's assessed value and reason for increase.

Makes correction of certain errors on assessment and tax roll mandatory.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax assessment; creating new provisions; amending ORS 311.140, 311.150,
3 311.205, 311.234 and 311.250; and prescribing an effective date.

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

5 **SECTION 1.** ORS 311.234 is amended to read:

6 311.234. (1)(a) The current owner of property or other person obligated to pay taxes imposed
7 on property may petition the county assessor for a correction of the maximum assessed value of the
8 property [*for the current tax year*] for the circumstances described in subsection (2) of this section.

9 **(b) The petitioner may seek the correction for the current tax year and for up to five tax**
10 **years immediately prior to the current tax year.**

11 (2) The assessor shall correct the maximum assessed value of the property for [*the current tax*
12 *year*] **each of the tax years to which the petition relates** if, in the petition filed under this sec-
13 tion, the petitioner demonstrates:

14 (a) A difference between the actual square footage of the property as of the assessment date for
15 the [*current*] tax year and the square footage of the property as shown in the records of the assessor
16 for the tax year.

17 (b) That new property, or new improvements to property, added to the tax roll in a prior tax
18 year did not exist as of the assessment date for that prior tax year or any subsequent tax year.

19 (3)(a) A correction made under subsection (2)(a) of this section must be proportional to the
20 change in the real market value for the [*current*] tax year that is due to the correction of the square
21 footage of the property.

22 (b) A correction made under subsection (2)(b) of this section:

23 (A) Must reflect, in a manner determined by the assessor, the removal of the new property or
24 new improvements to property from the assessment and tax rolls as accepted by the assessor.

25 (B) May not be made to the extent that the assessor finds that the new property or new im-
26 provements to property existed on the assessment date of a prior tax year and the petition is best
27 construed as demonstrating a difference in the nature, extent or value of the new property or new
28 improvements to property.

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 (4) Notwithstanding subsection (3) of this section, a correction made under this section may not
 2 cause the maximum assessed value of the property to increase by more than three percent from the
 3 maximum assessed value of the property for the preceding tax year.

4 (5) A petition filed under this section must be on the form and contain the information pre-
 5 scribed by the Department of Revenue and must be filed with the county assessor on or before De-
 6 cember 31 of the current tax year.

7 (6) A decision by the assessor pursuant to a petition filed under this section may be appealed
 8 under ORS 305.275.

9 **SECTION 2.** ORS 311.250 is amended to read:

10 311.250. (1) Except as to real property assessed to “unknown owners” pursuant to ORS 308.240
 11 (2), on or before October 25 in each year, the tax collector shall deliver or mail to each person (as
 12 defined in ORS 311.605) shown on the tax roll as an owner of real or personal property, or to an
 13 agent or representative authorized in writing pursuant to ORS 308.215 by such person, a written
 14 statement of property taxes payable on the following November 15.

15 (2) The failure of a taxpayer to receive the statement described in this section shall not invali-
 16 date any assessment, levy, tax, or proceeding to collect tax.

17 (3) The tax collector shall not be liable for failure to deliver or mail the tax statements by Oc-
 18 tober 25 as provided in subsection (1) of this section if such failure was caused by not receiving the
 19 tax roll from the assessor by the time provided by law or by reason of any other circumstance be-
 20 yond the control of the tax collector. In such case the tax collector shall deliver or mail the state-
 21 ments as soon as possible.

22 (4) Where, for any reason the taxes due on any property on the assessment roll in any year
 23 cannot be ascertained from the tax roll by November 5 of that year, within 15 days thereafter the
 24 owner or other person liable for or desiring to pay the taxes on such property may tender to the
 25 tax collector, and the tax collector may collect, a payment of all or part of the taxes estimated by
 26 the tax collector to be due on such property. Immediately after the taxes are actually extended on
 27 the tax roll, the tax collector shall credit the amount paid as provided by law, allowing the discount
 28 under ORS 311.505 and not charging interest for the amount of taxes satisfied by such payment.
 29 Where there has been an underpayment, additional taxes shall be collected, and where there has
 30 been an overpayment, refund shall be made as otherwise provided by law.

31 (5) The tax statement described in this section shall be designed by the Department of Revenue
 32 and shall contain such information as the department shall prescribe by rule including:

33 (a) The real market value of the property for which the tax statement is being prepared (or the
 34 property’s specially assessed value if the property is subject to special assessment) for the current
 35 and prior tax year;

36 (b) The property’s assessed value for the current and prior tax year; *[and]*

37 **(c) If the property’s assessed value for the current tax year increased by more than three**
 38 **percent over the prior tax year, a notice of, and the reason for, the increase; and**

39 *[(c)]* **(d)** The total amount of taxes due on the property.

40 **SECTION 3.** ORS 311.205 is amended to read:

41 311.205. (1) After the assessor certifies the assessment and tax roll to the tax collector, the of-
 42 ficer in charge of the roll *[may]* **shall** correct errors or omissions in the roll to conform to the facts,
 43 as follows:

44 (a) The officer *[may]* **shall** correct a clerical error. For purposes of this paragraph:

45 (A) A clerical error is an error on the roll:

1 (i)(I) That arises from an error in the ad valorem tax records of the assessor, or the records of
 2 the Department of Revenue for property assessed under ORS 306.126; or

3 (II) That is a failure to correctly reflect the ad valorem tax records of the assessor, or the re-
 4 cords of the department for property assessed under ORS 306.126;

5 (ii) That, had it been discovered by the assessor or the department prior to the certification of
 6 the assessment and tax roll of the year of assessment, would have been corrected as a matter of
 7 course; and

8 (iii) For which the information necessary to make the correction is contained in the records.

9 (B) Clerical errors include, but are not limited to, arithmetic and copying errors and the omis-
 10 sion or misstatement of a land, improvement or other property value on the roll.

11 (b)(A) The officer may correct an error in valuation judgment at any time in any account when
 12 an appeal has been filed in the tax court alleging that the value on the roll is incorrect, if the
 13 correction results in a reduction of the tax owed on the account.

14 (B) The officer may not make corrections under this paragraph to accounts appraised by the
 15 department pursuant to ORS 306.126 and 308.505 to 308.674 without the *[approval]* **agreement** of the
 16 department **that the error is one described in subparagraph (A) of this paragraph.**

17 (C) The officer *[may]* **shall** correct any other error or omission of any kind. Corrections that are
 18 not corrections of errors in valuation judgment include, but are not limited to:

19 (i) The elimination of an assessment to one taxpayer of property belonging to another on the
 20 assessment date;

21 (ii) The correction of a tax limit calculation;

22 (iii) The correction of a value changed on appeal; and

23 (iv) The correction of an error in the assessed value of property resulting from an error in the
 24 identification of a unit of property, but not from an error in a notice filed under ORS 310.060.

25 (D) For purposes of this paragraph, an error in valuation judgment is one in which the assessor
 26 or the department would arrive at a different opinion of value.

27 (c) The officer shall make any change requested by the department that relates to an assessment
 28 of property made by the department under ORS 308.505 to 308.674.

29 (d) The officer shall make any change ordered by the tax court or the department under ORS
 30 305.288 or 306.115.

31 (e) The officer shall make any change required under ORS 308A.089.

32 (2)(a) The officer in charge of the roll shall make corrections with the assent and concurrence
 33 of the assessor or the department. The direction for the correction must be made in writing and
 34 state the type of error and the statutory authority for the correction. The officer may correct the
 35 roll for any year or years not exceeding five years prior to the last certified roll.

36 (b) Any additional taxes resulting from corrections for years prior to the current year are
 37 deemed assessed and imposed in the particular year or years to which the corrections apply. Addi-
 38 tion of tax to a prior year's tax roll due to corrections under this section may not be considered in
 39 calculating the effect of the tax limitation under Article XI, section 11b, of the Oregon Constitution,
 40 for the current year.

41 (3) The officer in charge of the roll shall make a correction pursuant to this section in whatever
 42 manner is necessary to make the assessment, tax or other proceeding regular and valid. The cor-
 43 rection must be distinguishable upon the roll, must include the date of the correction and must
 44 identify the officer making the correction.

45 (4) Whenever a correction that will increase the assessment to which it relates is to be made

1 after the assessor has delivered the roll to the tax collector, unless the correction is made by order
 2 of the department, the officer in charge of the tax roll shall follow the procedure prescribed in ORS
 3 311.216 to 311.232. The provisions of ORS 311.216 to 311.232 with respect to appeals apply under this
 4 subsection.

5 (5) Corrections that would result in a change in assessed value or real market value of less than
 6 \$1,000 do not change the value for purposes of computing the taxes levied against the property, but
 7 shall be made only for purposes of correcting the office records.

8 (6) The remedies under this section are in addition to other remedies provided by law.

9 **SECTION 4.** ORS 311.140 is amended to read:

10 311.140. (1) If the tax rolls of any county are destroyed or damaged, the tax collector of the
 11 county shall prepare transcripts of those parts of the rolls in which it appears, from evidence in the
 12 possession of the tax collector or otherwise obtainable, that taxes are unpaid on real or personal
 13 properties. The Department of Revenue and the assessor of the county shall assist the tax collector
 14 in the preparation of the transcripts.

15 (2) The tax collector shall then certify that, to the best belief and knowledge of the tax collector,
 16 the transcripts are a true and correct record of the taxes remaining unpaid. When certified by the
 17 tax collector, the transcripts shall be the tax rolls of the county for all taxes so determined to be
 18 unpaid.

19 (3) Thereafter, the tax collector *[may]* **shall** make corrections of such tax rolls, pursuant to ORS
 20 311.205, to conform such rolls to the destroyed rolls. Such corrections shall be considered to be
 21 clerical errors, except that where a taxpayer is aggrieved by such correction, the taxpayer may
 22 within 60 days thereof petition the county court for relief. The petition shall set forth in detail the
 23 facts upon which the petitioner relies and the relief requested. The county court may hear such
 24 petitions in a summary manner and shall issue its order denying the relief requested or granting
 25 such relief as it determines proper. Any taxpayer aggrieved by such order may petition to the
 26 Oregon Tax Court in the manner provided in ORS 305.404 to 305.560.

27 (4) The unpaid taxes exhibited in tax rolls prepared and certified in accordance with this section
 28 are liens upon the real and personal properties therein described, and shall have the same force and
 29 effect as the liens of taxes charged in the original tax rolls of the county. Such taxes shall be subject
 30 to the provisions of law for the collection of taxes on real or personal property.

31 **SECTION 5.** ORS 311.150 is amended to read:

32 311.150. (1) In lieu of the procedures for additions, changes or corrections to the assessment and
 33 tax rolls authorized *[by]* **or required under** ORS 309.120, 311.205, 311.370 (5), 311.645, 312.140 (2)
 34 and 358.495, the officer in possession of the roll *[may]* **shall** prepare a voucher for each correcting
 35 entry. The voucher shall state what change is to be made, identify the tax account or accounts af-
 36 fected, provide sufficient evidence to indicate the propriety of the transaction and the date the
 37 voucher is approved by the officer in charge of the roll or an authorized deputy. The date the
 38 voucher is completed and approved is the date the change shall become effective and the voucher
 39 shall become a public record. The vouchers shall be numbered and the voucher number shall appear
 40 on the assessment or tax roll adjacent to the entry changing the roll.

41 (2) The vouchers provided for in this section shall be preserved until the real property tax rolls
 42 of the year affected by the voucher have been foreclosed and the foreclosed property has been
 43 deeded to the county; or, in the case of personal property, until one year after the tax account af-
 44 fected by the voucher has been collected or canceled under the provisions of ORS 311.790.

45 **SECTION 6.** The amendments to ORS 311.140, 311.150, 311.205, 311.234 and 311.250 by

1 sections 1 to 5 of this 2023 Act apply to property tax years beginning on or after July 1, 2024.

2 SECTION 7. This 2023 Act takes effect on the 91st day after the date on which the 2023

3 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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