

## CHAPTER 36

AN ACT

HB 2482

Relating to industrial property; creating new provisions; amending ORS 285C.220, 294.175, 294.184, 305.403, 305.487, 305.489, 306.126, 307.340, 307.420, 308.290, 308.295, 309.115 and 311.208; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 306.126 is amended to read:

306.126. (1)(a) As used in this section:

[(A)] (a) *“Principal industrial property” means any unit of industrial property having a real market value of the improvements on the assessment roll for the preceding year of more than \$5 million.*

**“County-appraised industrial property” means:**

(A) Any unit of industrial property if the improvements of the property have a real market value of \$1 million or less on the assessment roll for the preceding year; and

(B) Any unit of industrial property for which the appraisal responsibility has been delegated to the county assessor under subsection (3) of this section.

[(B)] (b)(A) *“Secondary industrial property” “State-appraised industrial property” means any unit of industrial property [having a real market value of the improvements on the assessment roll for the preceding year of more than \$1 million but of \$5 million or less] if the improvements of the property have a real market value of more than \$1 million on the assessment roll for the preceding year.*

(B) **“State-appraised industrial property” does not mean property for which the appraisal responsibility has been delegated to a county assessor under subsection (3) of this section.**

[(b)] (2)(a) The Department of Revenue shall appraise each [principal] **state-appraised** industrial property situated within each county and advise the county assessor of [its] **the real market value [and assessed value] of the property** and the [real market value of its] **property’s** net improvements. **Except as provided in subsection (3) of this section,** no part of the cost of the appraisal shall be borne by the county. The cost of the appraisal [may] **shall** be reimbursed from the County Assessment Function Funding Assistance Account as provided under ORS 294.184.

[(c)] *The department shall appraise each secondary industrial property situated within each county and advise the assessor of its real market and assessed value and the real market value of its net improvements. The cost of the appraisal shall be reimbursed from the County Assessment Function Funding Assistance Account as provided under ORS 294.184.*

[(2)] (b) The department shall advise the assessor of the values determined under **this** subsection [(1) of this section] by a date that is determined to give

the assessor sufficient time to prepare the assessment roll.

(3)(a) Notwithstanding subsection [(1)(b) or (c)] (2) of this section, upon request of the county assessor, [made prior to January 1 of the assessment year and accompanied by any information required by the department, including but not limited to a summary of the county’s proposed budget of expenditures for appraisals for principal or secondary industrial properties,] the department may delegate [its] **to the county assessor the department’s** responsibility for making the appraisals, [or any of them,] **of state-appraised industrial property** required under subsection [(1)(b) or (c)] (2) of this section, to the county assessor].

(b) **A request by the county assessor under this subsection must be made prior to January 1 for the following assessment year and must be accompanied by any information required by the department.**

(c) [Except as provided under ORS 294.175 to 294.184,] If responsibility is delegated under this subsection, the entire cost of making the appraisals delegated shall be borne by the county.

(d) No appeal may be taken from any determination of the department under this subsection.

(4)(a) **Once the responsibility for making appraisals of a state-appraised industrial property is delegated to the county assessor under subsection (3) of this section, the property shall remain a county-appraised industrial property for five consecutive assessment years.**

(b) **After five consecutive assessment years, the industrial property shall remain a county-appraised industrial property until the county assessor requests the department to resume responsibility for appraising the property. Upon the request of the county assessor, the property shall revert to a state-appraised industrial property as of the next following assessment year.**

[(4)] (5) The department may adopt any rules necessary to carry out the purposes of this section.

[(5)] (6) The department may adopt an appraisal schedule that promotes the efficient use of its resources.

**SECTION 2.** ORS 305.403 is amended to read:

305.403. (1) An appeal by a taxpayer dissatisfied with the assessed **value** or specially assessed value of land or improvements of a [principal or secondary] **state-appraised** industrial property must be brought in the tax court.

(2) An appeal under this section is taken by filing a complaint with the tax court in the manner prescribed under ORS 305.560 during the period following the date the tax statements are mailed for the current tax year and ending December 31.

(3)(a) The complaint shall be entitled in the name of the person filing the complaint as plaintiff, and the Department of Revenue and the county assessor as defendants.

(b) In answering and defending against the allegations of the complaint:

(A) The department shall respond only to those allegations that relate to the appraisal or assessment performed by the department; and

(B) The county assessor shall respond only to those allegations that relate to the appraisal or assessment performed by the county assessor.

(c) The department and the county assessor shall both remain parties to a proceeding described in this subsection unless either party is dismissed by order of the court.

(4) Service of the complaint upon the department and the county assessor shall be accomplished by the clerk of the tax court mailing a copy of the complaint to the Director of the Department of Revenue and to the county assessor.

(5) As used in this section, [*“principal industrial property” and “secondary industrial property” have the meanings given the terms under*] **“state-appraised industrial property” has the meaning given that term in ORS 306.126 and [include] includes** those properties appraised by the department for ad valorem property tax purposes.

**SECTION 3.** ORS 294.184 is amended to read:

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

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

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

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

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

(b) Appraisal expenses incurred by the department in appraising [*principal and secondary*] **state-appraised** industrial properties [*identified under*] **as defined in** ORS 306.126 and property of centrally assessed companies under ORS 308.505 to 308.665.

(3) The amount of moneys transferred to the suspense account of the department under subsection (2) of this section each quarter may not exceed 10 percent of the moneys in the account.

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

**SECTION 4.** ORS 285C.220 is amended to read:

285C.220. (1)(a) After January 1 and on or before April 1 of the assessment year immediately following the year in which qualified property in an enterprise

zone is placed in service, and of each assessment year thereafter for which an exemption is sought, an authorized business firm may file a claim for the exemption allowed under ORS 285C.175.

(b) The claim shall be made by completing a form prescribed by the Department of Revenue and by filing the form with the county assessor. The firm shall furnish a copy of the claim to the sponsor.

(c) The firm shall also file a form described in this subsection after the final assessment year of the exemption period.

(2) A claim filed under this section shall contain all of the following:

(a) A statement that:

(A) The business firm satisfies the requirements of ORS 285C.200 as a qualified business firm; and

(B) The business firm has been authorized by the enterprise zone sponsor and the county assessor and has satisfied any commitments made in the firm’s application for authorization or made as a condition of authorization. The date the application for authorization was submitted and approved shall be set forth in the statement.

(b) A statement confirming the continued eligibility of the firm under ORS 285C.135 or explaining any change in eligibility.

(c) A schedule setting forth the following employment data:

(A) The number of employees of the firm within the enterprise zone on the date the claim is filed under this section or April 1, whichever is earlier;

(B) The annual average number of employees of the firm within the enterprise zone during the preceding assessment year; and

(C) The annual average number of employees of the firm within the enterprise zone, averaged over the 12-month period preceding the date of the application for authorization.

(d) The annual average compensation for the previous assessment year of new employees hired by the firm within the enterprise zone, but only if:

(A) The firm is subject to annual compensation requirements under ORS 285C.160; and

(B) The claim is filed for a year that is not the first year for which a claim is filed under this section.

(e) Any attachments required under ORS 285C.225.

(f) For any qualified property listed on a property schedule included in a claim filed for a previous assessment year and that continues to be exempt for the current assessment year:

(A) Confirmation that there has been no change in the ownership, lease, location, disposition, operation, use or occupancy of the property; or

(B) In the case of a change in the ownership, lease, location, disposition, operation, use or occupancy of the property, an explanation of the change.

(g) Any other information required by the Department of Revenue.

(3) The business firm shall be prepared to verify any information set forth in a claim filed under this section. The statement made pursuant to subsection

(2)(a) of this section shall be prima facie evidence that the firm is a qualified business firm.

(4) If the assessor determines the property for which exemption is sought satisfies the requirements of ORS 285C.175, the assessor shall grant the exemption for the tax year beginning July 1.

(5) The assessor shall provide copies of each claim for exemption filed under this section as directed by the Department of Revenue.

(6) If a claim for exemption relates to [*principal or secondary*] **state-appraised** industrial property as defined [by] in ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the claim shall be deemed timely filed with the assessor. The Department of Revenue shall send a copy of the filed claim to the assessor.

(7)(a) Notwithstanding subsection (1) of this section, a claim may be filed under this section on or before June 1 of the assessment year if:

(A) The claim includes qualified property that, pursuant to ORS 285C.225, is required to be listed on a property schedule included with the claim form because the year for which the claim is being filed is the first year for which the property is exempt under ORS 285C.175; and

(B) The claim is accompanied by a late filing fee equal to the greater of \$200 or one-tenth of one percent of the real market value of the qualified property listed on the property schedule accompanying the claim.

(b) An exemption may not be granted pursuant to a claim filed under this subsection if the claim is not accompanied by the late filing fee.

(8)(a) Notwithstanding subsection (1) of this section, a claim may be filed under this section on or before August 31 of the assessment year if:

(A) The claim does not include qualified property that, pursuant to ORS 285C.225, is required to be listed on a property schedule included with the claim; and

(B) The claim is accompanied by a late filing fee equal to the greater of:

(i) \$200; or

(ii) One-fiftieth of one percent of the real market value of the qualified property of the business firm multiplied by the number of 30-day periods from April 1 of the assessment year until the date the claim is filed. A period of less than 30 days shall constitute a 30-day period for purposes of this subparagraph.

(b) An exemption may not be granted pursuant to a claim filed under this subsection if the claim is not accompanied by the late filing fee.

(9) The value of the property used to determine the late filing fees under this section is appealable in the same manner as other determinations of value by the county assessor are appealable.

(10)(a) Notwithstanding subsection (1) of this section, a claim may be filed under this section on or before April 1 following the assessment year after the year in which the qualified property was placed in service.

(b) If a claim filed under this subsection is approved by the county assessor, the qualified property shall be exempt from property taxation only for those tax years that begin after the date the claim was filed under this subsection and for which the property otherwise qualifies for exemption under ORS 285C.050 to 285C.250.

(11) Any filing fee collected under this section shall be deposited to the county general fund.

(12) A claim may be filed under this section as of the dates prescribed in subsections (7), (8) and (10) of this section, regardless of any grounds for hardship under ORS 307.475.

**SECTION 5.** ORS 294.175 is amended to read:  
294.175. (1) As used in this section and ORS 294.178 to 294.187:

(a) "Department" means the Department of Revenue.

(b) "Expenditures" has the meaning given the term for purposes of ORS 294.305 to 294.520 and may be further defined by rule of the department. "Expenditures" does not include any item or class of items that cannot reasonably be allocated to an organizational unit.

(c) "Expenditures for assessment and taxation" means expenditures for any of the activities, functions or services required of a county in the assessment, equalization, levy, collection or distribution of property taxes under ORS chapters 305, 306, 307, 308, 308A, 309, 310, 311, 312 and 321. "Expenditures for assessment and taxation" specifically includes expenditures for appraising [*principal or secondary industrial properties,*] **county-appraised industrial property, if the responsibility for [the] making [of which] the appraisal** has been delegated by the department to a county **assessor** under ORS 306.126 (3).

(d) "Grant" has the meaning given the term for purposes of ORS 294.305 to 294.520, and is further described under ORS 294.178.

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

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

(4) If, upon initial review of the estimate, the department determines that the proposed expenditures, or any of them, are not at the level or of the type needed to achieve adequacy, the department shall notify the county governing body. The notice shall contain an explanation of the reasons for the determination and may describe specific items or classifications of expenditure which the department

has determined are required, or are not required, in order to achieve adequacy. The notice shall fix the date upon which a conference with the county governing body or representatives of the county governing body shall be held.

(5)(a) Subject to paragraph (b) of this subsection, if, upon initial review, or upon or after conference held on the date specified in the notice under subsection (4) of this section, or another date or dates convenient to the department and the county governing body, the department determines that the expenditures as initially filed, or that the expenditures as agreed upon at the conference, are at the level and of the type needed to achieve adequacy for that year or over a period of years under a plan presented as described under ORS 294.181, the department shall certify to the county governing body that its estimate of expenditures for assessment and taxation so determined are adequate and that the county will be included in the computation made under ORS 294.178 for the purpose of determining the amount of that county's quarterly grant. The department shall include in the certification an estimate of the percentage share of the funds available in the County Assessment Function Funding Assistance Account that the county will receive under ORS 294.178 and an estimate of the total amount of the grant that will be forthcoming to the county from that account for the ensuing year on account of the certification.

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

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

(7) A county may appeal the determination of the department under subsection (5)(b) of this section or the denial of certification issued under subsection (6) of this section to the Director of the Oregon Department of Administrative Services. Appeal shall be filed within 10 days after the date that the denial of certification is issued. The sole issue upon appeal shall be the adequacy of expenditures for assessment and taxation as filed with the department under subsection (2) of this section, and the determination, if any, made by the department under subsection (5)(b) of this section. If the Oregon Department of Administrative Services does not issue an order approving the expenditures before July 1 of the fiscal year for which the expenditures are proposed, the certification for purposes of ORS 294.175 to 294.187 shall be considered denied.

**SECTION 6.** ORS 305.487 is amended to read:

305.487. (1) The Legislative Assembly finds that:

(a) [*Principal and secondary*] Industrial property that is appraised by the Department of Revenue under ORS 306.126 and property that is centrally assessed by the department under ORS 308.505 to 308.665 involve large amounts of property value and complex appraisal issues.

(b) Appeals of the value of [*principal and secondary*] **state-appraised** industrial property or centrally assessed property can have significant impact on the stable funding of essential local government services because of the fiscal consequences of substantial tax refunds.

(c) The citizens of this state and the owners of **state-appraised** industrial property or centrally assessed property are best served by the efficient resolution of property tax appeals related to these properties.

(2) The Legislative Assembly declares that it is the policy of this state to strongly encourage taxpayers, local governments, the department and the Oregon Tax Court to resolve appeals related to the value of [*principal or secondary*] **state-appraised** industrial property or centrally assessed property as quickly and efficiently as possible, in order to reduce the financial impacts of lengthy appeal processes.

**SECTION 7.** ORS 305.489 is amended to read:

305.489. The Department of Revenue shall consider the findings and declarations of the Legislative Assembly under ORS 305.487 when adopting administrative rules related to appeals to the Oregon Tax Court of the value of [*principal or secondary*] **state-appraised** industrial property or centrally assessed property, in order to ensure that the rules that the department adopts promote the objectives of quick and efficient resolution of these appeals.

**SECTION 8.** ORS 307.340 is amended to read:

307.340. (1) The property described in ORS 307.330 shall be listed for ad valorem property taxation, but the assessor shall cancel the assessment for any assessment year upon receipt of sufficient documentary proof that the property meets all of the conditions contained in ORS 307.330. Such proof shall be filed with the assessor on or before April 1 of such year. No cancellation of assessment shall be made unless the required proof is filed within the time prescribed by this section. Any cancellation of assessment will be abated as to any nonmanufacturing property that is used or occupied within one year from the time construction commences and the assessor shall proceed to correct the assessment and tax roll or rolls from which the property was omitted from taxation, in the manner provided in ORS 311.216 to 311.232.

(2) If the proof required by subsection (1) of this section relates to [*principal or secondary*] **state-appraised** industrial property as defined [*by*] in ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the proof shall be deemed timely filed with the assessor.

**SECTION 9.** ORS 307.420 is amended to read:

307.420. (1) Before any exemption from taxation is allowed under ORS 307.405, the person claiming the exemption shall file with the county assessor a written claim for such exemption prepared on a form prescribed by the Department of Revenue and furnished by the assessor, and shall file with the assessor with the first claim for exemption the certificate issued by the Environmental Quality Commission under ORS 468.170 covering the property for which exemption is sought. The claim shall be filed not later than April 1 of the assessment year for which the exemption is claimed; except that if the person receives a certificate after April 1 but before July 1, the person may file a claim on or before July 15 of that year. The county clerk shall record the certificate in the county record of deeds, upon presentation by the assessor. Each year thereafter to continue such exemption, the taxpayer must file not later than April 1 a statement with the county assessor, on a form prescribed by the Department of Revenue and furnished by the assessor, stating that the ownership of all property included in the certificate and its use remain unchanged.

(2) If a claim required by subsection (1) of this section relates to [*principal or secondary*] **state-appraised** industrial property as defined [*by*] in ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the claim shall be deemed timely filed with the assessor.

**SECTION 10.** ORS 308.290 is amended to read:

308.290. (1)(a) Except as provided in paragraph (b) of this subsection, every person and the managing agent or officer of any business, firm, corporation or association owning, or having in possession or under control taxable personal property shall make a return of the property for ad valorem tax purposes to the assessor of the county in which the property has its situs for taxation. As between a mortgagor and mortgagee or a lessor and lessee, however, the actual owner and the person in possession may agree between them as to who shall make the return and pay the tax, and the election shall be followed by the person in possession of the roll who has notice of the election. Upon the failure of either party to file a personal property tax return on or before March 1 of any year, both parties shall be jointly and severally subject to the provisions of ORS 308.296.

(b) Paragraph (a) of this subsection does not apply to personal property exempt from taxation under ORS 307.162.

(2) Every person and the managing agent or officer of any business, firm, corporation or association owning or in possession of taxable real property shall make a return of the property for ad valorem tax purposes when so requested by the assessor of the county in which the property is situated.

(3)(a) Each return of personal property shall contain a full listing of the property and a statement

of its real market value, including a separate listing of those items claimed to be exempt as imports or exports. Each statement shall contain a listing of the additions or retirements made since the prior January 1, indicating the book cost and the date of acquisition or retirement. Each return shall contain the name, assumed business name, if any, and address of the owner of the personal property and, if it is a partnership, the name and address of each general partner or, if it is a corporation, the name and address of its registered agent.

(b) Each return of real property shall contain a full listing of the several items or parts of the property specified by the county assessor and a statement exhibiting their real market value. Each return shall contain a listing of the additions and retirements made during the year indicating the book cost, book value of the additions and retirements or the appraised real market value of retirements as specified in the return by the assessor.

(c) There shall be annexed to each return the affidavit or affirmation of the person making the return that the statements contained in the return are true. All returns shall be in a form that the county assessor, with the approval of the Department of Revenue, may prescribe.

(4) All returns shall be filed on or before March 1 of each year, but the county assessor or the Department of Revenue may grant an extension of time to April 15 within which to file the return as provided by subsection (6), (7) or (8) of this section.

(5)(a) In lieu of the returns required under subsection (1)(a) or (2) of this section, every person and the managing agent or officer of any business, firm, corporation or association owning or having in possession or under control taxable real and personal property that is [*either principal industrial property or secondary*] **state-appraised** industrial property as defined in ORS 306.126 [*(1) and is appraised by the Department of Revenue*] shall file a combined return of the real and personal property with the Department of Revenue.

(b) The contents and form of the return shall be as prescribed by rule of the department. Any form shall comply with ORS 308.297. Notwithstanding ORS 308.875, a manufactured structure that is a part of [*an*] **state-appraised** industrial property shall be included in a combined return.

(c) In order that the county assessor may comply with ORS 308.295, the department shall provide a list to the assessor of all combined returns that are required to be filed with the department under this subsection but that were not filed on or before the due date or within the time allowed by an extension.

(d) If the department has delegated appraisal of the **state-appraised industrial** property to the county assessor under ORS 306.126 (3), the department shall notify the person otherwise required to file the combined return under this subsection as soon as practicable after the delegation that the combined return is required to be filed with the assessor.

(e) Notwithstanding subsection (2) of this section, a combined return of real and personal property that is **state-appraised** industrial property [*appraised by the department*] shall be filed with the department on or before March 1 of the year.

(6)(a) Any person required to file a return under subsection (5) of this section may apply to the Department of Revenue for an extension of time to April 15, within which to file the return.

(b) Extensions granted under this subsection may be based on a finding by the department that:

(A) Good or sufficient cause exists for granting an extension for the property tax year of the return; or

(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-term voluntary compliance. An extension granted under this subparagraph shall continue in effect for each subsequent property tax year until the taxpayer cancels the extension or the department revokes the extension.

(c) An extension granted under this subsection shall apply to returns required to be filed under subsection (5) of this section with either the county assessor or the department.

(d) The department shall notify assessors in affected counties when the department grants extensions under this subsection.

(7)(a) Except as provided in subsection (6) of this section, any person required to file a return with the county assessor under this section may apply to the assessor for an extension of time to April 15 within which to file the return.

(b) Extensions granted under this subsection may be based on a finding by the assessor that:

(A) Good or sufficient cause exists for granting an extension for the property tax year of the return; or

(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-term voluntary compliance. An extension granted under this subparagraph shall continue in effect for each subsequent property tax year until the taxpayer cancels the extension or the assessor revokes the extension.

(8)(a) Any person required to file returns in more than one county may apply to the Department of Revenue for an extension of time to April 15 within which to file the returns. The department may grant extensions to a person required to file returns in more than one county.

(b) Extensions granted under this subsection may be based on a finding by the department that:

(A) Good or sufficient cause exists for granting an extension for the property tax year of the return; or

(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-term voluntary compliance. An extension granted under this subparagraph shall continue in effect for each subsequent property tax year until the taxpayer cancels the extension or the department revokes the extension.

(c) Whenever the department grants an extension to a person required to file returns in more than one county, the department shall notify the assessors in the counties affected by the extensions.

(9) The Department of Revenue shall, by rule, establish procedures and criteria for granting, denying or revoking extensions under this section after consultation with an advisory committee selected by the department that represents the interests of county assessors and affected taxpayers.

(10) A return is not in any respect controlling on the county assessor or on the Department of Revenue in the assessment of any property. On any failure to file the required return, the property shall be listed and assessed from the best information obtainable from other sources.

(11)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810 are confidential records of the Department of Revenue or the county assessor's office in which the returns are filed or of the office to which the returns are forwarded under paragraph (b) of this subsection.

(b) The assessor or the department may forward any return received in error to the department or the county official responsible for appraising the property described in the return.

(c) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this subsection may be disclosed to:

(A) The Department of Revenue or its representative;

(B) The representatives of the Secretary of State or to an accountant engaged by a county under ORS 297.405 to 297.555 for the purpose of auditing the county's personal property tax assessment roll (including adjustments to returns made by the Department of Revenue);

(C) The county assessor, the county tax collector, the assessor's representative or the tax collector's representative for the purpose of:

(i) Collecting delinquent real or personal property taxes; or

(ii) Correctly reflecting on the tax roll information reported on returns filed by a business operating in more than one county or transferring property between counties in this state during the tax year;

(D) Any reviewing authority to the extent the return being disclosed relates to an appeal brought by a taxpayer;

(E) The Division of Child Support of the Department of Justice or a district attorney to the extent the return being disclosed relates to a case for which the Division of Child Support or the district attorney is providing support enforcement services under ORS 25.080; or

(F) The Legislative Revenue Officer for the purpose of preparation of reports, estimates and analyses required by ORS 173.800 to 173.850.

(d) Notwithstanding paragraph (a) of this subsection:

(A) The Department of Revenue may exchange property tax information with the authorized agents of the federal government and the several states on

a reciprocal basis, or with county assessors, county tax collectors or authorized representatives of assessors or tax collectors.

(B) Information regarding the valuation of leased property reported on a property return filed by a lessor under this section may be disclosed to the lessee or other person in possession of the property. Information regarding the valuation of leased property reported on a property return filed by a lessee under this section may be disclosed to the lessor of the property.

(12) If the assessed value of any personal property in possession of a lessee is less than the maximum amount of the assessed value of taxable personal property for which ad valorem property taxes may be canceled under ORS 308.250 (2)(a), the person in possession of the roll may disregard an election made under subsection (1)(a) of this section and assess the owner or lessor of the property.

**SECTION 11.** ORS 308.295 is amended to read:

308.295. (1) Each person, business, firm, corporation or association required by ORS 308.290 to file a return, other than a return reporting only taxable personal property, who or which has not filed a return within the time fixed in ORS 308.290 or as extended, is delinquent.

(2) A delinquent taxpayer, except a taxpayer described in subsection (3) of this section, is subject to a penalty of \$1 for each \$1,000 (or fraction thereof) of assessed value of the property as determined under ORS 308.146, but the penalty may not be less than \$10 or more than \$250.

(3) A delinquent taxpayer required by ORS 308.290 to file a return reporting [*principal or secondary*] **state-appraised** industrial property, as defined in ORS 306.126, is subject to a penalty of \$10 for each \$1,000 (or fraction thereof) of assessed value of the property as determined under ORS 308.146, but the penalty may not be less than \$10 or more than \$5,000.

(4) If a delinquency penalty provided in this section is imposed, the tax statement for the year in which the penalty is imposed shall reflect the amount of the penalty and shall constitute notice to the taxpayer.

(5)(a) Unless the penalty is the subject of an appeal under ORS 311.223, the county board of property tax appeals, upon application of the taxpayer, may waive the liability:

(A) For all or a portion of the penalty upon a proper showing of good and sufficient cause; or

(B) For all of the penalty if the year for which the return was filed was both the first year that a return was required to be filed by the taxpayer and the first year for which the taxpayer filed a return.

(b) Unless the taxpayer files a timely application in the same manner as an appeal under ORS 309.100, the board may not consider an application made under this subsection.

(c) An appeal may not be taken from the determination of the board under this subsection.

(6) If the board waives all or a portion of a penalty already imposed and entered on the roll, the person in charge of the roll shall cancel the waived penalty and enter the cancellation on the roll as an error correction under ORS 311.205 and, if the waived penalty has been paid, it shall be refunded without interest under ORS 311.806.

(7)(a) Upon application of the taxpayer, the assessor may waive the liability for property tax late filing penalties under this subsection if the taxpayer:

(A) Has never filed a personal property tax return in this state;

(B) Has failed to file a property tax return for one or more consecutive years;

(C) Has not previously received relief from property tax late filing penalties under this subsection; and

(D) Files an application for relief from property tax late filing penalties that satisfies the requirements of paragraph (b) of this subsection.

(b) An application for relief from property tax late filing penalties shall include a statement by the taxpayer setting forth the basis for relief from property tax late filing penalties and a statement under oath or affirmation that the basis for relief from property tax late filing penalties as stated in the application is true.

(c) The county assessor may allow the application for relief from property tax late filing penalties if the assessor finds the reasons given by the taxpayer in the application are sufficient to excuse the failure to file the property tax returns at issue in the application. If the assessor allows the application, the assessor may deny or grant relief from property tax late filing penalties in whole or in part. The determination of the assessor whether to grant the application or deny the application in whole or in part and whether to permit the taxpayer to pay the owing tax penalties, if any, in installments is final. The assessor shall notify the taxpayer of the decision.

(d) Nothing in this subsection affects the obligation of the taxpayer to file property tax returns or to pay property taxes owing from the current or delinquent tax years.

**SECTION 12.** ORS 309.115 is amended to read:

309.115. (1) If the Department of Revenue, the board of property tax appeals or the tax court or other court enters an order correcting the real market value of a separate assessment of property and there is no further appeal from that order, except as provided under subsection (2) or (3) of this section, the value so entered shall be the real market value entered on the assessment and tax rolls for the five assessment years next following the year for which the order is entered.

(2) Notwithstanding subsection (1) of this section, the following adjustments may be made to the real market value during the period described in subsection (1) of this section:

(a) Annual trending or indexing applied to all properties of the same property class in the county,

or within clearly defined areas of the county under this chapter.

(b) Annual trending or depreciation factors applied to similar property.

(c) Additions or retirements based upon returns filed under ORS 308.290.

(d) Additions, retirements or economic trending from the annual valuations under ORS 308.505 to 308.665.

(e) Increases directly related to additions, remodeling or rehabilitation made to property.

(f) Changes directly related to subdividing or partitioning the property.

(g) Changes directly related to rezoning the property and using the property consistent with the rezoning.

(h) Property damaged, destroyed or otherwise subject to loss of real market value.

(3) In the case of [*principal or secondary*] **state-appraised industrial property as defined in ORS 306.126**, subsection (1) of this section does not apply to changes in real market value as a result of:

(a) Annual trending or depreciation factors applied by type of property to industrial or personal property;

(b) Additions or retirements based upon returns filed under ORS 308.290; or

(c) Property damaged, destroyed or otherwise subject to loss of real market value.

(4) If, during the five-year period described in subsection (1) of this section, another order correcting the real market value of the property subject to subsection (1) of this section is entered, subsection (1) of this section shall apply for the five years next following the year the later order is entered.

**SECTION 13.** ORS 311.208 is amended to read:

311.208. (1) The assessor shall notify the property owner of record or other person claiming to own the property or occupying the property or in possession of the property, if:

(a) A correction is made that applies only to the current roll;

(b) The correction is made after roll certification under ORS 311.105 and prior to December 1 of the current tax year; and

(c) The correction increases the value of the property.

(2) If a correction described in subsection (1) of this section results in additional taxes being added to the current roll, the additional taxes shall be due and payable without interest if paid prior to the 16th of the month next following the date the notice was sent under this section.

(3) If the additional taxes described in subsection (2) of this section are not paid prior to the 16th of

the month next following the date the notice was sent under this section, the additional taxes shall be considered for all purposes of collection and enforcement of payment as having become delinquent on the date the taxes would normally have become delinquent if the taxes had been timely extended on the roll.

(4) The notice described in subsection (1) of this section shall:

(a) Be mailed prior to December 1 to the last-known address of the person described in subsection (1) of this section;

(b) Specify the date and the amount of the correction;

(c) If additional tax is imposed, specify the date by which the additional tax may be paid without interest; and

(d) [*Include the owner's right to file a petition with the county board of property tax appeals not later than December 31 of the current tax year.*] **Notify the owner of the owner's appeal rights as determined under subsection (6) of this section.**

(5) The correction shall be made by the officer in charge of the roll in the manner described in ORS 311.205 (2), (3) and (5).

(6) A correction made under this section may be appealed [*to the board of property tax appeals in the manner provided in ORS 309.100.*] **as follows:**

(a) **For state-appraised industrial property as defined in ORS 306.126, the owner must file an appeal with the tax court in the manner provided in ORS 305.403 not later than December 31 of the current tax year.**

(b) **For all other property, the owner must file a petition with the county board of property tax appeals in the manner provided in ORS 309.100 not later than December 31 of the current tax year.**

**SECTION 14.** (1) The amendments to ORS 285C.220, 294.175, 294.184, 305.403, 305.487, 305.489, 306.126, 307.340, 307.420, 308.290, 308.295 and 309.115 by sections 1 to 12 of this 2015 Act apply to assessment years beginning on or after January 1, 2015.

(2) The amendments to ORS 311.208 by section 13 of this 2015 Act apply to property tax years beginning on or after July 1, 2015.

**SECTION 15.** This 2015 Act takes effect on the 91st day after the date on which the 2015 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

Approved by the Governor April 22, 2015

Filed in the office of Secretary of State April 23, 2015

Effective date October 5, 2015