

HB 3518-2
(LC 4053)
6/5/25 (ASD/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Nancy Nathanson)

**PROPOSED AMENDMENTS TO
HOUSE BILL 3518**

1 On page 1 of the printed bill, line 2, after the comma insert “294.175,
2 294.184,”.

3 After line 4, insert:

4 “Whereas the 1989 Legislative Assembly established the County Assess-
5 ment Function Funding Assistance (CAFFA) program (Enrolled House Bill
6 2338) to address concerns over the disintegration of Oregon’s property tax
7 system; and

8 “Whereas in doing so, the state recognized a shared responsibility for
9 statewide uniformity and accuracy in assessment and taxation; and

10 “Whereas the CAFFA funding formula was last substantively amended by
11 the Legislative Assembly in 1999 (Enrolled House Bill 2139); and

12 “Whereas the 1999 Legislative Assembly allocated state General Fund
13 revenues in the amount of \$5 million to CAFFA, a practice that was dis-
14 continued in 2009 during the Great Recession; and

15 “Whereas the sources of CAFFA revenue were not indexed to growth and
16 subsequent Legislative Assemblies ceased providing state General Fund rev-
17 enues; and

18 “Whereas CAFFA revenues have declined significantly relative to costs;
19 and

20 “Whereas the ability of the county assessment function to ensure uni-
21 formity and accuracy in assessment and taxation has declined accordingly;

1 and

2 “Whereas the Legislative Assembly is committed to reestablishing and
3 maintaining a shared responsibility for returning the county assessment
4 function to a state of operational health and maintaining it via CAFFA; and

5 “Whereas increasing revenue for the county assessment function through
6 CAFFA will improve uniformity and accuracy in assessment and taxation;
7 and

8 “Whereas indexing CAFFA revenues to growth will help ensure a high
9 level of uniformity and accuracy in assessment and taxation in the future;
10 and

11 “Whereas additional revenues generated for CAFFA shall be directed
12 primarily toward ensuring property tax roll accuracy and revenue growth;
13 and

14 “Whereas additional revenues generated for CAFFA shall also be prior-
15 itized to strengthen operational efficiency, uphold compliance with state laws
16 and enhance service delivery to the public, taxpayers and taxing districts;
17 and

18 “Whereas it is the Legislature’s expectation that counties will use local
19 resources to maintain or improve assessment and taxation service levels to
20 the greatest extent practicable; now, therefore,”.

21 Delete lines 6 through 28 and delete pages 2 through 5 and insert:

22 “**SECTION 1.** ORS 205.323 is amended to read:

23 “205.323. (1) In addition to and not in lieu of the fees charged and col-
24 lected under ORS 205.320 and other fees, the county clerk shall charge and
25 collect the following fees for the recording or filing of any instrument de-
26 scribed in ORS 205.130:

27 “(a) A fee of \$1, to be credited as provided in subsection (4)(a) of this
28 section;

29 “(b) A fee of [~~\$10~~] **\$15**, to be credited as provided in subsection (4)(b) of
30 this section; and

1 “(c) A fee of \$60, to be credited as provided in subsection (4)(c) of this
2 section.

3 “(2) Subsection (1) of this section does not apply to the recording or filing
4 of the following:

5 “(a) Instruments that are otherwise exempt from recording or filing fees
6 under any provision of law;

7 “(b) Any satisfaction of judgment or certificate of satisfaction of judg-
8 ment; or

9 “(c) Internal county government instruments not otherwise charged a re-
10 cording or filing fee.

11 “(3) Subsection (1)(c) of this section does not apply to the recording or
12 filing of:

13 “(a) Instruments required under ORS 517.210 to maintain mining claims;

14 “(b) Warrants issued by the Employment Department pursuant to ORS
15 657.396, 657.642 and 657.646; or

16 “(c) A certified copy of a judgment, a lien record abstract as described in
17 ORS 18.170 or a satisfaction of a judgment, including a judgment noticed by
18 recordation of a lien record abstract.

19 “(4) Of the amounts charged and collected under this section:

20 “(a) The recording or filing fee charged and collected under subsection
21 (1)(a) of this section must be deposited and credited to the Oregon Land In-
22 formation System Fund established under ORS 306.132.

23 “(b) The recording or filing fee charged and collected under subsection
24 (1)(b) of this section shall be credited as follows:

25 “(A) Five percent of the fee must be credited for the benefit of the county;

26 “(B) Five percent of the fee must be credited for the benefit of the county
27 clerk for the purposes described in ORS 205.320 (2); and

28 “(C) 90 percent of the fee must be credited to and deposited in the County
29 Assessment and Taxation Fund created under ORS 294.187.

30 “(c) The recording or filing fee charged and collected under subsection

1 (1)(c) of this section must be credited to and deposited in the County Assessment and Taxation Fund created under ORS 294.187.

2
3 **“(5)(a) For each property tax year beginning on or after July 1, 2026,**
4 **and except as provided in paragraph (c) of this subsection, the Department of Revenue shall recompute the fee prescribed in subsection**
5 **(1)(b) of this section as follows:**

6
7 **“(A) Divide the average Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor**
8 **Statistics of the United States Department of Labor, for the first six**
9 **months of the current calendar year by the average Consumer Price**
10 **Index for All Urban Consumers, West Region (All Items), for the first**
11 **six months of 2025;**

12
13 **“(B) Multiply \$15 by the quotient determined under subparagraph**
14 **(A) of this paragraph; and**

15 **“(C) Round the product determined under subparagraph (B) of this**
16 **paragraph to the nearest multiple of \$5.**

17 **“(b) The fee shall be increased to the following amounts:**

18 **“(A) \$20 when the fee amount recomputed under paragraph (a) of**
19 **this subsection is equal to or greater than \$20 but less than \$25.**

20 **“(B) \$25 when the fee amount recomputed under paragraph (a) of**
21 **this subsection is equal to or greater than \$25 but less than \$30.**

22 **“(C) \$30 when the fee amount recomputed under paragraph (a) of**
23 **this subsection is equal to or greater than \$30.**

24 **“(c) Once the fee is increased to \$30 under paragraph (b)(C) of this**
25 **subsection, the fee shall not be further recomputed under this sub-**
26 **section.**

27 **“[(5)] (6) The Department of Revenue and county tax collectors are ex-**
28 **empt from paying the fee under subsection (1)(c) of this section.**

29 **“SECTION 2. ORS 311.508 is repealed.**

30 **“SECTION 3. Before distributing property tax moneys under ORS**

1 **311.395 to the several taxing units according to the ratios provided in**
2 **ORS 311.390, the county treasurer shall credit to the County Assess-**
3 **ment and Taxation Fund created under ORS 294.187 an amount equal**
4 **to 0.3 percent of all moneys set out in the statements prepared under**
5 **ORS 311.395 (1) and (2) other than taxes imposed to pay principal and**
6 **interest on exempt bonded indebtedness.**

7 **“SECTION 4.** ORS 294.175 is amended to read:

8 “294.175. (1) As used in [*this section and ORS 294.178*] **ORS 294.175** to
9 294.187:

10 “(a) ‘Department’ means the Department of Revenue.

11 “(b)(A) ‘Expenditures’ has the meaning given the term for purposes of
12 ORS 294.305 to 294.565 and may be further defined by rule of the department.

13 “(B) ‘Expenditures’ does not include any item or class of items that can-
14 not reasonably be allocated to an organizational unit.

15 “(c)(A) ‘Expenditures for assessment and taxation’ means expenditures for
16 any of the activities, functions or services required of a county in the as-
17 sessment, equalization, levy, collection or distribution of property taxes un-
18 der ORS chapters 305, 306, 307, 308, 308A, 309, 310, 311, 312 and 321.

19 “(B) ‘Expenditures for assessment and taxation’ specifically includes ex-
20 penditures for appraising county-appraised industrial property, if the re-
21 sponsibility for making the appraisal has been delegated by the department
22 to a county assessor under ORS 306.126 (3).

23 “(d) ‘Grant’ has the meaning given the term for purposes of ORS 294.305
24 to 294.565, and is further described under ORS 294.178.

25 “(2) On or before May 1 of each year, each county shall file with the de-
26 partment a true copy of its estimates of expenditures for assessment and
27 taxation for the ensuing year as prepared for purposes of ORS 294.388 but
28 in accordance with any rules adopted by the department.

29 “(3) Upon receipt [*of the estimate*], the department shall review the esti-
30 mate to determine its adequacy to provide the resources needed to achieve

1 compliance with ORS 308.232 and 308.234, ORS chapter 309 and other laws
2 requiring equality and uniformity in the system of property taxation within
3 the county in order that the same equality and uniformity may be achieved
4 throughout the state.

5 “(4)(a) If, upon initial review of the estimate, the department determines
6 that the proposed expenditures, or any of them, are not at the level or of the
7 type needed to achieve adequacy, the department shall notify the county
8 governing body.

9 “(b) The notice shall contain an explanation of the reasons for the de-
10 termination and may describe specific items or classifications of expenditure
11 which the department has determined are required, or are not required, in
12 order to achieve adequacy.

13 “(c)(A) The notice shall fix the date upon which a conference with the
14 county governing body or representatives of the county governing body shall
15 be held.

16 “(B) **Notwithstanding subparagraph (A) of this paragraph, the de-**
17 **partment and the county governing body may specify another date for**
18 **the conference that is convenient to both parties.**

19 “(5)(a)(A) Subject to paragraph (b) of this subsection, if, upon initial re-
20 view, or upon or after a conference held on the date [*specified in the notice*
21 *under*] **determined in accordance with** subsection (4) of this section, [*or*
22 *another date or dates convenient to the department and the county governing*
23 *body,*] the department determines that the expenditures as initially filed, or
24 that the expenditures as agreed upon at the conference, are at the level and
25 of the type needed to achieve adequacy for that year or over a period of years
26 under a plan presented as described under ORS 294.181, the department shall
27 certify to the county governing body that its estimate of expenditures for
28 assessment and taxation so determined are adequate and that the county will
29 be included in the computation made under ORS 294.178 for the purpose of
30 determining the amount of that county’s quarterly grant.

1 “(B) The department shall include in the certification an estimate of the
2 percentage share of the funds available in the County Assessment Function
3 Funding Assistance Account that the county will receive under ORS 294.178
4 and an estimate of the total amount of the grant that will be forthcoming
5 to the county from that account for the ensuing year on account of the cer-
6 tification.

7 “(b) The department shall not certify expenditures under this subsection
8 that the department determines are in excess of the expenditures necessary
9 to meet the requirements of subsection (3) of this section.

10 “(6)(a) Any certification issued under subsection (5) of this section shall
11 be issued as of the June 15 following the filing of the estimate of expendi-
12 tures under subsection (2) of this section.

13 “(b) If, as of June 15, agreement has not been reached between the de-
14 partment and the county governing body upon the estimate, the department
15 shall issue a denial of certification.

16 “(7)(a) A county may appeal the determination of the department under
17 subsection (5)(b) of this section or the denial of certification issued under
18 subsection (6) of this section to the Director of the Oregon Department of
19 Administrative Services.

20 “(b) Appeal shall be filed within 10 days after the date that the denial
21 of certification is issued.

22 “(c) The sole issue upon appeal shall be the adequacy of expenditures for
23 assessment and taxation as filed with the department under subsection (2)
24 of this section, and the determination, if any, made by the department under
25 subsection (5)(b) of this section.

26 “(d) If the Oregon Department of Administrative Services does not issue
27 an order approving the expenditures before July 1 of the fiscal year for
28 which the expenditures are proposed, the certification for purposes of ORS
29 294.175 to 294.187 shall be considered denied.

30 “**SECTION 5.** ORS 294.187 is amended to read:

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

4 “(a) Moneys deposited in and credited to the fund under [ORS 311.508]
5 **section 3 of this 2025 Act.**

6 “(b) Moneys deposited in and credited to the fund under ORS 205.323
7 (4)(b)(C).

8 “(c) Moneys deposited in and credited to the fund under ORS 205.323
9 (4)(c).

10 “(d) Interest earned upon moneys credited to the fund.

11 “(2) The county treasurer shall pay over the moneys in the fund, deter-
12 mined as of the last day of the fiscal quarter, to the State Treasurer on or
13 before the 10th working day of the month following the last day of the fiscal
14 quarter as follows:

15 “(a) Moneys collected under subsection (1)(a) and (b) of this section and
16 interest earnings on those moneys must be paid over to the Department of
17 Revenue for deposit in the County Assessment Function Funding Assistance
18 Account created under ORS 294.184.

19 “(b) Moneys collected under subsection (1)(c) of this section and interest
20 earnings on those moneys must be paid over to the Department of Revenue
21 for deposit in the Housing and Community Services Department accounts for
22 housing-related programs as follows:

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

25 “(B) 10 percent of the moneys must be deposited in the Emergency Hous-
26 ing Account created under ORS 458.620; and

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

29 “(3) If the county treasurer fails to pay over moneys, as required under
30 subsection (2) of this section, then any unpaid moneys shall be a debt due

1 and owing by the county to the state and the county shall pay the legal rate
2 of interest thereon from the due date until paid. Payment of interest under
3 this section shall not relieve the county treasurer from any penalty imposed
4 by law for failure to make the payments, and in addition, the county treas-
5 urer shall be liable under ORS 311.375 (4)(a) and (b).

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

8 **“SECTION 6.** ORS 311.385 is amended to read:

9 “311.385. (1) The tax collector shall deposit all property tax moneys with
10 the county treasurer no later than:

11 “(a) One business day after:

12 “(A) Payment of the moneys is made in person at the office of the tax
13 collector; or

14 “(B) The tax collector receives moneys collected by a financial institution
15 or other collection agency; or

16 “(b) Thirty calendar days after the payment arrives by mail in the county
17 mail receptacle.

18 “(2) The tax collector shall take a receipt for all moneys deposited with
19 the county treasurer.

20 “(3) Property tax moneys shall not be deposited in any account other than
21 the unsegregated tax collections account, except as provided in ORS
22 311.370[,] **and** 311.484 and [311.508] **section 3 of this 2025 Act.**

23 “(4) No later than one business day after receiving notice of collection
24 of tax moneys by a financial institution or other collection agency, the tax
25 collector shall notify the county treasurer of the collection of those tax
26 moneys.

27 “(5) Except as provided in ORS 311.370[,] **and** 311.484 and [311.508] **sec-**
28 **tion 3 of this 2025 Act**, the county treasurer shall deposit all property tax
29 moneys to an account in the records of the county treasurer designated as
30 the unsegregated tax collections account. Only those moneys that will be

distributed under ORS 311.390 and interest earned from the investment of those moneys shall be deposited to the unsegregated tax collections account.

“(6) As used in this section, ‘property tax moneys’ includes all ad valorem taxes and all taxes on property, as defined in ORS 310.140, and all other amounts specifically authorized by law to be included on the assessment and tax roll, that are certified for collection under ORS 310.060 or other law and any interest on those taxes.

“SECTION 7. ORS 311.395 is amended to read:

“311.395. (1) The tax collector shall make statements of the exact amounts of property tax moneys in cash and warrants collected as follows:

“(a) For the period beginning on the first Monday following the last Friday in October through the last Friday in November, the tax collector shall make weekly statements of those taxes that are collected for the current tax year.

“(b) For the period beginning the first Monday following the last Friday [of] **in** November through the last Friday [of] **in** October of the ensuing year, the tax collector shall make quarterly statements of those taxes that are collected for the current tax year.

“(c) The tax collector shall make quarterly statements of taxes collected for prior years.

“[(d) Notwithstanding paragraph (b) or (c) of this subsection, if the balance in the unsegregated tax collection account as of the close of any month for any tax year (the current tax year or any prior tax year) exceeds \$10,000 or if requested by any taxing district, and if weekly statements are not required, then the tax collector shall make a statement for the period since the last statement for the tax year.]

“(d) Notwithstanding paragraph (b) or (c) of this subsection, the tax collector shall make a statement for the period since the last statement for the tax year if:

“(A)(i) The balance in the unsegregated tax collection account as

1 **of the close of any month for the current tax year or any prior tax**
2 **year exceeds \$10,000; or**

3 **“(ii) A statement is requested by any taxing district; and**

4 **“(B) Weekly statements are not required.**

5 “(e) If the processing of tax payments for the current tax year received
6 or postmarked on or before the November 15 due date, [(or, if the due date
7 is extended under ORS 311.507, **on or before** the due date pursuant to the
8 extension)], is not substantially completed as of the last Friday in Novem-
9 ber, the tax collector shall continue to make weekly statements until the end
10 of a week when the processing is substantially completed.

11 “(2)(a) Each statement shall be of taxes collected during the weekly,
12 monthly, quarterly or other period for which the statement is required.

13 “(b) The statements prepared under subsection (1) of this section shall
14 specify the tax years for which the payments of taxes were made.

15 “(c) A copy of each statement shall be filed with the county clerk and a
16 copy shall be filed with the county treasurer no later than the fifth business
17 day after the last business day of the period for which the statement is pre-
18 pared. A copy of each statement shall be retained in the office of the tax
19 collector.

20 “(3) For the purposes of this section, property tax moneys are collected
21 when:

22 “(a) Payment is made in person at the office of the tax collector;

23 “(b) The tax collector receives tax moneys or notice of tax moneys col-
24 lected by a financial institution or other collection agency;

25 “(c) The tax collector receives payment or notice of payment of tax mon-
26 eys by the state; or

27 “(d) The tax collector has posted a payment that arrived by mail in the
28 county mail receptacle.

29 “(4) Each statement required under subsections (1) and (2) of this section
30 shall separately state the amount deposited into the property tax bankruptcy

1 account under ORS 311.484 **and the County Assessment and Taxation**
2 **Fund under section 3 of this 2025 Act** for the period covered by the
3 statement.

4 “(5) The statements required under subsections (1) and (2) of this section
5 may be made more often and for shorter periods if the tax collector so desires
6 but one of the statements so filed shall cover a period coinciding with the
7 last business day of the particular calendar month or quarter during the
8 period.

9 “(6) The county treasurer shall credit the total amount of moneys set out
10 in the statements prepared under subsections (1) and (2) of this section, ex-
11 cept for the amount deposited into the property tax bankruptcy account un-
12 der ORS 311.484 **and the County Assessment and Taxation Fund under**
13 **section 3 of this 2025 Act**, to the several funds for which the moneys were
14 respectively received in accordance with the schedule provided in ORS
15 311.390. The county treasurer shall keep the moneys and warrants received
16 from the tax collector in their respective funds.

17 “(7)(a) Within five business days of receiving a statement required by
18 subsection (1) or (2) of this section, the county treasurer shall distribute the
19 amount of money set out in the statement, except for the amount deposited
20 into the property tax bankruptcy account under ORS 311.484 **and the**
21 **County Assessment and Taxation Fund under section 3 of this 2025**
22 **Act**, to the several taxing units according to the ratios provided in ORS
23 311.390.

24 “(b) The county treasurer shall distribute interest earned on moneys in
25 the unsegregated tax collections account at least as often as the treasurer
26 receives a statement from the tax collector under subsection (1)(b) or (d) of
27 this section.

28 “(c) When statements are received under subsection (1)(a) of this section,
29 the county treasurer shall distribute interest at least once a calendar month.

30 “**SECTION 8.** ORS 294.184 is amended to read:

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

4 “(a) All moneys paid over by the county treasurers as provided under ORS
5 294.187 (2)(a); and

6 “(b) All interest earned upon any moneys in the account.

7 “(2) Prior to each quarterly distribution of the moneys in the account
8 under ORS 294.178, the moneys necessary to pay the following Department
9 of Revenue expenses shall be transferred to a suspense account of the de-
10 partment created under ORS 293.445 and are continuously appropriated to
11 the department for:

12 “(a) Expenses incurred in carrying out the purposes of ORS 294.175 to
13 294.184; and

14 “(b) Appraisal expenses incurred by the department in appraising state-
15 appraised industrial properties as defined in ORS 306.126 and property of
16 centrally assessed companies under ORS 308.505 to 308.674.

17 “(3) The amount of moneys transferred to the suspense account of the
18 department under subsection (2) of this section each quarter may not exceed
19 [10] 5 percent of the moneys in the account.

20 “(4) The remainder of the moneys in the account after the transfer made
21 under subsection (2) of this section shall be used for the purpose of making
22 the grant payments to counties as required under ORS 294.178 and are con-
23 tinuously appropriated to the department for that purpose.

24 **“SECTION 9. (1) The Department of Revenue may adopt rules gov-**
25 **erning its procedures in carrying out the provisions of ORS 294.175 to**
26 **294.187.**

27 **“(2) When considering whether or not to propose rules under sub-**
28 **section (1) of this section, or to update the department’s guidance to**
29 **counties, the department shall consult with the governing bodies of**
30 **the several counties, the county assessors and tax collectors, the other**

1 taxing districts and the public.

2 **“SECTION 10.** Sections 3 and 9 of this 2025 Act, the amendments to
3 **ORS 205.323, 294.175, 294.184, 294.187, 311.385 and 311.395** by sections 1
4 **and 4 to 8 of this 2025 Act and the repeal of ORS 311.508 by section 2**
5 **of this 2025 Act apply to property tax years beginning on or after July**
6 **1, 2026.**

7 **“SECTION 11.** (1)(a)(A) No later than September 15, 2026, the De-
8 **partment of Revenue shall submit a report to the interim committee**
9 **of the House of Representatives related to revenue detailing how the**
10 **new administrative expectations and procedural requirements imposed**
11 **under this 2025 Act will be implemented, including but not limited to**
12 **how the changes will be made, the rationale for the changes and the**
13 **process that will be employed for making the changes.**

14 **“(B) The department shall provide an opportunity for input from**
15 **the counties, county assessors and tax collectors prior to finalizing the**
16 **report.**

17 **“(b) The interim committee of the House of Representatives related**
18 **to revenue shall hold a public hearing at which the department, the**
19 **counties, county assessors and tax collectors shall present the reports.**

20 **“(2)(a)(A) No later than September 15, 2027, September 15, 2029, and**
21 **September 15, 2031, the Department of Revenue shall submit a report**
22 **to the interim committee of the House of Representatives related to**
23 **revenue setting forth the cumulative outcomes of the changes made**
24 **under this 2025 Act, including, at a minimum:**

25 **“(i) Each county’s grant amounts and contributions to the County**
26 **Assessment Function Funding Assistance Account created under ORS**
27 **294.184;**

28 **“(ii) How much each county contributes to the account each year**
29 **from its own general fund and other resources;**

30 **“(iii) Deviations from the implementation plan presented to the in-**

1 **terim committee under subsection (1) of this section; and**

2 **“(iv) County certified expenditures for purposes of the account.**

3 **“(B) The department shall provide an opportunity for input from**
4 **the counties, county assessors and tax collectors prior to finalizing the**
5 **report.**

6 **“(b) The interim committee of the House of Representatives related**
7 **to revenue shall hold a public hearing at which the department, the**
8 **counties, county assessors and tax collectors shall present the reports.**

9 **“(3) The Department of Revenue shall keep records of the informa-**
10 **tion needed to comply with subsection (2) for all tax years starting on**
11 **or after July 1, 2025, and make the records publicly available, including**
12 **on the department’s Internet website.**

13 **“SECTION 12. There is appropriated to the Department of Revenue,**
14 **for the biennium beginning July 1, 2025, out of the General Fund, the**
15 **amount of \$10,000,000 for deposit in the County Assessment and Taxa-**
16 **tion Fund created under ORS 294.187. The moneys appropriated under**
17 **this section shall be treated in the same manner as moneys in the fund**
18 **collected under ORS 294.187 (1)(a) and (b).**

19 **“SECTION 13. This 2025 Act takes effect on the 91st day after the**
20 **date on which the 2025 regular session of the Eighty-third Legislative**
21 **Assembly adjourns sine die.”.**

22
