

HB 2247 A STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Jaime McGovern, Economist

Meeting Dates: 6/9

WHAT THE MEASURE DOES:

Authorizes county to adopt ordinance or resolution authorizing waiver of interest charged for failure to pay taxes when due. Applies only to 2020-2021 property tax year, to interest on taxes imposed on real property used in taxpayer's business, provided no uncontested delinquent property taxes were outstanding on such property as of February 15, 2020, and to delinquencies substantially due to effects of COVID-19 pandemic or 2020 Oregon fire season. Sets forth criteria for determining that delinquency is substantially due to effects of COVID-19 pandemic or 2020 Oregon fire season. Requires county that adopts ordinance or resolution to submit report to Legislative Revenue Officer that includes findings and statement of financial impact of waiver of interest on county. Sunsets January 2, 2023. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Per the Department of Revenue Property Tax Statistics: Based on property values assessed as of January 1, taxes are levied and become a lien on property on July 1. Tax payments are due on November 15 of the same calendar year. Under the partial payment schedule, the first one-third of taxes is due on November 15, the second one-third on February 15, and the remaining one-third on May 15. If the taxpayer makes the full tax payment by November, a discount of 3 percent is allowed; a 2 percent discount is allowed for a two-thirds payment made by November 15. For late payments, interest accrues at a rate of 1.33 percent per month (16 percent annual rate). If taxes remain unpaid after three years from the beginning of delinquency date, counties then initiate property foreclosure proceedings.