

**B-Engrossed**  
**Senate Bill 814**

Ordered by the House June 5  
Including Senate Amendments dated April 30 and House Amendments  
dated June 5

Sponsored by COMMITTEE ON FINANCE AND REVENUE

**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.

Permits tax roll officer to correct errors in valuation judgment at any time during appeal to tax court if correction results in reduced tax. Provides that corrections by assessor or tax roll officer to accounts appraised by Department of Revenue may not be made without approval of department.  
**Takes effect on 91st day following adjournment sine die.**

**A BILL FOR AN ACT**

1  
2 Relating to taxation; amending ORS 308.242, 311.205 and 311.812 and sections 2 and 6, chapter  
3 \_\_\_\_\_, Oregon Laws 2007 (Enrolled House Bill 2210); and prescribing an effective date.

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

5 **SECTION 1.** ORS 308.242 is amended to read:

6 308.242. (1) The assessor may not make changes in the roll after September 25 of each year ex-  
7 cept as provided in subsections (2) and (3) of this section or as otherwise provided by law.

8 (2) After the assessment roll has been certified and on or before December 31, the assessor may  
9 make changes in valuation judgment that result in a reduction in the value of property, if so re-  
10 quested by the taxpayer or upon the assessor's own initiative. **Corrections under this section to**  
11 **accounts appraised by the Department of Revenue pursuant to ORS 306.126 and 308.505 to**  
12 **308.665 may not be made without the approval of the department.**

13 (3)(a) If a petition for reduction has been filed with the board of property tax appeals, the  
14 assessor may change the roll if the assessor and the petitioner stipulate to a change in valuation  
15 judgment that results in a reduction in value. The stipulation may be made at any time up until the  
16 convening of the board.

17 (b) Stipulations agreed to by the assessor and the petitioner under this subsection shall be de-  
18 livered to the clerk of the board prior to the convening of the board.

19 (c) As used in this subsection, "stipulation" means a written agreement signed by the petitioner  
20 and the assessor that specifies a reduction in value to be made to the assessment and tax roll.

21 (4) Any change in value made under subsection (2) or (3) of this section shall be made in the  
22 manner specified in ORS 311.205 and 311.216 to 311.232.

23 **SECTION 2.** ORS 311.205 is amended to read:

24 311.205. (1) After the assessor certifies the assessment and tax roll to the tax collector, the of-  
25 ficer in charge of the roll may correct errors or omissions in the roll to conform to the facts, as  
26 follows:

**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 (a) The officer may correct a clerical error. A clerical error is an error on the roll which either  
2 arises from an error in the ad valorem tax records of the assessor, or the records of the Department  
3 of Revenue for property assessed under ORS 306.126, or which is a failure to correctly reflect the  
4 ad valorem tax records of the assessor, or the records of the Department of Revenue for property  
5 assessed under ORS 306.126, and which, had it been discovered by the assessor or the department  
6 prior to the certification of the assessment and tax roll of the year of assessment would have been  
7 corrected as a matter of course, and the information necessary to make the correction is contained  
8 in such records. Such errors include, but are not limited to, arithmetic and copying errors, and the  
9 omission or misstatement of a land, improvement or other property value on the roll.

10 (b) **The officer may correct an error in valuation judgment at any time in any account**  
11 **when an appeal has been filed in the tax court alleging that the value on the roll is incorrect,**  
12 **if the correction results in a reduction of the tax owed on the account. Corrections under**  
13 **this paragraph to accounts appraised by the department pursuant to ORS 306.126 and 308.505**  
14 **to 308.665 may not be made without the approval of the department. Errors in valuation**  
15 **judgment are those where the assessor or the department would arrive at a different opinion**  
16 **of value. The officer may correct any other error or omission of any kind. Corrections that**  
17 **are not corrections of valuation judgment errors include, but are not limited to, the** [*The of-*  
18 *ficer may not correct an error in valuation judgment, except as provided in ORS 308.242 (2) and (3).*  
19 *Such errors are those where the assessor would arrive at a different opinion of value. The officer may*  
20 *correct any other error or omission of any kind. Corrections that are not corrections of valuation*  
21 *judgment errors include, but are not limited to, the*] **elimination of an assessment to one taxpayer of**  
22 **property belonging to another on the assessment date, the correction of a tax limit calculation, the**  
23 **correction of a value changed on appeal, or the correction of an error in the assessed value of**  
24 **property resulting from an error in the identification of a unit of property, but not an error in a**  
25 **notice filed under ORS 310.060.**

26 (c) The officer shall make any change requested by the Department of Revenue which relates  
27 to an assessment of property made by the department under ORS 308.505 to 308.665.

28 (d) The officer shall make any change ordered by the tax court or the Department of Revenue  
29 under ORS 305.288 (1) to (6) or 306.115.

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

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

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

40 (3) A correction made pursuant to this section shall be made in whatever manner necessary to  
41 make the assessment, tax or other proceeding regular and valid. The correction shall be distin-  
42 guishable upon the roll, shall include the date of the correction and shall identify the officer making  
43 the correction. Whenever a correction is to be made after the assessor has delivered the roll to the  
44 tax collector, the effect of which is to increase the assessment to which it relates, except where  
45 made by order of the department, the procedure prescribed in ORS 311.216 to 311.232 shall be fol-

1 lowed; and the provisions therein with respect to appeals shall likewise apply.

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

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

6 **SECTION 3.** ORS 311.812 is amended to read:

7 311.812. (1) Except as provided in subsection (2) of this section, interest may not be paid upon  
8 any tax refunds made under ORS 311.806.

9 (2) Interest as provided in subsection (3) of this section shall be paid on the following refunds:

10 (a) A refund resulting from the correction under ORS **308.242 (2) or (3) or** 311.205 of an error  
11 made by the assessor, **Department of Revenue** or tax collector.

12 (b) A refund resulting from a written stipulation of the county assessor or the county tax col-  
13 lector if the written stipulation constitutes a final determination that is not subject to appeal.

14 (c) Any refund ordered by the Department of Revenue if no appeal is taken or can be taken from  
15 the department's order.

16 (d) Refunds ordered by the Oregon Tax Court or the Supreme Court if the order constitutes a  
17 final determination of the matter.

18 (e) Refunds of taxes collected against real or personal property not within the jurisdiction of the  
19 tax levying body.

20 (f) Refunds due to reductions in value ordered by a county board of property tax appeals where  
21 no appeal is taken.

22 (g) Refunds due to reductions in value made pursuant to ORS 309.115.

23 (h) Refunds due to a claim for a war veteran's exemption for a prior tax year that is filed pur-  
24 suant to ORS 307.262.

25 (3) The interest provided by subsection (2) of this section shall be paid at the rate of one percent  
26 per month, or fraction of a month, computed from the time the tax was paid or from the time the  
27 first installment thereof was due, whichever is the later. If a discount were given at the time the  
28 taxes were paid, interest shall be computed only on the net amount of taxes to be refunded.

29 **SECTION 4.** If House Bill 2210 becomes law, section 2, chapter \_\_\_\_\_, Oregon Laws 2007  
30 (Enrolled House Bill 2210), is amended to read:

31 **Sec. 2.** (1) As used in this section:

32 (a) "Agricultural producer" means a person that produces biomass that is used in Oregon as  
33 biofuel or to produce biofuel.

34 (b) "Biofuel" means liquid, gaseous or solid fuels derived from biomass.

35 (c) "Biomass" means organic matter that is available on a renewable or recurring basis and that  
36 is derived from:

37 (A) Forest or rangeland woody debris from harvesting or thinning conducted to improve forest  
38 or rangeland ecological health and reduce uncharacteristic stand replacing wildfire risk;

39 (B) Wood material from hardwood timber described in ORS 321.267 (3);

40 (C) Agricultural residues;

41 (D) Offal and tallow from animal rendering;

42 (E) Food wastes collected as provided under ORS chapter 459 or 459A;

43 (F) Yard or wood debris collected as provided under ORS chapter 459 or 459A;

44 (G) Wastewater solids; or

45 (H) Crops grown solely to be used for energy.

1 (d) "Biomass" does not mean wood that has been treated with creosote, pentachlorophenol, in-  
2 organic arsenic or other inorganic chemical compounds.

3 (e) "Biomass collector" means a person that collects biomass to be used in Oregon as biofuel  
4 or to produce biofuel.

5 (2)(a) An agricultural producer or biomass collector shall be allowed a credit against the taxes  
6 that would otherwise be due under ORS chapter 316 or, if the taxpayer is a corporation, under ORS  
7 chapter 317 or 318 for:

8 (A) The production of biomass that is used in Oregon as biofuel or to produce biofuel; or

9 (B) The collection of biomass that is used in Oregon as biofuel or to produce biofuel.

10 (b) A credit under this section may be claimed in the tax year in which the agricultural pro-  
11 ducer or biomass collector transfers biomass to a biofuel producer.

12 (c) **Notwithstanding paragraph (a) of this subsection, a tax credit is not allowed for grain**  
13 **corn, but a tax credit shall be allowed for other corn material.**

14 (3) The amount of the credit shall be calculated as follows:

15 (a) Determine the quantity of biomass transferred to a biofuel producer during the tax year;

16 (b) Categorize the biomass into appropriate categories; and

17 (c) Multiply the quantity of biomass in a particular category by the appropriate credit rate for  
18 that category, expressed in dollars and cents, that is prescribed in section 5, **chapter \_\_\_\_\_,**  
19 **Oregon Laws 2007 (Enrolled House Bill 2210)** [of this 2007 Act].

20 (4) The amount of the credit claimed under this section for any tax year may not exceed the tax  
21 liability of the taxpayer.

22 (5)(a) A biofuel producer shall provide a written receipt to an agricultural producer or biomass  
23 collector at the time biomass is transferred from the agricultural producer or biomass collector to  
24 the biofuel producer. The receipt must state the quantity and type of biomass being transferred and  
25 that the biomass is to be used to produce biofuel.

26 (b) Each agricultural producer or biomass collector shall maintain the receipts described in this  
27 subsection in their records for a period of at least five years after the tax year in which the credit  
28 is claimed or for a longer period of time prescribed by the Department of Revenue.

29 (6) The credit shall be claimed on a form prescribed by the Department of Revenue that contains  
30 the information required by the department.

31 (7) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a  
32 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next  
33 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried  
34 forward and used in the second succeeding tax year, and likewise any credit not used in that second  
35 succeeding tax year may be carried forward and used in the third succeeding tax year, and any  
36 credit not used in that third succeeding tax year may be carried forward and used in the fourth  
37 succeeding tax year, but may not be carried forward for any tax year thereafter.

38 (8) In the case of a credit allowed under this section:

39 (a) A nonresident shall be allowed the credit under this section in the proportion provided in  
40 ORS 316.117.

41 (b) If a change in the status of the taxpayer from resident to nonresident or from nonresident  
42 to resident occurs, the credit allowed by this section shall be determined in a manner consistent  
43 with ORS 316.117.

44 (c) If a change in the taxable year of the taxpayer occurs as described in ORS 314.085, or if the  
45 department terminates the taxpayer's taxable year under ORS 314.440, the credit allowed under this

1 section shall be prorated or computed in a manner consistent with ORS 314.085.

2 **SECTION 5.** If House Bill 2210 becomes law, section 6, chapter \_\_\_\_\_, Oregon Laws 2007  
3 (Enrolled House Bill 2210), is amended to read:

4 **Sec. 6. (1)** Sections 2, 3 and 5, **chapter \_\_\_\_\_, Oregon Laws 2007 (Enrolled House Bill**  
5 **2210)**, [*of this 2007 Act*] apply to tax credits for tax years beginning on or after January 1, 2007, and  
6 before January 1, 2013.

7 **(2) Notwithstanding subsection (1) of this section, a tax credit is not allowed for wheat**  
8 **grain (other than nongrain wheat material) before tax years beginning on or after January**  
9 **1, 2009, or on or after January 1, 2013.**

10 **SECTION 6.** This 2007 Act takes effect on the 91st day after the date on which the reg-  
11 ular session of the Seventy-fourth Legislative Assembly adjourns sine die.

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