

House Bill 2104

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Department of 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 **as introduced**.

Reduces discount for on-time payment of property taxes imposed on business property. Reduces amounts scheduled for distribution by tax collector to taxing jurisdictions to provide funding for certain tax administration programs. Directs portion of interest and charges on delinquent property taxes to be distributed to taxing units. Amends statutes to provide funding mechanism for administration of property tax by counties.

Creates Assessment and Taxation Improvement Grant Program to provide grants for county projects for improved property tax administration.

Requires planning division of municipality issuing building permit to notify county assessor, electronically if possible, of information, including tax lot number, required to be contained in permit.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax administration; creating new provisions; amending ORS 294.175, 294.178,
3 294.184, 294.187, 311.390, 311.392, 311.505 and 311.508; 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) 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*] **of such taxes, charges and additional taxes**, not paid when
13 due, at the rate of one and one-third percent per month, or fraction of a month until paid.

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

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

17 (b) Three percent [*where*] **if all of such taxes imposed on property other than business**
18 **property** are so paid.

19 (c) **Two percent if all of such taxes imposed on business property are so paid.**

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

23 [(5)] (4) All interest collected and all discounts allowed shall be prorated to the several munic-
24 ipal corporations, taxing districts and governmental agencies sharing in the taxes or assessments.

25 [(6)] (5) If the total property tax is less than \$40, no installment payment of taxes shall be al-

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 lowed.

2 **(6) For purposes of this section:**

3 **(a) “Business property” means personal property used or held for commercial or indus-**
 4 **trial purposes, property classified as commercial or industrial under rules adopted by the**
 5 **Department of Revenue pursuant to ORS 308.215 and property assessed under ORS 308.505**
 6 **to 308.681.**

7 **(b) “Taxes” includes all taxes on property as defined in ORS 310.140 and certified to the**
 8 **assessor under ORS 310.060 except taxes assessed on any other property which have by any**
 9 **means become a lien against the property for which the payment was made.**

10 **SECTION 2.** ORS 311.392 is amended to read:

11 311.392. (1) If, in the discretion of the county court, it is more economical to advance to those
 12 municipalities from the general fund of the county the total amount of taxes, assessments or other
 13 charges levied against property in the county, the county court may advance from the general fund
 14 of the county the full amount of the taxes, assessments and charges levied by those subdivisions and
 15 the county court may order the county tax collector to revise the tax distribution schedule provided
 16 by ORS 311.390 so that all taxes, assessments and charges advanced by the county will be allocated
 17 to the county. If the county makes the payments provided in this section, it shall have no recourse
 18 against the political subdivision for recovery of the shrinkage in collections from that anticipated
 19 at the time the payment was made.

20 (2) If the county advances taxes under this subsection, before December 1 of each year, it may
 21 deduct from the levy the *[three percent]* discount which would have been given by the district had
 22 all of the taxes been paid by November 15 and turned over to the district on or before December
 23 1 of each year. If the payment is made after December 1, no discount shall be taken by the county.

24 **SECTION 3.** ORS 311.390 is amended to read:

25 311.390. (1)(a) When the tax collector receives the assessor’s certificate pursuant to ORS 311.115,
 26 the tax collector shall prepare and file with the county treasurer a percentage schedule of the ratio
 27 of taxes on property, as defined in ORS 310.140, and other amounts to be collected, after reductions
 28 necessary to comply with *[section 11b,]* Article XI, **section 11b**, of the Oregon Constitution, after
 29 making adjustments in accordance with ORS 311.105 (1)(c), for each governmental unit as shown in
 30 such certificate, compared to the total of each of those amounts.

31 (b) If a tax supervising and conservation commission has submitted to the tax collector a list
 32 of municipal corporations subject to proration and the amounts prorated under ORS 294.632, before
 33 the tax collector calculates the ratio of taxes on property under this subsection, the tax collector
 34 shall deduct the amounts submitted by the tax supervising and conservation commission from the
 35 amounts scheduled for distribution under this section for municipal corporations subject to the ju-
 36 risdiction of the tax supervising and conservation commission. The amount deducted from the dis-
 37 tribution to the municipal corporations shall be added to the amount distributed to the county.

38 **(c) After the tax collector determines the amounts scheduled for distribution pursuant**
 39 **to paragraphs (a) and (b) of this subsection, the tax collector shall reduce each amount by**
 40 **0.2 percent and make an offsetting entry in the percentage schedule for the total amount of**
 41 **the reductions. The total amount of the reductions shall be scheduled to be deposited in and**
 42 **credited to the County Assessment and Taxation Fund created under ORS 294.187.**

43 *[(c)]* (2) The schedule shall be approved by the county accountant, if one exists in the county,
 44 or by the county clerk before filing. Except as provided in subsections *[(2) and]* (3) **and** (4) of this
 45 section, the distribution of collections by the tax collector shall be made on the basis of the ratios

1 computed pursuant to this section. The ratios computed pursuant to this section for a given fiscal
 2 year shall be used for the distribution of all taxes on property or penalties that have been imposed,
 3 collected and received for that fiscal year, regardless of the actual date of receipt, except for mon-
 4 eys retained by a county to pay bankruptcy costs under ORS 311.484. Interest earned on moneys in
 5 the unsegregated tax collections account shall be distributed according to the ratio applicable to the
 6 year in which the moneys are distributed.

7 [(2)] (3) If, after the ratios are computed pursuant to this section, the amount of a levy or other
 8 tax on property is changed, or a levy or other tax on property is filed with the assessor pursuant
 9 to ORS 310.060 that had not been included in the tax distribution schedule for that year, the tax
 10 collector shall revise the percentages provided in subsection (1) of this section to reflect the cor-
 11 rected or added levy or tax and shall adjust the amounts previously distributed and to be distributed
 12 thereafter to reflect the revision in percentages.

13 [(3)] (4) If, in the opinion of the tax collector, it is not feasible to make the revisions described
 14 in subsection [(2)] (3) of this section, the tax collector shall treat the amount of the change in levy
 15 or tax or the additional levy or tax as a separate tax collection and segregate the moneys collected
 16 for the particular district or districts in the periodic statement of tax collections given to the county
 17 treasurer pursuant to ORS 311.395.

18 [(4)] (5) If the percentage schedule is revised, a copy shall be filed with the county treasurer
 19 after approval by the county accountant, if one exists in the county, or by the county clerk.

20 [(5)] (6) If, after the ratios are computed under this section, a levy or tax is changed or a levy
 21 or tax is filed with the assessor pursuant to ORS 310.060, that was not included in the tax distrib-
 22 ution schedule for that year, future distributions of interest shall be based on the revised percent-
 23 ages that reflect the corrected or added levy or tax. No adjustments shall be made for previously
 24 distributed interest.

25 **SECTION 4.** ORS 311.508 is amended to read:

26 311.508. (1) Except as provided under subsection (2) of this section and notwithstanding ORS
 27 311.505 [(5)] (4), **with respect to interest charged and collected under ORS 311.505:**

28 (a) Twenty-five percent of the interest [*charged and collected under ORS 311.505*] shall be de-
 29 posited and credited to the County Assessment and Taxation Fund created under ORS 294.187; and

30 (b) [*An additional 25*] **Twenty-five** percent of the interest [*charged and collected under ORS*
 31 *311.505*] **that would otherwise be distributed to cities or other taxing districts that are not**
 32 **counties or districts within the public school system** shall be deposited and credited to the
 33 County Assessment and Taxation Fund created under ORS 294.187 [*to the extent the interest would*
 34 *otherwise be distributed to cities or other taxing districts that are not counties or districts within the*
 35 *public school system*].

36 (2)(a) On or before June 15 of each year, the Department of Revenue shall estimate the amount
 37 of interest that will be deposited and credited to the County Assessment Function Funding Assist-
 38 ance Account created under ORS 294.184 for the ensuing fiscal year. If the estimate is less than \$13
 39 million, the department shall certify to each county treasurer an increase in the percentage specified
 40 under subsection (1)(a) of this section to the end that the estimate reaches \$13 million. However,
 41 no increase in percentage shall be certified that will raise and make available for deposit and credit
 42 to the County Assessment Function Funding Assistance Account for the ensuing fiscal year an
 43 amount that is in excess of \$3 million over the amount estimated under this subsection to be re-
 44 ceived under subsection (1)(a) of this section for the ensuing fiscal year.

45 [(3)] (b) Upon receipt of certification from the department under **paragraph (a) of this sub-**

1 section [(2) of this section], the county treasurer shall deposit and credit to the County Assessment
 2 and Taxation Fund for the fiscal year to which the certification applies the percentage of the in-
 3 terest charged and collected under ORS 311.505 so certified.

4 **(3) Interest charged and collected under ORS 311.505 that remains after the deposits re-**
 5 **quired under subsections (1) and (2) of this section shall be distributed to taxing units as**
 6 **provided in ORS 311.395.**

7 (4) The percentage of the interest on unpaid taxes and penalties required to be deposited and
 8 credited to the County Assessment and Taxation Fund under this section shall be deposited and
 9 credited in the same manner that the remaining interest is deposited and credited under ORS
 10 311.385.

11 **SECTION 5.** ORS 294.184 is amended to read:

12 294.184. (1) There is created under ORS 293.445 a suspense account to be known as the County
 13 Assessment Function Funding Assistance Account. The account shall consist of:

- 14 (a) All moneys paid over by the county treasurers as provided under ORS 294.187 (2)(a); and
- 15 (b) All interest earned upon any moneys in the account.

16 (2)(a) Prior to each quarterly distribution of the moneys in the account under ORS 294.178, the
 17 moneys necessary to pay the following Department of Revenue expenses shall be transferred to a
 18 suspense account of the department created under ORS 293.445 and are continuously appropriated
 19 to the department for:

20 [(a)] **(A)** Expenses incurred in carrying out the purposes of ORS 294.175 to 294.184; [and]

21 [(b)] **(B)** Appraisal expenses incurred by the department in appraising state-appraised industrial
 22 properties as defined in ORS 306.126 and property of centrally assessed companies under ORS
 23 308.505 to 308.681[.]; **and**

24 **(C) Expenses incurred in assisting county assessors in the assessment, equalization,**
 25 **levying, collection and distribution of property taxes under ORS chapters 305, 306, 307, 308,**
 26 **308A, 309, 310, 311, 312 and 321.**

27 [(3)] **(b) Each quarter,** the amount of moneys transferred to the suspense account of the de-
 28 partment under **this** subsection [(2) of this section each quarter] may not exceed **an amount equal**
 29 **to the sum of 10 percent of the amount distributable under section 9 (5) of this 2019 Act plus**
 30 **10 percent of the moneys in the suspense account of the department that are attributable to**
 31 **deposits made in the County Assessment and Taxation Fund under ORS 294.187 (1)(b) and**
 32 **(c).**

33 [(4)] **(3)** The remainder of the moneys in the account after the transfer made under subsection
 34 (2) of this section shall be used for the purpose of making the grant payments to counties as required
 35 under ORS 294.178 **and section 9 of this 2019 Act** and are continuously appropriated to the de-
 36 partment for that purpose.

37 **SECTION 6.** ORS 294.187 is amended to read:

38 294.187. (1) There is created in the county treasury of each county a fund to be known as the
 39 County Assessment and Taxation Fund. The fund shall consist of:

40 **(a) Moneys deposited in and credited to the fund under ORS 311.395.**

41 [(a)] **(b)** Moneys deposited in and credited to the fund under ORS 311.508.

42 [(b)] **(c)** Moneys deposited in and credited to the fund under ORS 205.323 (4)(b)(C).

43 [(c)] **(d)** Moneys deposited in and credited to the fund under ORS 205.323 (4)(c).

44 [(d)] **(e)** Interest earned upon moneys credited to the fund.

45 (2) The county treasurer shall pay over the moneys in the fund, determined as of the last day

1 of the fiscal quarter, to the State Treasurer on or before the 10th working day of the month fol-
 2 lowing the last day of the fiscal quarter as follows:

3 (a) Moneys collected under subsection (1)(a) [*and (b)*] **to (c)** of this section and interest earnings
 4 on those moneys must be paid over to the Department of Revenue for deposit in the County As-
 5 sessment Function Funding Assistance Account created under ORS 294.184.

6 (b) Moneys collected under subsection [(1)(c)] **(1)(d)** of this section and interest earnings on
 7 those moneys must be paid over to the Department of Revenue for deposit in the Housing and
 8 Community Services Department accounts for housing-related programs as follows:

9 (A) 76 percent of the moneys must be deposited in the General Housing Account created under
 10 ORS 458.620;

11 (B) 10 percent of the moneys must be deposited in the Emergency Housing Account created
 12 under ORS 458.620; and

13 (C) 14 percent of the moneys must be deposited in the Home Ownership Assistance Account
 14 created under ORS 458.620.

15 (3) If the county treasurer fails to pay over moneys, as required under subsection (2) of this
 16 section, then any unpaid moneys shall be a debt due and owing by the county to the state and the
 17 county shall pay the legal rate of interest thereon from the due date until paid. Payment of interest
 18 under this section shall not relieve the county treasurer from any penalty imposed by law for failure
 19 to make the payments, and in addition, the county treasurer shall be liable under ORS 311.375 (4)(a)
 20 and (b).

21 (4) ORS 294.305 to 294.565 do not apply to a fund created under this section.

22 **SECTION 7.** ORS 294.175 is amended to read:

23 294.175. (1) As used in this section and ORS 294.178 to 294.187:

24 (a) “Department” means the Department of Revenue.

25 (b) “Expenditures” has the meaning given the term for purposes of ORS 294.305 to 294.565 and
 26 may be further defined by rule of the department. “Expenditures” does not include any item or class
 27 of items that cannot reasonably be allocated to an organizational unit.

28 (c) “Expenditures for assessment and taxation” means expenditures for any of the activities,
 29 functions or services required of a county in the assessment, equalization, levy, collection or dis-
 30 tribution of property taxes under ORS chapters 305, 306, 307, 308, 308A, 309, 310, 311, 312 and 321.
 31 “Expenditures for assessment and taxation” [*specifically*] includes expenditures for appraising
 32 county-appraised industrial property, if the responsibility for making the appraisal has been deleg-
 33 ated by the department to a county assessor under ORS 306.126 (3).

34 (d) “Grant” has the meaning given the term for purposes of ORS 294.305 to 294.565, and is fur-
 35 ther described under ORS 294.178.

36 (2) On or before May 1 of each year, each county shall file with the department a true copy of
 37 its estimates of expenditures for assessment and taxation for the ensuing year as prepared for pur-
 38 poses of ORS 294.388 but in accordance with any rules adopted by the department.

39 (3) Upon receipt of the estimate, the department shall review the estimate to determine its ad-
 40 equacy to provide the resources needed to achieve compliance with ORS 308.232 and 308.234, ORS
 41 chapter 309 and other laws requiring equality and uniformity in the system of property taxation
 42 within the county in order that the same equality and uniformity may be achieved throughout the
 43 state.

44 (4) If, upon initial review of the estimate, the department determines that the proposed expen-
 45 ditures, or any of them, are not at the level or of the type needed to achieve adequacy, the depart-

1 ment shall notify the county governing body. The notice shall contain an explanation of the reasons
 2 for the determination and may describe specific items or classifications of expenditure which the
 3 department has determined are required, or are not required, in order to achieve adequacy. The
 4 notice shall fix the date upon which a conference with the county governing body or representatives
 5 of the county governing body shall be held.

6 (5)(a) Subject to paragraph [(b)] (c) of this subsection, if, upon initial review, or upon or after
 7 conference held on the date specified in the notice under subsection (4) of this section, or another
 8 date or dates convenient to the department and the county governing body, the department deter-
 9 mines that the expenditures as initially filed, or that the expenditures as agreed upon at the con-
 10 ference, are at the level and of the type needed to achieve adequacy for that year or over a period
 11 of years under a plan presented as described under ORS 294.181, the department shall certify to the
 12 county governing body that its estimate of expenditures for assessment and taxation so determined
 13 are adequate and that the county will be included in the computation made under ORS 294.178 for
 14 the purpose of determining the amount of that county's quarterly grant.

15 (b) The department shall include in the certification an estimate of the percentage share of the
 16 funds available in the County Assessment Function Funding Assistance Account, **attributable to**
 17 **deposits made under ORS 294.187 (1)(b) and (c) and funds distributable under section 9 (5) of**
 18 **this 2019 Act**, that the county will receive under ORS 294.178 and an estimate of the total amount
 19 of the grant **from such funds** that will be forthcoming to the county from that account for the
 20 ensuing year on account of the certification.

21 [(b)] (c) The department [shall] **may** not certify expenditures under this subsection that the de-
 22 partment determines are in excess of the expenditures necessary to meet the requirements of sub-
 23 section (3) of this section.

24 (6) Any certification issued under subsection (5) of this section shall be issued as of the June
 25 15 following the filing of the estimate of expenditures under subsection (2) of this section. If, as of
 26 June 15, agreement has not been reached between the department and the county governing body
 27 upon the estimate, the department shall issue a denial of certification.

28 (7)(a) A county may appeal the determination of the department under subsection [(5)(b)] (5)(c)
 29 of this section or the denial of certification issued under subsection (6) of this section to the Di-
 30 rector of the Oregon Department of Administrative Services. Appeal shall be filed within 10 days
 31 after the date that the denial of certification is issued.

32 (b) The sole issue upon appeal shall be the adequacy of expenditures for assessment and taxa-
 33 tion as filed with the department under subsection (2) of this section, and the determination, if any,
 34 made by the department under subsection [(5)(b)] (5)(c) of this section.

35 (c) If the Oregon Department of Administrative Services does not issue an order approving the
 36 expenditures before July 1 of the fiscal year for which the expenditures are proposed, the certifica-
 37 tion for purposes of ORS 294.175 to 294.187 shall be considered denied.

38 **SECTION 8.** ORS 294.178 is amended to read:

39 294.178. (1) Before issuing any certificate under ORS 294.175, the Department of Revenue shall
 40 estimate the amount available in the County Assessment Function Funding Assistance Account
 41 created under ORS 294.184, **attributable to deposits made under ORS 294.187 (1)(b) and (c) and**
 42 **funds to be distributed under section 9 (5)(b) of this 2019 Act**, that will be available for dis-
 43 tribution as grants to counties for the ensuing fiscal year.

44 (2) The estimate shall be used to determine the estimated percent of the moneys available in the
 45 County Assessment Function Funding Assistance Account, **attributable to deposits and funds**

1 **described in subsection (1) of this section**, that each county will receive as grants and the total
 2 estimated grant that each county will receive for the ensuing fiscal year. The estimates so deter-
 3 mined shall serve as the estimates required to be included in any certification issued under ORS
 4 294.175 for that county.

5 (3) On or before the 28th day of the month following the close of each fiscal quarter, the de-
 6 partment shall pay a percentage of the moneys in the County Assessment Function Funding Assist-
 7 ance Account, **attributable to deposits and funds described in subsection (1) of this section**,
 8 to each county to which a certificate has been issued under ORS 294.175.

9 (4) Except as provided under subsections (5) and (6) of this section, the percentage to be paid
 10 to each county under subsection (3) of this section shall be the percentage that the expenditures of
 11 the county certified by the department to the county governing body under ORS 294.175 bears to the
 12 total of all expenditures of all counties certified by the department to counties under ORS 294.175.
 13 In determining the expenditures of a county or in determining the total of all expenditures for pur-
 14 poses of this subsection:

15 (a) No expenditures shall be included that have not been certified under ORS 294.175.

16 (b) No expenditures of any county that did not file an estimate of expenditures under ORS
 17 294.175 shall be included.

18 (c) No expenditures of any county for which certification has been denied shall be included,
 19 except as provided in subsection (6)(b) of this section.

20 (d) No expenditures of any county that does not make its appropriation under ORS 294.456 based
 21 upon 100 percent of the expenditures certified shall be included.

22 (e) No expenditures of any county that does not certify compliance under ORS 294.181 shall be
 23 included, except as provided in subsection (6)(b) of this section.

24 (5)(a) Except as provided in paragraph [(b)] (c) of this subsection, if the expenditures of a county
 25 are not included for a fiscal quarter on account of subsection (4) of this section, a grant may not
 26 be made to that county under subsection (3) of this section for that fiscal quarter.

27 (b) If grant funds are denied to any county under this subsection for any fiscal quarter, the
 28 percentage determined under subsection (4) of this section shall be redetermined, excluding from the
 29 computation for that fiscal quarter the certified expenditures of the county for which grant funds
 30 are denied to the end that all of the funds available in the County Assessment Function Funding
 31 Assistance Account at the time of calculating the quarterly distribution may be distributed.

32 [(b)] (c) Percentages of grants may not be redetermined under paragraph [(a)] (b) of this sub-
 33 section in instances in which a distribution is made under subsection (6)(b) of this section.

34 (6)(a) For any county that is certified for participation in the County Assessment Function
 35 Funding Assistance Account grant program under ORS 294.175 or 294.181, and for which a distrib-
 36 ution is not made by the department because of subsection (4)(d) or (e) of this section, the amount
 37 that would have been disbursed to the county shall be transferred to the Assessment and Taxation
 38 County Account described in ORS 306.125.

39 (b) For any county that is not certified for participation in the County Assessment Function
 40 Funding Assistance Account grant program:

41 (A) The county may not receive a percentage distribution under subsection (4) of this section,
 42 but the department shall determine a percentage distribution as if the county were eligible to re-
 43 ceive a distribution under subsection (4) of this section;

44 (B) The department shall determine the percentage distribution by using the county's certified
 45 expenditures from the last year in which the county participated in the County Assessment Function

1 Funding Assistance Account grant program; and

2 (C) The percentage distribution disbursement determined in subparagraphs (A) and (B) of this
 3 paragraph shall be transferred to the Assessment and Taxation County Account described in ORS
 4 306.125 at the same time as payment of moneys is made to counties under subsection (3) of this
 5 section.

6 (c) For any county whose County Assessment Function Funding Assistance Account distribution
 7 is transferred under paragraph (a) or (b) of this subsection to the Assessment and Taxation County
 8 Account described in ORS 306.125, but for which the intervention required of the department by
 9 ORS 308.062 does not occur as a result of action taken by a county court or board of county com-
 10 missioners pursuant to ORS 308.062 (2) that is acceptable to the department, the total of all transfers
 11 to the Assessment and Taxation County Account described in ORS 306.125 shall be transferred back
 12 to the County Assessment Function Funding Assistance Account.

13 **SECTION 9. (1) Moneys deposited in and credited to the County Assessment Function**
 14 **Funding Assistance Account that are attributable to deposits made to the County Assess-**
 15 **ment and Taxation Fund under ORS 294.187 (1)(a) shall be distributed by the Department of**
 16 **Revenue under this section.**

17 (2)(a) Subject to subsection (3)(g) of this section, 30 percent of the moneys shall be dis-
 18 tributed to each county according to the proration percentage calculated for the county un-
 19 der paragraph (b) of this subsection. The distributions shall be made at the same time that
 20 distributions are made to counties under ORS 294.178.

21 (b)(A) The department, in consultation with county assessors, shall develop and period-
 22 ically review an assessment and taxation staffing model to be used to identify an adequate
 23 number of full-time equivalent positions for the assessment and taxation activities, functions
 24 and services of each county.

25 (B) The department shall divide each county's number of staff, expressed in full-time
 26 equivalents, for assessment and taxation activities, functions and services reported with the
 27 county's estimate filed under ORS 294.175, and as certified by the department, by the ade-
 28 quate number of full-time equivalent positions identified for the county using the staffing
 29 model. This quotient, expressed as a percentage, shall be subtracted from 100 percent, and
 30 any positive difference shall be used as the basis for prorating the distribution required un-
 31 der paragraph (a) of this subsection among the counties. Any county for which the difference
 32 computed under this subparagraph is less than or equal to zero shall have a proration per-
 33 centage of zero.

34 (c) The department shall notify each county assessor of the proration percentage com-
 35 puted under this subsection for the assessor's county.

36 (3)(a) Except as provided in paragraph (g) of this subsection, six and two-thirds percent
 37 of the moneys shall be used or held for, and distributed to, counties through the Assessment
 38 and Taxation Improvement Grant Program operated by the department pursuant to this
 39 subsection.

40 (b) The purpose of the Assessment and Taxation Improvement Grant Program is to pro-
 41 vide grants for county projects that, with respect to ad valorem property taxation, are in-
 42 tended to:

- 43 (A) Improve administrative efficiency in property assessment and taxation;
- 44 (B) Increase property tax revenues; or
- 45 (C) Improve uniformity in valuation.

1 (c) A county may apply for a grant under this subsection by filing an application with the
 2 department by March 1 immediately preceding the beginning of the following property tax
 3 year on a form prescribed by the department. An application must specify performance
 4 measures for all projects included in the application.

5 (d) Grant applications shall be reviewed and approved or rejected no later than the July
 6 1 immediately following the application deadline.

7 (e) Review and approval or rejection of grant applications, according to standards and
 8 procedures established by the department that do not conflict with the provisions of this
 9 subsection, shall be by majority vote of a committee constituted as follows:

10 (A) The Director of the Department of Revenue, or a representative of the director, shall
 11 appoint:

- 12 (i) One member who is a representative of the department;
- 13 (ii) One member who is a county assessor; and
- 14 (iii) One member who is a county tax collector.

15 (B) The director, or a representative of the director, shall appoint, from among persons
 16 recommended by the League of Oregon Cities, one member who is a representative of the
 17 league.

18 (C) The director, or a representative of the director, shall appoint, from among persons
 19 recommended by the Special Districts Association of Oregon, one member who is a repre-
 20 sentative of the association.

21 (f) The total amount of grants approved may not exceed the amount of deposits described
 22 in paragraph (a) of this subsection accumulated in the County Assessment Function Funding
 23 Assistance Account as of the April 30 immediately following the application deadline.

24 (g) The department may consider additional information before finalizing approval of
 25 grant applications under this subsection. Following final approval by the department, grant
 26 amounts shall be distributed to counties in the July distribution made under ORS 294.178.
 27 Amounts subject to this subsection that are not distributed as grants shall be added to the
 28 amounts to be distributed under subsection (2) of this section.

29 (h) The department may require counties receiving grants under this subsection to pro-
 30 vide documentation of progress toward attainment of the purposes of a project as set forth
 31 in the grant application.

32 (4) Sixteen and two-thirds percent of the moneys shall be transferred to the suspense
 33 account of the department created under ORS 294.184 at the time distributions are made to
 34 counties under ORS 294.178.

35 (5) Forty-six and two-thirds percent of the moneys shall be distributed as follows:

36 (a) An amount not exceeding 10 percent of the total amount distributable under this
 37 subsection shall be distributed under ORS 294.184 (2).

38 (b) The remainder shall be distributed under ORS 294.178.

39 (6) Notwithstanding subsection (2) of this section, if a county that receives a distribution
 40 under subsection (2) or (3) of this section reduces the county's assessment and taxation
 41 expenditures during the fiscal year by a greater percentage than the percentage reduction
 42 of their General Fund expenditures, the department shall reduce the county's distribution
 43 amount under subsection (2) or (5) of this section in the next fiscal year in an amount equal
 44 to the amount by which the county's reduction in assessment and taxation expenditures ex-
 45 ceeds the reduction amount that would have been made if based only on the General Fund

1 reduction percentage. Such reduction amount shall be reallocated to the other counties in
2 proportion to their calculated distribution amounts under subsection (2) or (5) of this section.

3 (7) The director may adopt any rule for carrying out the purposes of this section that the
4 director considers necessary or convenient.

5 **SECTION 10.** (1) The amendments to ORS 311.392 and 311.505 by sections 1 and 2 of this
6 2019 Act apply to property tax years beginning on or after July 1, 2020.

7 (2) Section 9 of this 2019 Act and the amendments to ORS 294.175, 294.178, 294.184, 294.187,
8 311.390 and 311.508 by sections 3 to 8 of this 2019 Act apply to property tax distributions made
9 on or after July 1, 2020.

10 **SECTION 11.** Section 12 of this 2019 Act is added to and made a part of ORS 455.010 to
11 455.240.

12 **SECTION 12.** (1) As soon as practicable after issuing a building permit, the planning di-
13 vision of the issuing municipality shall notify the assessor of the county in which the project
14 to which the permit relates is located of the information required under ORS 455.050 con-
15 tained in the permit.

16 (2) Notification under this section shall be by electronic transmission, if possible, or
17 otherwise by any means.

18 **SECTION 13.** This 2019 Act takes effect on the 91st day after the date on which the 2019
19 regular session of the Eightieth Legislative Assembly adjourns sine die.

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