

HB 2178 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Michael Graham, Fiscal Analyst

Meeting Dates: 6/8, 6/11

WHAT THE MEASURE DOES:

Reduces the filing fee for complaints or petitions filed in the Magistrate Division of the Oregon Tax Court from \$281 to \$50. Retains the standard \$281 filing fee for complaints or petitions filed in the Regular Division of the Oregon Tax Court. Allows a plaintiff or petitioner, at the time of filing a complaint or petition, to request a waiver or deferral of the filing fee in the tax court. Clarifies the date of the filing of the complaint or petition if the tax court grants a fee waiver or deferral, or the plaintiff or petitioner pays the filing fee within 14 days of the date that the tax court denies the fee waiver or deferral. Applies to complaints and petitions filed in the Oregon Tax Court on or after the effective date. Takes effect on January 1, 2022.

ISSUES DISCUSSED:

- Fiscal impact of the measure
- Potential General Fund revenue reduction

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Tax Court, which is part of the Oregon Judicial Department (OJD), has jurisdiction over cases and controversies involving the tax laws of Oregon. Generally, cases are filed in the Oregon Tax Court by a taxpayer who disagrees with an action taken by the Oregon Department of Revenue, a county assessor, or a county board of property tax appeals.

The Oregon Tax Court has two divisions: the Magistrate Division and the Regular Division. The Magistrate Division, which the Legislative Assembly created in 1995, is where almost all tax cases begin. The process in the Magistrate Division is designed to be informal and impartial, as about two-thirds of the cases do not involve lawyers. The Magistrate Division typically receives 400 to 500 cases each year, 75 percent of which are resolved without a trial and 90 percent without any further appeal. The assigned magistrate acts as a mediator between the parties and issues a written decision resolving the dispute. Parties may appeal magistrate decisions to the Regular Division. All proceedings in the Regular Division are original, formal proceedings that are tried *de novo*, meaning the case is tried anew, without a jury. Cases in the Regular Division are heard by a judge, who is an elected judicial officer sworn to apply the laws in a fair and impartial manner. After the judge issues a final opinion or order, a judgment is entered. Parties may appeal judgments in the Regular Division to the Oregon Supreme Court.

OJD is currently in the middle of a two-year Strategic Campaign designed to make critical improvements to the justice system, and thereby increase access to courts. As part of this effort, OJD has examined the impacts of fines and fees on public trust and confidence in the judicial system.

House Bill 2178 reduces the filing fee for complaints or petitions filed in the Magistrate Division of the Oregon Tax Court from \$281 to \$50, but retains the \$281 filing fee for complaints or petitions filed in the Regular Division of the Oregon Tax Court. The measure also clarifies the date of the filing of the complaint or petition if the tax court grants a fee waiver or deferral, or the plaintiff or petitioner pays the filing fee within 14 days of the date that the tax court denies the fee waiver or deferral. The measure applies to complaints and petitions filed in the Oregon

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Tax Court on or after January 1, 2022.

PRELIMINARY