

House Bill 2920

Sponsored by Representative NEARMAN

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 interest rates chargeable on delinquent property tax payments and payable on property tax refunds.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax interest rates; creating new provisions; amending ORS 311.505 and 311.812;
3 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*] **and,**
13 **until paid, shall accrue** per month, or fraction of a month [*until paid.*], **at a rate equal to the**
14 **lesser of:**

15 (A) **The prime rate on the date on which the amounts became delinquent plus two per-**
16 **cent, multiplied by one-twelfth; or**

17 (B) **Five-twelfths of one percent.**

18 (b) **As used in this subsection, "prime rate" means the primary credit rate of the dis-**
19 **count window program of the United States Federal Reserve System.**

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

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

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

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

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

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

30 **SECTION 2.** ORS 311.812 is amended to read:

31 311.812. (1) Except as provided in subsection (2) of this section, interest may not be paid upon

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 any tax refunds made under ORS 311.806.

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

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

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

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

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

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

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

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

16 (h) Refunds due to a claim for a veteran's exemption for a prior tax year that is filed pursuant
17 to ORS 307.262.

18 (3)(a) The interest provided [by] **under** subsection (2) of this section shall be *[paid at the rate*
19 *of one percent per month, or fraction of a month,]* computed from the [time] **date on which** the tax
20 was paid or from the [time] **date on which** the first installment *[thereof]* **of the tax** was due,
21 whichever is *[the]* later, **and shall be paid at a rate per month, or fraction of a month, that is**
22 **equal to the lesser of:**

23 **(A) The prime rate on the date from which the interest is computed plus two percent,**
24 **multiplied by one-twelfth; or**

25 **(B) Five-twelfths of one percent.**

26 **(b)** If a discount is given at the time the taxes are paid, interest shall be computed only on the
27 net amount of taxes to be refunded.

28 **(c)** If any portion of a refund described in subsection (2) of this section results from an assess-
29 ment based on inaccurate information contained in a report filed by a taxpayer, interest shall be
30 computed on only the portion of the refund that is not attributable to the inaccurate information
31 contained in the taxpayer report.

32 *[(b)]* **(d)** As used in this subsection:[,]

33 **(A) "Prime rate" means the primary credit rate of the discount window program of the**
34 **United States Federal Reserve System.**

35 **(B) "Report" means a return, statement or any other information provided by a taxpayer in**
36 **writing to the department or county assessor.**

37 **SECTION 3. (1) The amendments to ORS 311.505 by section 1 of this 2019 Act apply to**
38 **interest charged on delinquent property taxes that are due for property tax years beginning**
39 **on or after July 1, 2020.**

40 **(2) The amendments to ORS 311.812 by section 2 of this 2019 Act apply to interest payable**
41 **on refunds of property taxes paid for property tax years beginning on or after July 1, 2020.**

42 **SECTION 4. This 2019 Act takes effect on the 91st day after the date on which the 2019**
43 **regular session of the Eightieth Legislative Assembly adjourns sine die.**