

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*

A Statement of Need and Fiscal Impact accompanies this form.

Department of Revenue, Property Tax Division	150
Agency and Division	Administrative Rules Chapter Number
Debra L Buchanan	503-945-8653
955 Center St NE Salem OR 97301-2555	
Rules Coordinator	Telephone

RULE CAPTION

ORMAP grants; central assessment; Board of Property Tax appeals; Forest Products Harvest Tax

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

July 21, 2009	10:00 a.m.	Fishbowl Conference Rm, 955 Center St NE Salem OR	Staff
Hearing Date	Time	Location	Hearings Officer

Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

ADOPT:

AMEND:

150-306.132; 150-308.550(2)-(G); 150-309.026(2)-(A); 150-321.005(9)

REPEAL:

RENUMBER:

AMEND & RENUMBER:

Stat. Auth. : ORS 305.100

Other Auth.:

Stats. Implemented: ORS 306.132; 308.550; 309.026; 321.005

RULE SUMMARY

150-306.132 is amended to clarify roles and criteria associated with the ORMAP grant process. The ORMAP Advisory Committee approved general policy in November 2006 to determine whether grant requests met the requirements for ORMAP grant funding and to determine how to prioritize the qualifying grants when available funds are less than the dollars requested by the counties.

150-308.550(2)-(G) is amended to provide an alternative method of allocating property of a centrally assessed communication company whose unit of property crosses state boundaries. The alternative method is needed if a company is unable to provide information for the three variables currently used: original cost; operating revenue; and net operating income.

150-309.026(2) guides local boards of property tax appeals (BOPTA) in how to apply their jurisdiction to requests submitted by petitioners. The rule further clarifies ORS 309.026, which states that BOPTA hears petitions for reduction of real market value (RMV), specially assessed value (SAV), maximum assessed value (MAV), or assessed value (AV). The purpose of the rule is to allow an element of flexibility in how BOPTA can act on submitted petitions. It allows the petitioner to request an increase in one component (land or improvement) of real market value so long as the total value will not be increased. It also allows the board

to increase a component on its own volition if the petitioner has not specified how the request for reduction should be applied.

150-321.005(9) is amended to change the order for establishing the identity of the taxpayer responsible for paying the Forest Products Harvest Tax (FPHT). The current rule provides a sequential list of criteria used by the department to determine the person responsible for the harvest tax. The party holding title to timber at the time of harvest pays the tax. The best evidence of title is identified by written agreement. The rule currently lists “The party holding title to timber as evidenced in a written agreement” as the fourth criteria and the proposed amendment would list this as the first criterion to be considered.

The Agency requests public comment on whether other options should be considered for achieving the rule’s substantive goals while reducing the negative economic impact of the rule on business.

July 21, 2009

Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator)

Debra L Buchanan

5/15/2009

Signature

Printed name

Date

*Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Revenue, Property Tax Division

150

Agency and Division

Administrative Rules Chapter Number

ORMAP grants; central assessment; Board of Property Tax appeals; Forest Products Harvest Tax

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: Adoption of administrative rules

Statutory Authority: ORS 305.100

Other Authority: None

Stats. Implemented: ORS 150-306.132; 150-308.550(2)-(G); 150-309.026(2)-(A); 150-321.005(9)

Need for the Rule(s):

150-306.132 is needed to specify criteria the department will use in considering ORMAP grant requests.

150-308.550(2)-(G) is needed to provide an alternative method of allocating property if a centrally assessed communication company cannot provide information for the three variables currently used: original cost; operating revenue; and net operating income.

150-309.026(2) is needed to provide guidance to local boards of property tax appeals (BOPTA) that act on submitted petitions.

150-321.005(9) is needed to explain how the department will identify the taxpayer responsible for paying the Forest Products Harvest Tax (FPHT).

Documents Relied Upon, and where they are available:

None

Fiscal and Economic Impact:

None expected.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

150-321.005(9) – None

150-306.132: All 36 counties are impacted.

150-309.026(2)-(A) – County governments are impacted.

150-308.550(2)-(G) - Communication companies whose unit of property operates both within and without Oregon are subject to this rule.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

150-309.026(2)-(A); 150-321.005(9); 150-306.132: No small businesses are impacted.

150-308.550(2)-(G) - There are currently 210 communication companies classified as "small"; of those, only 60 may be subject to this rule.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

150-308.550(2)-(G): Companies already capture the required information so there should be minimal or no administrative costs to comply with this request. The department will provide appropriate forms for companies with no property outside of Oregon.

c. Equipment, supplies, labor and increased administration required for compliance:

150-309.026(2)-(A); 150-321.005(9); 150-306.132: None.

150-308.550(2)-(G): The rule requires the companies to provide total year end number of customers and total year end customers for Oregon.

How were small businesses involved in the development of this rule?

150-308.550(2)-(G) The department had ongoing conversations, as well as a specific stakeholders meeting, soliciting participation and feedback.

Administrative Rule Advisory Committee consulted?: No, except for 150-308.550(2)-(G), which did involve an advisory committee.

	Debra L Buchanan	6/15/2009
Signature	Printed name	Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310. ARC 925-2007

Secretary of State
NOTICE OF PROPOSED RULEMAKING*
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Department of Revenue, Property Tax Division	150
Agency and Division	Administrative Rules Chapter Number
Debra L Buchanan	503-945-8653
955 Center St NE Salem OR	
Rules Coordinator	Telephone
	Address

RULE CAPTION

Tax election ballots; supplemental budgets; war veteran's surviving spouse; omitted property; maximum assessed value reduction.
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing
ADOPT:

AMEND: 150-280.075; 150-294.480; 150-307.250(1)(c); 150-308.156(5)-(C); 150-308.146(5)(a)

REPEAL:

RENUMBER:

AMEND & RENUMBER:

Stat. Auth.: ORS 305.100

Other Auth.:

Stats. Implemented: ORS 280.075; 294.480; 307.250; 308.156; 308.146

RULE SUMMARY

150-280.075 clarifies the requirements for tax election ballot measure language, so the resulting tax levies conform to law. Ballot Measure 56 (2008) added a new constitutional provision, Article XI, section 11k, which, in effect, removes the "double majority" requirement in all elections in November or May. The other election dates, in March and September still require at least 50 percent voter turnout and a majority voting in favor to pass a property tax ballot measure.

150-294.480 clarifies requirements for supplemental budgets. The amendments are needed to a) conform the language of the rule to statute, b) remove a requirement in excess of the requirements of statute, c) remove redundant language, d) explain terms, e) clarify notice contents, and f) revise example.

150-307.250(1)(c) is amended to comply with HB 2007, passed by the 2007 Legislature and effective February 1, 2008. The amendments expand the definitions in rule that contain the term "spouse" to include a registered domestic partner.

150-308.156(5)-(C) describes how the addition of omitted property affects maximum assessed value. The rule contains references to the addition of omitted property for tax years prior to 1997-98, the first year of Measure 50. The references are no longer relevant.

150-308.146(5)(a) provides methodology for reducing MAV for property destroyed or damaged by fire or act of God. It includes provisions for the calculation of the MAV reduction where the destruction or damage occurred after July 1, 1995 and before July 1, 1997. Those provisions are obsolete and are removed.

The agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

July 21, 2009

Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator)

Debra L Buchanan

6/15/2009

Signature

Printed name

Date

*Rulemaking Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Rulemaking Notice in the Oregon Bulletin or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing. ARC 923-2005

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Revenue, Property Tax Division
Agency and Division

150
Administrative Rules Chapter Number

Tax election ballots; supplemental budgets; war veteran's surviving spouse; omitted property; maximum assessed value reduction.
Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: Adoption of administrative rules

Statutory Authority: ORS 305.100

Other Authority: None

Stats. Implemented: ORS 280.075; 294.480; 307.250; 308.156; 308.146

Need for the Rule(s):

150-280.075 is amended to conform to statutory requirements adopted with Measure 56 in 2008.

150-294.480 is needed to a) conform the language of the rule to statute, b) remove a requirement in excess of the requirements of statute, c) remove redundant language, d) explain terms, e) clarify notice contents, and f) revise example.

150-307.250(1)(c) is amended to comply with HB 2007, passed by the 2007 Legislature and effective February 1, 2008. The amendments expand the definitions in rule that contain the term "spouse" to include a registered domestic partner.

150-308.156(5)-(C) and 150-308.146(5)(a) are amended to remove obsolete or irrelevant language.

Documents Relied Upon, and where they are available:
None

Fiscal and Economic Impact:
None expected.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)): None

2. Cost of compliance effect on small business (ORS 183.336): None expected.

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:
None.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services: None expected.

c. Equipment, supplies, labor and increased administration required for compliance: None expected.

How were small businesses involved in the development of this rule?

Administrative Rule Advisory Committee consulted?: No. The changes are made to delete obsolete language or to update the rules to conform to recent statutory changes.

	Debra L Buchanan	6/15/2009
Signature	Printed name	Date

Amended Rule	Rule No. OAR 150-280.075	
	Page Page 1 of 3	Last Revised Date April 13, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To conform this rule to constitutional provisions of Measure 56 (2008) which removed "double majority" requirements for any election held in May or November of any year.

1 **150-280.075**

2 **Tax Election Ballot Measure Requirements**

3 (1) All ballot titles are required to contain essentially the same language within the standard format as
4 outlined in ORS 250.035.

5 (2) The caption is limited to not more than 10 words. The purpose is to identify the type of tax presented
6 for voter approval. The name of the municipal corporation and dollar figures must not be included in the
7 caption.

8 (3) The question is limited to 20 words which plainly states the purpose of the measure so that an
9 affirmative response to the question corresponds to an affirmative vote on the measure. The question
10 must contain the following:

11 (a) The name of the municipal corporation. The word "district" may be substituted for the full name of
12 the municipal corporation if the full name appears in the ballot measure summary;

13 (b) The amount of property tax in dollars and cents, or the tax rate per \$1,000 of assessed value (ORS
14 280.060);

15 (c) The purpose of the tax, such as operating, capital project, or establishing a permanent rate limit;

16 (d) The first fiscal year the tax is to be imposed; and

17 (e) The length in years that the proposed tax is to be imposed (ORS 280.070(5)).

18 (4) Directly after the question for a proposed local option tax, the following statement is required under
19 ORS 280.070(4); "This measure may cause property taxes to increase more than three percent." The 20-
20 word limitation does not apply to this statement.

21 (5) The summary is limited to 175 words and explains the purpose of the tax in plain language. It must
22 not advocate a yes or no vote on the question. The summary must contain the following:

23 | (a) As the first sentence, except for elections held in May or November of any year: "This measure may
24 be passed only at an election with at least a 50 percent voter turnout." This statement is not included in
25 the 175-word limitation;

26 | (b) For a dollar amount local option, ~~T~~he total amount of money to be raised by the measure, and;

27 (c) For a tax rate local option, an estimate of the amount of taxes to be raised in each year in which the

Amended Rule	Rule No. OAR 150-280.075	
	Page Page 2 of 3	Last Revised Date April 13, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To conform this rule to constitutional provisions of Measure 56 (2008) which removed "double majority" requirements for any election held in May or November of any year.

1 tax will be imposed.

2 (6) If an estimated tax impact is included in the summary it must also contain the following statement:

3 "The estimated tax cost for this measure is an ESTIMATE ONLY based on the best information
4 available from the county assessor at the time of estimate." This statement is not included in the 175-
5 word limitation.

6 | EXAMPLE ONE-YEAR LOCAL OPTION TAX-(RATE) (May or November election):

7 Caption: One-year Local Option Tax

8 Question: Should Sample City impose \$.40 per \$1,000 of assessed value for operating purposes for one
9 | year beginning ~~20008~~-200+9? This measure may cause property taxes to increase more than three
10 percent.

11 | ~~Summary: This measure may be passed only at an election with at least a 50 percent voter turnout.~~ The
12 purpose of this measure is to provide funds for the general operations of Sample City. It will enable the
13 city to maintain operations at their current level. It is estimated that the requested rate will raise \$100,000
14 | in fiscal year ~~20008~~-200+9.

15 | EXAMPLE MULTIPLE-YEAR LOCAL OPTION TAX-(UNIFORM DOLLAR AMOUNT) (March or
16 | September election):

17 Caption: Nine-year Capital Project Local Option Tax

18 Question: Should the district impose \$20,000 each year for nine years to purchase two vehicles and a
19 | maintenance shed beginning ~~20008~~-200+9? This measure may cause property taxes to increase more
20 than three percent.

21 Summary: This measure may be passed only at an election with at least a 50 percent voter turnout. The
22 | taxes ~~needed for~~ to be raised in nine years total \$180,000, ~~which will~~ to be imposed in equal amounts of
23 \$20,000 each year. The taxes will be used to purchase two new city vehicles to replace existing vehicles.
24 The tax revenue will also be used to acquire a maintenance shed to house the city's park maintenance
25 equipment. The city currently has no maintenance shed. It is estimated that the proposed tax will result in
26 | a rate of approximately ~~\$.04~~10 per \$1,000 of assessed value in the first year. The estimated tax cost for
27 this measure is an ESTIMATE ONLY based on the best information available from the county assessor

Amended Rule	Rule No. OAR 150-280.075	
	Page Page 3 of 3	Last Revised Date April 13, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
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PURPOSE: To conform this rule to constitutional provisions of Measure 56 (2008) which removed “double majority” requirements for any election held in May or November of any year.

1 at the time of estimate.

2 | **EXAMPLE MULTIPLE-YEAR LOCAL OPTION TAX-(RATE) (March or September election):**

3 Caption: Three-year Operating Local Option Tax

4 Question: Should Sample County impose \$.76 per \$1,000 of assessed value for operations for three years
5 | beginning ~~20008-20049~~? This measure may cause property taxes to increase more than three percent.

6 Summary: This measure may be passed only at an election with at least a 50 percent voter turnout. The
7 additional tax revenue will be used to operate the county at its current levels of service. It is estimated the
8 | proposed rate will raise \$152,000 in ~~20008-20049~~, \$156,560 in; ~~20049-200210~~, and \$161,260 in;
9 | ~~200210-200311~~ for a total of \$469,820.

10 | **EXAMPLE PERMANENT RATE LIMIT (May or November ~~even-numbered-year~~ election):**

11 Caption: Permanent Rate Limitation

12 Question: Should District be authorized to impose \$3.50 per \$1000 of assessed value as a permanent rate
13 | limit beginning ~~20008-20049~~?

14 Summary: The measure will establish a permanent tax rate limit for the new Sample Service District. In
15 the first year of imposition it is estimated that the proposed rate will raise \$42,000 for the new district.
16 The taxes will be used to pay for the general operations of the district.

17 **Stat. Auth.:** ORS 305.100

18 **Stats. Implemented:** ORS 280.060

ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-294.480	
Amended Rule	Page Page 1 of 4	Last Revised Date April 13, 2009
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To remove requirement in excess of the requirements of statute, limiting supplemental budgets to conditions not known during the regular budget process. To conform percentage criteria for hearing to statute. To clarify notice requirements. To provide example of notice.

1 **150-294.480**

2 **Supplemental Budget Procedures and Distribution**

- 3 (1) During the fiscal year or budget period, the governing body may find that an unanticipated condition
4 requires adjustments to the budget. If the condition meets the requirements of ORS 294.480, the
5 governing body may prepare a supplemental budget. ~~A supplemental budget may not be prepared if the~~
6 ~~condition was known or anticipated during the regular budget process so the expenditure could have been~~
7 ~~included in the annual or biennial budget except as provided in ORS 294.437 and OAR 150-294.435(1)-~~
8 ~~(B).~~
- 9 (2) A supplemental budget may only authorize additional expenditures during the current fiscal year or
10 budget period. It must not authorize expenditures for a past or future fiscal year or budget period.
- 11 (3) A supplemental budget ~~must be~~ that is being prepared to create or increase an appropriation must be
12 ~~and~~ adopted before any expenditures are made in excess of the current annual budget appropriations.
- 13 (4) Only one supplemental budget may be prepared as a result of a single situation or condition that
14 meets the requirements of ORS 294.480.
- 15 (5) When the estimated expenditures in the supplemental budget ~~are~~ differ by less than 10 percent ~~or less~~
16 ~~than~~ from the expenditures of the adopted annual or biennial budget for each fund being adjusted, the
17 governing body may adopt the supplemental budget at one of its regular meetings. Fund expenditures do
18 not include unappropriated ending fund balance, interfund transfers, or contingency amounts. ~~When a~~
19 ~~new fund is being established through a supplemental budget, the requirements of Section 6 of this rule~~
20 ~~must be followed.~~
- 21 (a) Notice of the regular meeting at which the supplemental budget will be adopted ~~must be published by~~
22 ~~one or more of the methods in ORS 294.311(32), not less than five days prior to the meeting. The notice~~
23 ~~must include the name of~~ for each fund being adjusted, the name of the fund, and the amount of change
24 ~~in each~~ the fund's resources and total expenditures and the fund's revised total resources and



ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-294.480	
Amended Rule	Page Page 2 of 4	Last Revised Date April 13, 2009
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To remove requirement in excess of the requirements of statute, limiting supplemental budgets to conditions not known during the regular budget process. To conform percentage criteria for hearing to statute. To clarify notice requirements. To provide example of notice.

- 1 requirements.
- 2 (b) The resolution adopting and appropriating the supplemental budget may take place at the same
- 3 regular meeting.
- 4 (6) When a new fund is being established or when the estimated expenditures in the supplemental budget
- 5 are more than differ by 10 percent or more of from the expenditures of the adopted annual or biennial
- 6 budget for any fund being adjusted, the governing body, or where applicable, the Tax Supervising and
- 7 Conservation Commission must publish notice and hold a public hearing to before adopting the
- 8 supplemental budget. Fund expenditures do not include unappropriated ending fund balance, interfund
- 9 transfers, or contingency amounts. The supplemental budget, or summary, and notice of the hearing must
- 10 be published by one or more of the methods in ORS 294.311(32) in the manner provided in ORS
- 11 294.421. The notice of the hearing must include for each fund being adjusted: the name of the fund; the
- 12 new total for each resource line item or expenditure category being changed, added or deleted and the
- 13 fund's revised total resources and requirements.
- 14 Example:
- 15 This example is of a published summary of a supplemental budget in which a fund's expenditures differ
- 16 by 10 percent or more. In this example, the supplemental budget transfers \$20,000 from the General
- 17 Fund Contingency to the General Fund Transfers Out appropriation, and then transfers \$20,000 in
- 18 resources and appropriation authority from the General Fund to the Utility Fund Materials and Services,
- 19 increasing that appropriation to a new total of \$40,000. This new total for Materials and Services differs
- 20 by more than 10 percent from the amount originally budgeted.
- 21 The changes being made in appropriations by the supplemental budget are as follows:

	<u>Adopted Budget</u>	<u>Change</u>	<u>Supplemental Budget</u>
<u>General Fund</u>			
<u>Personal Services</u>	<u>\$80,000</u>	<u>0</u>	<u>\$80,000</u>

ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-294.480	
Amended Rule	Page Page 3 of 4	Last Revised Date April 13, 2009
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To remove requirement in excess of the requirements of statute, limiting supplemental budgets to conditions not known during the regular budget process. To conform percentage criteria for hearing to statute. To clarify notice requirements. To provide example of notice.

<u>Transfers Out</u>	<u>20,000</u>	<u>20,000</u>	<u>40,000</u>
<u>Contingency</u>	<u>20,000</u>	<u>(20,000)</u>	<u>0</u>
<u>Total Appropriation</u>	<u>\$120,000</u>		<u>\$120,000</u>
<u>Utility Fund</u>			
<u>Materials & Services</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$40,000</u>
<u>Total Appropriation</u>	<u>\$20,000</u>		<u>\$40,000</u>

1 Note: The Utility Fund also has budgeted \$10,000 in Unappropriated Ending Fund Balance.

2 The published Summary of Supplemental Budget might look like this:

<u>General Fund</u>				
	<u>Resource</u>	<u>Amount</u>	<u>Requirement</u>	<u>Amount</u>
			<u>Transfers Out</u>	<u>\$40,000</u>
			<u>Contingency</u>	<u>0</u>
	<u>Revised Total Resources</u>	<u>\$120,000</u>	<u>Revised Total Requirements</u>	<u>\$120,000</u>

3 Comments: \$20,000 transferred from GF Contingency to GF Transfers Out. \$20,000 transferred from
4 GF Transfers Out to Utility Fund Materials and Services.

<u>Utility Fund</u>				
	<u>Resource</u>	<u>Amount</u>	<u>Requirement</u>	<u>Amount</u>
	<u>Transfer from GF</u>	<u>\$40,000</u>	<u>Materials & Services</u>	<u>\$40,000</u>
	<u>Revised Total Resources</u>	<u>\$50,000</u>	<u>Revised Total Requirements</u>	<u>\$50,000</u>

5 Comments: Transfer from General Fund increased \$20,000 to \$40,000. Materials & Services increased
6 \$20,000 to \$40,000. Unappropriated Ending Fund Balance remains unchanged at \$10,000

7 Example:

8 —The governing body wants to increase expenditures in the General Fund by \$40,000. Is this amount
9 less or more than 10 percent of the expenditures in the fund?

ADMINISTRATIVE RULE REVIEW

Amended Rule		Rule No. OAR 150-294.480	
		Page Page 4 of 4	Last Revised Date April 13, 2009
Permanent Rule		NOTICE OF INTENDED ACTION	
		Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To remove requirement in excess of the requirements of statute, limiting supplemental budgets to conditions not known during the regular budget process. To conform percentage criteria for hearing to statute. To clarify notice requirements. To provide example of notice.

1	GENERAL FUND	
2	Requirements	Expenditures
3	Personal Services	
4	Salaries/Wages	\$150,000
5	Insurance	75,000
6	TOTAL	\$225,000 \$225,000
7	Services and Supplies	
8	Contract Services	\$50,000
9	Office Supplies	35,000
10	TOTAL	\$85,000 85,000
11	Capital Outlay	
12	Equipment	\$95,000 95,000
13	Transfers to Other Funds	
14	Library Fund	\$15,000 0
15	Operating Contingency	\$80,000 0
16	Unappropriated Ending	
17	Fund Balance	\$100,000 0
18	FUND TOTAL	\$600,000 \$405,000
19	Expenditures of \$405,000 x .10 = \$40,500	

20 The amount is less than 10 percent of the expenditures of the General Fund.

21 **Stat. Auth.:** ORS 305.100

22 **Stats. Implemented:** ORS 294.480



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-306.132	
	Page Page 1 of 11	Last Revised Date May 7, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled July 21, 2009

PURPOSE: The 1999 Oregon Legislature created the Oregon Land Information System (OLIS) Fund to help fund the creation of a statewide base map system as a tool in administering the property tax system.

This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

1 **150-306.132**

2 **Oregon Land Information System Fund and the Oregon Map Project**

3 ~~(1) Definitions:~~

4 ~~(a) "Fund" means the Oregon Land Information System (OLIS) Fund. The fund provides financial~~
5 ~~support for the Oregon Map (ORMAP) project. The fund is separate from the state's General Fund. The~~
6 ~~fund's source is an allocated dollar amount received quarterly from each county's collected document~~
7 ~~recording fees, as provided by ORS 205.323(3)(a).~~

8 ~~(b) "Department" means the Oregon Department of Revenue.~~

9 ~~(c) "Director" means the director of the Oregon Department of Revenue.~~

10 ~~(d) "Grant" means a money award from the OLIS Fund.~~

11 ~~(e) "Oregon Land Information System Advisory Committee" (OLIS Advisory Committee) is a team of~~
12 ~~individuals appointed by the department's director. The committee is comprised of ORMAP stakeholders~~
13 ~~in private industry, and leaders in federal, state, or local government who have an interest in the success~~
14 ~~of the program.~~

15 ~~(f) "Oregon Map" (ORMAP) project means the program implemented and authorized by the department~~
16 ~~to establish a statewide base map for facilitating and improving Oregon's property tax mapping system~~
17 ~~and for providing other Geographic Information System (GIS) benefits, pursuant to Oregon Revised~~
18 ~~Statute (ORS) 306.132 and 306.135.~~

19 ~~(g) "ORMAP Technical Group" (Technical Group) is comprised of volunteers who have education or~~
20 ~~experience in surveying, cadastral cartography, legal descriptions, mapping software, database software,~~
21 ~~and other GIS technology. The group provides evaluation and recommendations of individual county~~
22 ~~project grant applications to the department and the OLIS Advisory Committee.~~

23 ~~(h) "Project" means a mapping activity that is eligible for financial assistance from the fund.~~



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-306.132	
	Page Page 2 of 11	Last Revised Date May 7, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled July 21, 2009

PURPOSE: The 1999 Oregon Legislature created the Oregon Land Information System (OLIS) Fund to help fund the creation of a statewide base map system as a tool in administering the property tax system.

This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

- 1 ~~(2) The department administers the fund in coordination with the ORMAP program goals. The fund~~
- 2 ~~makes the following disbursements:~~
- 3 ~~(a) Approved ORMAP grants for project deliverables, equipment, and software.~~
- 4 ~~(b) Quarterly payments for ORMAP administrative costs to the department. Administrative costs include~~
- 5 ~~but are not limited to, personnel, equipment, and other services and supplies required in completing the~~
- 6 ~~program goals.~~
- 7 ~~(3) The ORMAP grant program provides financial help to counties in the development of a statewide~~
- 8 ~~base map system. There are two types of grants, a project grant and a grant to request the purchase of~~
- 9 ~~approved equipment or software. The grant process provides a fair, reasonable, nondiscriminatory, and~~
- 10 ~~orderly method to distribute OLIS funds to counties. All requests for money must follow the grant~~
- 11 ~~program process.~~
- 12 ~~(4) The department adopts priorities for funding specific projects, goals, or geographic areas in support of~~
- 13 ~~ORMAP. A county's grant request must adhere to the department's priorities, ORMAP technical~~
- 14 ~~standards, and the county's business plan for achieving ORMAP goals.~~
- 15 ~~(5) The department must receive grant requests on the application form prescribed by the department.~~
- 16 ~~Applications are available on the ORMAP Web site. (www.ormap.org)~~
- 17 ~~(a) The department accepts grant applications for the purchase of approved equipment and software at~~
- 18 ~~any time.~~
- 19 ~~(b) Counties may only submit project grant applications during department approved grant cycles. To~~
- 20 ~~consider a project grant request the department must receive the application by the due date published on~~
- 21 ~~the ORMAP Web site. Project grant applications must contain the following information:~~
- 22 ~~(A) Name, address, and telephone number of the project contact person and the person responsible for~~
- 23 ~~the fiscal administration of the project.~~

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Amended Rule	Rule No. OAR 150-306.132	
	Page Page 3 of 11	Last Revised Date May 7, 2009
	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled July 21, 2009

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This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

- 1 ~~(B) Description of the issue the project addresses: the project plan, project benefits, and a description of~~
2 ~~how the project helps the county achieve its goals and ORMAP goals.~~
- 3 ~~(C) Total project budget including monitoring and ongoing maintenance of the project deliverables. The~~
4 ~~request must identify all sources of funding for the project, the amount of funding from each source, and~~
5 ~~the total amount of funding requested from the fund.~~
- 6 ~~(D) Description of the type and duration of project work outsourced to contractors, and estimated cost of~~
7 ~~the work.~~
- 8 ~~(E) Time line and schedule of deliverables for the project, including the expected project start date and~~
9 ~~the completion date.~~
- 10 ~~(F) Plan to monitor and evaluate project results including identification of the responsible parties.~~
- 11 ~~(G) County assessor's or a representative of the assessor's signature.~~
- 12 ~~(6) The grant review process is as follows:~~
- 13 ~~(a) The department receives all grant applications and performs an initial review of requests for~~
14 ~~timeliness and completeness, at which time the Department may suggest changes before posting to the~~
15 ~~Technical Group.~~
- 16 ~~(b) When the department receives a grant request to purchase approved equipment and software, it will~~
17 ~~make an award determination.~~
- 18 ~~(c) The grant review process for projects is as follows:~~
- 19 ~~(A) The department submits each county project grant application to the Technical Group for review.~~
20 ~~The county project representative must attend the Technical Group's review in person or by telephone~~
21 ~~conference to share project details and answer questions. The Technical Group may ask the~~
22 ~~representative to provide additional information about the project.~~
- 23 ~~(B) The Technical Group convenes additional meetings as necessary to review project applications and~~



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Amended Rule	Rule No. OAR 150-306.132	
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- 1 ~~project addendums.~~
- 2 ~~(C) The Technical Group develops a recommendation for each project grant application to the~~
- 3 ~~department.~~
- 4 ~~(D) The department reviews the Technical Group's grant recommendations, the health of the fund, and~~
- 5 ~~the individual project proposals to ensure that they are compatible with the county ORMAP business~~
- 6 ~~plans and that the plans comply with the statewide ORMAP priorities and goals.~~
- 7 ~~(7) The department makes the project grant award determination.~~
- 8 ~~(a) The department may defer awarding a grant until the OLIS Advisory Committee reviews the project~~
- 9 ~~and makes a recommendation.~~
- 10 ~~(b) The department may deny funding or approve partial or full funding of a grant based on the grant~~
- 11 ~~review.~~
- 12 ~~(c) The department notifies each grant requestor of the final grant determination and award by letter~~
- 13 ~~within two weeks from announcing the award determinations to the OLIS Advisory Committee.~~
- 14 ~~(d) The department will consider appeals of grant decisions. Appeals must be submitted in writing to the~~
- 15 ~~department within 30 days from the action that is being appealed. The department's decision on an appeal~~
- 16 ~~is final.~~
- 17 ~~(8) The department and the grant award recipient must execute an ORMAP Intergovernmental~~
- 18 ~~Agreement prior to the disbursement of OLIS funds.~~
- 19 ~~(9) The department must review and approve all documentation of completed project deliverables before~~
- 20 ~~approving the payment of OLIS funds to grant recipients.~~
- 21 (1) Definitions
- 22 (a) "County" is the agency, approved by the County Assessor, requesting funds from the Oregon Map
- 23 Project (ORMAP).



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Amended Rule	Rule No. OAR 150-306.132	
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PURPOSE: The 1999 Oregon Legislature created the Oregon Land Information System (OLIS) Fund to help fund the creation of a statewide base map system as a tool in administering the property tax system.

This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

- 1 (b) "Department" means the Oregon Department of Revenue.
- 2 (c) "Director" means the director of the Oregon Department of Revenue.
- 3 (d) "Fund" means the Oregon Land Information System (OLIS) Fund. The fund provides financial
- 4 support for ORMAP. The fund is separate from the state's General Fund. The fund's source is an
- 5 allocated dollar amount received quarterly from each county's collected document-recording fees, as
- 6 provided by ORS 205.323(3)(a).
- 7 (e) "Grant" means a money award from the OLIS Fund.
- 8 (f) "Oregon Map Project" (ORMAP) means the program implemented and authorized by the department
- 9 to establish a statewide base map for facilitating and improving Oregon's property tax mapping system
- 10 and for providing other Geographic Information System (GIS) benefits, pursuant to ORS 306.132 and
- 11 306.135.
- 12 (g) "ORMAP Project Coordinator" is the department employee tasked with administering the ORMAP
- 13 project.
- 14 (h) "Oregon Land Information System Advisory Committee" (Advisory Committee) is a team of
- 15 individuals appointed by the department's director. The committee is comprised of ORMAP stakeholders
- 16 in private industry, and in federal, state, or local government who have an interest in the success of the
- 17 program (OAR 150-306.135).
- 18 (i) "ORMAP Funding Criteria" (Funding Criteria) are listed in the document used for the administrative
- 19 review, technical review, and priority scoring for grant applications. The criteria is part of the grant
- 20 application and on the ORMAP web site (www.ormap.org).
- 21 (j) "ORMAP Goals" are the project goals approved by the advisory committee. The goals are identified
- 22 on the ORMAP web site.
- 23 (k) "ORMAP Policies" are administrative policies approved by the advisory committee. The policies are



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This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

- 1 identified on the ORMAP web site.
- 2 (l) "ORMAP Technical Group" (Tech Group) is comprised of volunteers who have education or
- 3 experience in surveying, cadastral cartography, legal descriptions, mapping software, database software,
- 4 or other GIS technology. The group evaluates and provides recommendations on individual county
- 5 project grant applications to the department and the advisory committee.
- 6 (m) "ORMAP Technical Specifications" (Tech Specs) is a minimum standard used to determine if tax
- 7 lots and tax maps remapped with ORMAP funds have been completed and meet ORMAP goals.
- 8 (n) "ORMAP Tools Group" (Tools Group) is comprised of volunteers who have education or experience
- 9 in surveying, cadastral cartography, legal descriptions, mapping software, database software, or other
- 10 GIS technology. This group develops and provides support for map editing tools used in the construction
- 11 of Oregon assessor's maps.
- 12 (o) "Project" means a mapping activity that is eligible for a grant from the fund.
- 13 (2) The department administers the fund to fulfill the ORMAP goals. The department adopts priorities for
- 14 funding specific projects, goals, or geographic areas in support of ORMAP. The grant is intended to
- 15 assist the counties in the development of a statewide base map system. The department makes the
- 16 following disbursements from the fund:
- 17 (a) Quarterly payments for ORMAP administrative costs to the department. Administrative costs include
- 18 but are not limited to, personnel, equipment, and other services and supplies required in completing the
- 19 ORMAP goals.
- 20 (b) Tools group funding. The tools group is eligible for funding at 3 percent of the total annual available
- 21 funds, up to \$25,000 per year.
- 22 (c) Grants to the counties. Counties are eligible for grants to support eligible ORMAP projects and for
- 23 the purchase of approved equipment or software.



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Amended Rule	Rule No. OAR 150-306.132	
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This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

- 1 (3) Counties applying for a grant to fund an ORMAP project must complete an *ORMAP Grant*
- 2 *Application*, Form No. 150-304-101-9. The application is available upon request to the department or on
- 3 the ORMAP web site.
- 4 (a) Completed project grant applications must be submitted to the department ORMAP Project
- 5 Coordinator no later than the due date for that funding cycle, which is posted on the ORMAP web site.
- 6 The department accepts grant applications for the purchase of approved equipment or software at any
- 7 time.
- 8 (b) A county's grant request must adhere to the ORMAP goals, tech specs, and the county's business
- 9 plan for achieving ORMAP goals.
- 10 (c) A county that submits a grant application must either send a representative to the technical review
- 11 meetings or have a representative available by phone to respond to questions related to the application.
- 12 (d) If requested by the department, a county must provide a reduction package by completing the
- 13 *Alternative Funding Request* form developed by the department and attached to the grant application.
- 14 The county must describe the modified deliverable in the event full funding is not possible.
- 15 (4) The ORMAP Project Coordinator reviews applications using the current version of the ORMAP
- 16 policies and the funding criteria's section titled, *Administrative Review Criteria*.
- 17 (a) Administrative review criteria are all pass/fail and include:
- 18 (A) The county maintains a current online ORMAP business plan and provides the department with a
- 19 status map of the county's ORMAP project phases,
- 20 (B) The county has no more than two outstanding ORMAP grant contracts,
- 21 (C) The county agrees to share data with the department for its internal use,
- 22 (D) The county has proposed a project directed at meeting one of the ORMAP goals,
- 23 (E) The county has provided the department with the most current calendar year's countywide tax lot



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Amended Rule	Rule No. OAR 150-306.132	
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- 1 shape file, which meets the Cadastral Data Exchange Standard, and
- 2 (F) At the department’s discretion, the county provides an alternative funding request for the grant
- 3 application outlining funding reductions of varying percentages defined by the department.
- 4 (b) The ORMAP Project Coordinator will notify the county applicant if any of the criteria are not met.
- 5 The applicant may resubmit an amended grant application prior to the grant cycle deadline.
- 6 (c) An application that does not pass all the department’s administrative review criteria referenced in
- 7 subsection (4) of this rule will be denied.
- 8 (d) Applications for approved equipment and software may be awarded at the discretion of the
- 9 department without review by the tech group. A list of approved equipment and software is attached to
- 10 the grant application form.
- 11 (5) A project grant request that passes the department’s administrative review process will be submitted
- 12 to the tech group for review at its first scheduled meeting for that funding cycle. Each grant application
- 13 will be reviewed using the current version of the funding criteria section titled, *Technical Review*
- 14 *Criteria.*
- 15 (a) Technical review criteria are pass/fail and include:
- 16 (A) The project demonstrates a successful process,
- 17 (B) The project has a completion time frame that does not exceed one year, and
- 18 (C) The project has reasonable and measurable deliverables.
- 19 (b) If additional information is requested by the tech group, the county must submit a written addendum
- 20 to the ORMAP Project Coordinator by the date specified.
- 21 (c) Any information submitted will be reviewed by the tech group at its second scheduled meeting.
- 22 (6) The department will determine if there are sufficient funds to provide full funding to all grant requests
- 23 that pass the technical review. The department will provide funding to as many counties as possible as its



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Amended Rule	Rule No. OAR 150-306.132	
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- 1 first priority. If full funding is not available, grant applications will then be scored using the current
- 2 Priority Scoring section of the funding criteria.
- 3 (a) The Priority Scoring criteria will each be assigned points, and include:
- 4 (A) The project is identified as a county edge matching project,
- 5 (B) The project is part of an ongoing process,
- 6 (C) The county currently has a low completion percentage of tax lots that meet the ORMAP Technical
- 7 Specifications,
- 8 (D) The project completes the county’s remapping to bring 100% of the county tax lots to technical
- 9 specifications.
- 10 (E) The project shows a multi-county effort to encourage collaboration,
- 11 (F) The project shows funding partnerships,
- 12 (G) The project demonstrates significantly greater costs if not funded in the current cycle,
- 13 (H) The county has had significant contribution of non-department resources in completing ORMAP
- 14 Goal #6,
- 15 (I) The county has signed a statewide data sharing agreement to share its tax lot data, and
- 16 (J) The county voluntary withdraws the application from the current funding cycle.
- 17 (b) The department will rank each grant application in point total order, with the higher scoring projects
- 18 receiving preference, using the Priority Scoring methodology.
- 19 (c) The tech group will evaluate the department’s ranking and make findings and recommendations as to
- 20 the department’s application of that methodology.
- 21 (d) The department will take account of each of the tech group’s findings and recommendations in the
- 22 course of recommending approval, denial, or partial funding of the grant based on the Priority Scoring
- 23 and , if applicable, the quality and quantity of the deliverable in the event of insufficient overall funds.



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Amended Rule	Rule No. OAR 150-306.132	
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This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

- 1 (7) The department may make changes to the criteria listed in sections 4, 5 and 6 of this rule and notice
- 2 will be given in the grant application prior to the funding cycle.
- 3 (8) The department will provide a written recommendation on grant awards to the advisory committee.
- 4 (a) The advisory committee will convene and review the written recommendation of the department and
- 5 may provide suggestions and input during each funding cycle.
- 6 (b) The department will consider any suggestions and input from the advisory committee, and in its
- 7 discretion, may modify the original written recommendation on grant awards.
- 8 (c) The department will notify each grant requestor of its final grant determination and award by letter
- 9 within two weeks of the meeting of the advisory committee.
- 10 (9) The department will consider appeals of grant decisions.
- 11 (a) Appeals must be submitted in writing to the department within 30 days from the action that is being
- 12 appealed.
- 13 (b) If an appellant is successful and additional funds are granted, the additional funding will be deducted
- 14 from the next quarterly fund deposit.
- 15 (10) The department and the grant award recipient must execute an intergovernmental service agreement
- 16 prior to the disbursement from the fund.
- 17 (11) The department must review and approve all documentation of completed project deliverables
- 18 before approving the payment from the fund to grant recipients.
- 19 (12) The department may approve modifications to awarded ORMAP contracts. These modifications
- 20 may be adjustments to the timeline, deliverables, or amount awarded. The modifications are granted at
- 21 the discretion of the department based on the availability of funds or the circumstances that required the
- 22 modification of the contract.
- 23 (a) To be granted a contract modification, the county assessor must send, by letter or e-mail, to the



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Amended Rule	Rule No. OAR 150-306.132	
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This rule clarifies the OLIS fund source, the use and distribution of the fund, and the process that counties use when applying for grant awards from the fund. The rule provides for the implementation of the Oregon Map (ORMAP) project as the program that supports ORMAP priorities.

- 1 ORMAP Project Coordinator the completed *ORMAP Contract Modification Request* form attached to the
- 2 grant application. The form is available upon request to the department’s ORMAP Project Coordinator or
- 3 on the ORMAP web site.
- 4 (b) The department must receive contract modification requests one month prior to the contract
- 5 expiration date.
- 6 [Publications: The publication(s) referred to or incorporated by reference in this rule is available from
- 7 the Department of Revenue pursuant to ORS 183.360(2) and ORS 183.355(6).]
- 8 **Stat. Auth.:** ORS 305.100
- 9 **Stats. Implemented:** ORS 306.132



ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-307.250(1)(c)	
Amended Rule	Page Page 1 of 1	Last Revised Date April 10, 2009
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To comply with new law under sections 1 to 9, chapter 99, Oregon Laws 2007, (HB 2007), by expanding the definition of “surviving spouse” of a veteran to include a surviving registered domestic partner of a veteran.

1 **150-307.250(1)(c)**

2 **Defining "Surviving Spouse" of a War-Veteran" and "Remaining Unmarried"**

3 (1) "Surviving spouse" of a war-veteran: means:

4 (a) A man or woman who is legally married to a war-veteran at the time of the war-veteran's death; or

5 (b) A man or woman who is joined in a registered domestic partnership with a veteran at the time of the
6 veteran's death. "Domestic partnership" has the meaning given that term as defined in section 3, chapter
7 99, Oregon Laws 2007, and the partnership must meet the provisions of sections 1 to 9 of the same 2007
8 Act, also known as the Oregon Family Fairness Act (OFFA).

9 (2) "Surviving spouse Remaining unmarried of a veteran" means: The spouse individual continuously
10 remains unmarried does not enter into a new marriage or registered domestic partnership following the
11 death of the war-veteran.

12 (3) The exemption applies only to the period before the date of the first new marriage or registered
13 domestic partnership of the surviving spouse after the death of the veteran.

14 (4) If a surviving spouse of a veteran enters into a new marriage or registered domestic partnership
15 following the death of the veteran and that marriage or partnership is annulled by a court having
16 jurisdiction to do so, the surviving spouse will be restored to his or her previous status as a surviving
17 spouse remaining unmarried of a veteran.

18 Stat. Auth.: ORS 305.100

19 Stats. Implemented: ORS 307.250

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-308.146(5)(a)	
	Page Page 1 of 3	Last Revised Date February 9, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
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PURPOSE: To provide the procedure for reducing MAV due to fire or act of God. The procedure for tax years prior to July 1, 1997 is eliminated as it is now moot. The example is updated to represent the current procedure.

1 **150-308.146(5)(a)**

2 **Reduction of Maximum Assessed Value (MAV) for Property Destroyed or Damaged by Fire or Act**
3 **of God**

4 (1) "Fire or act of God" has the same meaning and restrictions as used in ORS 308.425 including the
5 arson restriction of ORS 308.440.

6 (2) As used in ORS 308.146(5)(a), "reduction in real market value" means the total RMV after
7 adjustment is less than it would otherwise have been, had the damage or destruction by fire or act of God
8 not occurred.

9 ~~(3) If a portion of property was destroyed or damaged by fire or act of God during the period beginning~~
10 ~~after July 1, 1995, and before July 1, 1997, use the following procedure to adjust MAV for the~~
11 ~~assessment year beginning July 1, 1997.~~

12 Note: An example is incorporated into the steps with the following assumptions:

13 ~~1995-96 total RMV equals \$100,000. 9-1-96 the house is destroyed by fire. The house RMV in 1995-96~~
14 ~~was \$75,000. There is no market trending in this area.~~

15 ~~(a) Step 1: Reduce the total 1995-96 real market value (RMV) by ten percent to arrive at the 1997-98~~
16 ~~MAV.~~

17 ~~Example: \$100,000 x .90 = \$90,000.~~

18 ~~(b) Step 2: Using RMV from the year prior to which the fire or act of God took place, determine the~~
19 ~~RMV for the affected portion. The affected portion is that part of the property that was destroyed or~~
20 ~~damaged by fire or act of God. The RMV of the loss is the RMV of the affected portion.~~

21 ~~Example: RMV of affected portion equals \$75,000.~~

22 ~~(c) Step 3: Subtract the RMV of the affected portion (Step 2) from the total RMV of the year prior to~~
23 ~~which the fire or act of God took place to determine the RMV of the unaffected portion.~~

24 ~~Prior year total RMV - RMV of the affected portion = RMV of the unaffected portion.~~

25 ~~Example: \$100,000 - \$75,000 = \$25,000.~~

ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-308.146(5)(a)	
Amended Rule	Page Page 2 of 3	Last Revised Date February 9, 2009
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To provide the procedure for reducing MAV due to fire or act of God. The procedure for tax years prior to July 1, 1997 is eliminated as it is now moot. The example is updated to represent the current procedure.

- 1 ~~(d) Step 4: Divide the RMV of the unaffected portion (Step 3) by the total prior year RMV to determine~~
2 ~~the percentage of unaffected property.~~
3 ~~RMV of the unaffected portion / total prior year RMV = percentage of unaffected property.~~
4 ~~Example: \$25,000 / \$100,000 = 25%.~~
- 5 ~~(e) Step 5: Multiply the 1997-98 MAV (Step 1) by the percentage of unaffected property (Step 4) to~~
6 ~~determine an MAV that has been adjusted to reflect the loss from fire or act of God (MAV attributable to~~
7 ~~the unaffected portion only).~~
8 ~~1997-98 MAV x percentage of unaffected property = MAV reflecting loss from fire or act of God.~~
9 ~~Example: \$90,000 x 25% = \$22,500.~~
- 10 ~~(43) When a portion of property is destroyed or damaged by fire or act of God on or after July 1, 1997,~~
11 ~~use the following procedure to adjust MAV for the year in which the destruction or damage is reflected~~
12 ~~by a reduction in RMV.~~
13 ~~Note: An example is incorporated into the steps with the following assumptions:~~
14 ~~1999-002008-09 MAV = \$187,379~~
15 ~~1999-002008-09 (1-1-9908) total RMV equals \$100300,000.~~
16 ~~1999-002008-09 AV = \$187,379.~~
17 ~~9-1-99-08 the house is destroyed by fire. The house RMV for 1-1-99-08 was \$75180,000.~~
18 ~~There is no market trending in this area.~~
19 ~~Step 1: Multiply the prior year assessed value (AV) by 1.03. Compare the result to the prior year MAV to~~
20 ~~determine the larger amount. The larger amount becomes the current year MAV (unadjusted) as if the~~
21 ~~account had not changed, i.e., ~~the~~ larger of: Prior year AV x 1.03 or prior year MAV = current year~~
22 ~~MAV of unchanged account.~~
23 ~~Example: Larger of: \$187,379 x 1.03 = \$90193,000 or \$187,379. Current year MAV = \$90193,000.~~
24 ~~Step 2: Determine the prior years RMV for the affected portion. The affected portion is that part of the~~
25 ~~property that was destroyed or damaged by fire or act of God. The RMV of the loss is the RMV of the~~

ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-308.146(5)(a)	
Amended Rule	Page Page 3 of 3	Last Revised Date February 9, 2009
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To provide the procedure for reducing MAV due to fire or act of God. The procedure for tax years prior to July 1, 1997 is eliminated as it is now moot. The example is updated to represent the current procedure.

1 affected portion.

2 | Example: RMV of affected portion equals \$75180,000.

3 Step 3: Subtract the RMV of the affected portion (Step 2) from the prior year total RMV to determine the

4 | RMV of the unaffected portion, i.e., ~~the~~ $\text{Prior year total RMV} - \text{RMV of the affected portion} = \text{RMV of}$
5 the unaffected portion.

6 | Example: ~~\$100300,000~~ - \$75180,000 = \$25120,000.

7 Step 4: Divide the RMV of the unaffected portion (Step 3) by the total prior year RMV to determine the
8 | percentage of unaffected property, i.e., ~~the~~ $\text{RMV of the unaffected portion} / \text{total prior year RMV} =$
9 percentage of unaffected property.

10 | Example: \$25120,000 / ~~\$100300,000~~ = 2540%

11 Step 5: Multiply the unadjusted MAV (Step 1) by the percentage of unaffected property (Step 4) to
12 | determine ~~an~~ MAV that has been adjusted to reflect the loss from fire or act of God (MAV attributable to
13 | the unaffected portion only), i.e., ~~the~~ $\text{Unadjusted MAV} \times \text{percentage of unaffected property} = \text{MAV}$
14 adjusted to reflect the loss from fire or act of God.

15 | Example: ~~\$90193,000~~ x 2540% = \$22,50077,200.

16 (5) As used in subsection 4, the "year" in which the RMV is reduced due to fire or act of God can be
17 either:

18 (a) The assessment year.

19 (b) The tax year if RMV is determined as of July 1 under ORS 308.146(6) or 308.428.

20 **Stat. Auth.:** ORS 305.100

21 **Stats. Implemented:** ORS 308.149



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-308.156(5)-(C)	
	Page Page 1 of 5	Last Revised Date April 14, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To remove two procedures for the addition of omitted property for tax years prior to 1997-98 as moot. Also to update the examples to reflect current procedures.

150-308.156(5)-(C)

Omitted Property—Allocating MAV

(1) When omitted property is added to the property tax account after January 1 of the assessment year preceding the current assessment year and before January 1 of the current assessment year, only the omitted property portion is considered affected. The existing property is the unaffected portion. The intent is to correct the tax roll for current and prior years as if the omitted property had been a regular part of those tax rolls.

NOTE: This section refers to tax years prior to 1997-98. However, this rule develops AV for tax years 1997-98 and later only.

(a) To correct the 1997-98 AV when the first year the omitted property should have been added to the roll is 1995-96 or earlier:

(A) Add the 1995-96 RMV of the omitted property to the property's existing 1995-96 RMV to get a corrected 1995-96 RMV.

(B) Reduce the corrected 1995-96 RMV by 10 percent to get a corrected 1997-98 MAV.

(C) The lesser of the corrected 1997-98 RMV or 1997-98 MAV is the 1997-98 AV that should have been on the roll had the property been discovered timely.

EXAMPLE:

Property was built in October 1993 and should have been added to the 1994-95 tax roll. The assessor discovers the property in December 1997 and adds it to the 1994-95 through 1997-98 tax rolls. RMV trending is 5 percent per year.

TAX YEAR 94-95 95-96 96-97 97-98

RMV (from roll) 100,000 105,000 110,250 115,763

MAV (from roll) 94,500

AV (from roll) 100,000 105,000 110,250 94,500

OMITTED RMV 20,000 21,000 22,050 23,153

CORRECTED RMV 120,000 126,000 132,300 138,916

ADMINISTRATIVE RULE REVIEW

		Rule No. OAR 150-308.156(5)-(C)	
Amended Rule	Page	Page 2 of 5	Last Revised Date April 14, 2009
	NOTICE OF INTENDED ACTION		
Permanent Rule	Bulletin Dated	July 2009	Hearing Scheduled

PURPOSE: To remove two procedures for the addition of omitted property for tax years prior to 1997-98 as moot. Also to update the examples to reflect current procedures.

- 1 ~~CORRECTED MAV 113,400~~
- 2 ~~CORRECTED AV 120,000 126,000 132,300 113,400~~
- 3 ~~(b) To correct the 1997-98 AV when 1996-97 is the first year the omitted property is added to the roll:~~
- 4 ~~(A) Multiply the trended 1997-98 RMV of the omitted property by that year's appropriate changed~~
- 5 ~~property ratio (CPR) to determine the MAV for the omitted property.~~
- 6 ~~(B) Add the RMV and the MAV of the omitted portion to the existing RMV and MAV to get a~~
- 7 ~~corrected RMV and MAV for the account.~~
- 8 ~~(C) The lesser of the corrected RMV or MAV is the AV that should have been on the roll had the~~
- 9 ~~property been discovered timely.~~
- 10 ~~EXAMPLE:~~
- 11 ~~Property was built in October 1995 and should have been added to the 1996-97 tax roll. The assessor~~
- 12 ~~discovers the property in December 1997 and adds it to the 1996-97 and 1997-98 tax rolls. RMV~~
- 13 ~~trending~~
- 14 ~~is 5 percent per year.~~
- 15 ~~**TAX YEAR 95-96 96-97 97-98**~~
- 16 ~~RMV 105,000 110,250 115,763~~
- 17 ~~MAV 94,500~~
- 18 ~~AV 105,000 110,250 94,500~~
- 19 ~~OMITTED RMV 20,000 21,000~~
- 20 ~~CPR .83~~
- 21 ~~MAV (Trended '97-98 RMV x CPR) 17,430~~
- 22 ~~CORRECTED RMV 105,000 130,250 136,763~~
- 23 ~~CORRECTED MAV 111,930~~
- 24 ~~CORRECTED AV 105,000 130,250 111,930~~
- 25 6
- 26 ~~(e2) To correct the first year's AV when the first year the omitted property is added to the roll is tax~~



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-308.156(5)-(C)	
	Page Page 3 of 5	Last Revised Date April 14, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To remove two procedures for the addition of omitted property for tax years prior to 1997-98 as moot. Also to update the examples to reflect current procedures.

1 | year ~~1997-98~~ or later:

2 | (~~Aa~~) Multiply the RMV of the omitted property for the first year it should have been added to the roll
3 | by that year's appropriate changed property ratio (CPR) to determine ~~the~~ MAV for the omitted property.

4 | (~~Bb~~) Add the RMV and ~~the~~ MAV of the omitted portion to the existing RMV and MAV to get a
5 | corrected RMV and MAV for the account.

6 | (~~Cc~~) The lesser of the corrected RMV or MAV is the AV that should have been on the roll had the
7 | property been discovered timely.

8 | EXAMPLE:

9 | Property was built in ~~early 1997~~ 2003 and should have been added to the ~~1997-98~~ 2004-05 tax roll. The
10 | assessor discovers the property in December ~~1997-2004~~ and adds it to the ~~1997-98~~ 2004-05 tax roll. ~~RMV~~
11 | ~~trending is 5 percent per year.~~

12 | **TAX YEAR ~~96-97~~ _____ 97-98 04-05**

13 | RMV ~~110,250~~ _____ 115,763

14 | MAV _____ 94,500

15 | AV ~~110,250~~ _____ 94,500

16 | OMITTED RMV 21,000

17 | CPR _____ .83

18 | MAV _____ 17,430

19 | CORRECTED RMV ~~110,250~~ 136,763

20 | CORRECTED MAV _____ 111,930

21 | CORRECTED AV ~~110,250~~ _____ 111,930

22 | (~~d3~~) To correct the AV for subsequent years that omitted property should be added to the roll:

23 | (~~Aa~~) Add the omitted property's trended or recalculated RMV to the property's existing RMV to get a
24 | corrected RMV for the account.

25 | (~~Bb~~) Multiply the prior year's corrected AV by 1.03 and compare to the prior year's corrected MAV.
26 | The greater of the two will be the corrected MAV for the account.

ADMINISTRATIVE RULE REVIEW

		Rule No. OAR 150-308.156(5)-(C)	
Amended Rule	Page	Last Revised Date	
	Page 4 of 5	April 14, 2009	
NOTICE OF INTENDED ACTION			
Permanent Rule	Bulletin Dated	Hearing Scheduled	
	July 2009		

PURPOSE: To remove two procedures for the addition of omitted property for tax years prior to 1997-98 as moot. Also to update the examples to reflect current procedures.

1 | (~~C~~) The lesser of the corrected RMV or MAV is the account's AV.

2 | EXAMPLE:

3 | Property was built in ~~October 1997~~2003 and should have been added to the ~~1998-99~~2004-05 tax roll. The
 4 | assessor discovers the property in December ~~2002~~2008, and adds it to the ~~1998-99~~2004-05 through ~~2001-~~
 5 | ~~02~~2008-09 tax rolls. RMV trending is 5 percent per year.

6 | ~~NOTE: This example for subsection (d) relates to tax years 99-00 and later. Tax years 97-98 and 98-99~~
 7 | ~~are shown for reference purposes only.~~

8 | ~~TAX YEAR 97-98 98-99 99-00 00-01 01-02~~

9 | ~~RMV 115,763 121,551 127,629 134,010 140,711~~

10 | ~~MAV 94,500 97,335 100,255 103,263 106,361~~

11 | ~~AV 94,500 97,335 100,255 103,263 106,361~~

12 | ~~OMITTED RMV _____ 20,000 21,000 22,050 23,153~~

13 | ~~CPR .81~~

14 | ~~MAV 16,200~~

15 | ~~CORRECTED RMV 115,763 141,551 148,629 172,746 163,864~~

16 | ~~CORRECTED MAV 113,535 116,941 120,449 124,062~~

17 | ~~CORRECTED AV 115,763 113,535 116,941 120,449 124,062~~



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-308.156(5)-(C)	
	Page Page 5 of 5	Last Revised Date April 14, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled

PURPOSE: To remove two procedures for the addition of omitted property for tax years prior to 1997-98 as moot. Also to update the examples to reflect current procedures.

1 OAR 150-308.156(5)-(C) Example

<u>Year</u>	<u>04/05</u>	<u>05/06</u>	<u>06/07</u>	<u>07/08</u>	<u>08/09</u>
					4
<u>Original RMV</u>	<u>115,763</u>	<u>121,551</u>	<u>127,629</u>	<u>134,010</u>	<u>140,751</u>
<u>Corrected RMV</u>	<u>136,763</u>	<u>143,601</u>	<u>150,781</u>	<u>158,320</u>	<u>166,236</u>
					7
<u>Original MAV</u>	<u>94,500</u>	<u>97,335</u>	<u>100,255</u>	<u>103,262</u>	<u>106,359</u>
<u>Corrected MAV</u>	<u>111,930</u>	<u>115,287</u>	<u>118,745</u>	<u>122,307</u>	<u>125,976</u>
					10
<u>Original AV</u>	<u>94,500</u>	<u>97,335</u>	<u>100,255</u>	<u>103,262</u>	<u>106,359</u>
<u>Corrected AV</u>	<u>111,930</u>	<u>115,287</u>	<u>118,745</u>	<u>122,307</u>	<u>125,976</u>
					13
<u>RMV of Omitted Property</u>	<u>21,000</u>				14
					15
<u>CPR</u>	<u>0.830</u>				16
					17
<u>Exception Amount</u>	<u>17,430</u>				18
					19
<u>Trend</u>		<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>

2

21

22 Stat. Auth.: ORS 305.100

23 Stats. Implemented: ORS 308.156



ADMINISTRATIVE RULE REVIEW

Amended Rule

Permanent Rule

Rule No. OAR 150-308.550(2)-(G)	
Page Page 1 of 1	Last Revised Date July 21, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated June 2009	Hearing Scheduled June 22, 2009

PURPOSE: To add language that enables the department to allocate value when companies do not provide all three variables (original cost, operating revenue, and customer count). The rule will establish the department’s policy to remedy the allocation process when such information is lacking.

1 **150-308.550(2)-(G)**

2 **Allocation of Centrally Assessed ~~Telephone~~ Communication Company Property Value**

3 (1) Definitions

4 (a) “Original Cost” means the cost of tangible property, plant and equipment as reported on the
5 company’s financial statements including construction work in progress, property held for future use,
6 land, and leasehold improvements.

7 (b) “Oregon operating revenue” means gross revenue from customers whose billing address is an Oregon
8 address.

9 (c) “Oregon customers” means customers whose billing address is in the state of Oregon.

10 ~~Telephone companies.~~ (2) The value of the Oregon portion of a unit of property used by a company
11 operating both within and without this state in the communication business ~~of providing telephone~~
12 service ~~shall~~ must be allocated to this state by multiplying the value of the unit by a percentage, which
13 ~~shall is be~~ the sum of:

14 ~~(1)~~ (a) The ratio of the Oregon portion of the unit’s original cost ~~bears to~~ the total unit’s original cost,
15 ~~times~~ multiplied by 75 percent; plus

16 ~~(2)~~ (b) The ratio of the Oregon portion of the unit’s total gross operating revenue for the prior year ~~bears~~
17 to the unit’s total gross operating revenue for the prior year, ~~times~~ multiplied by 15 percent; plus

18 ~~(3)~~ (c) The ratio of the ~~Oregon portion of the unit’s net operating income~~ total year-end Oregon
19 ~~customers for the prior year~~ ~~bears to~~ the unit’s ~~net operating income~~ total year-end customers for the
20 prior year, ~~times~~ multiplied by 10 percent.

21 (3) If a company is not able to provide, or does not provide, the information required to compute the
22 ratio in (2)(a), (b) or (c) of this rule, the department will proportionally increase the percentage of the
23 unit’s remaining ratio(s) by the percentage(s) of the ratios not used.

24 **Stat. Auth.:** ORS 305.100

25 **Stats. Implemented:** ORS 308.550



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-309.026(2)-(A)	
	Page Page 1 of 2	Last Revised Date June 18, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated July 2009	Hearing Scheduled July 21, 2009

PURPOSE: To clarify that a petition to the board of property tax appeals cannot result in an increase in the total Real Market Value (RMV), Specially Assessed Value (SAV), Maximum Assessed Value (MAV), or Assessed Value (AV) of property included in a property tax account.

1 **150-309.026(2)-(A)**

2 **Limitations on Increase in Value by Board of Property Tax Appeals**

3 (1) For purposes of this rule, "property tax account" means the administrative division of property used
4 by the assessor for listing the property on the assessment roll.

5 ~~(1) The jurisdiction of the board of property tax appeals, as an administrative body established by statute,~~
6 ~~is limited to those actions specifically granted by statute.~~

7 ~~(2) The board of property tax appeals (BOPTA) lacks's jurisdiction under ORS 309.026 does not include~~
8 ~~appeals to increase the overall total real market value (RMV), the total specially assessed value (SAV),~~
9 ~~the maximum assessed value (MAV), or assessed value (AV) of the property because the statute specifies~~
10 ~~that BOPTA the board may only hear petitions to reduce the value of property.~~

11 (3) When BOPTA the board receives a petitions requesting an increases in the value of property, the
12 board must act on the petitions in the following manner:

13 ~~(a) If the board~~ When BOPTA receives a petition requesting an increase or resulting in an increase in the
14 total RMV, SAV, MAV or AV value of property in a property tax account, the board must dismiss the
15 petition for lack of jurisdiction.

16 (b) When BOPTA receives a petition is filed that requestings an increase in the RMV of either the land or
17 improvement component, the board may increase that component provided the change does not result in
18 an increase to the total RMV, SAV, MAV, or AV value of the property in the property tax account.

19 ~~(43)~~ When BOPTA the board receives a petitions requesting a reduction decreases in the value of property
20 as described below, the board must act on the petitions in the following manner:

21 ~~(a) When BOPTA receives a petition is filed requesting a reduction in total RMV value without that does~~
22 ~~not specifying a reduction in the value of either the land or the improvements component, the board may~~
23 ~~increase or decrease either component provided the net result sustains or reduces the total value RMV,~~
24 SAV, MAV or AV of the property in the property tax account.

25 ~~(b) When BOPTA receives a petition is filed requesting a reduction in either the land or improvement one~~
26 ~~component of the property's the RMV value of property and no change to in the other component, the~~



ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-309.026(2)-(A)	
Amended Rule	Page Page 2 of 2	Last Revised Date June 18, 2009
	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated July 2009	Hearing Scheduled July 21, 2009

PURPOSE: To clarify that a petition to the board of property tax appeals cannot result in an increase in the total Real Market Value (RMV), Specially Assessed Value (SAV), Maximum Assessed Value (MAV), or Assessed Value (AV) of property included in a property tax account.

1 board may ~~only~~ only act on the component for which the reduction is requested.
2 ~~(c) If a component is not addressed in the petition, then~~ When BOPTA receives a petition requesting a
3 reduction in either the land or improvement component of the RMV of property and the petition is silent
4 as to the requested value of the other component, the board must sustain the value for that of the
5 component for which the petition is silent unless subsection (4)(2)(a) of this rule applies.

6 **Stat. Auth.:** ORS 305.100

7 **Stats. Implemented:** ORS 309.026



ADMINISTRATIVE RULE REVIEW

Amended Rule

Permanent Rule

Rule No. OAR 150-321.005(9)	
Page Page 1 of 2	Last Revised Date June 19, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated July 2009	Hearing Scheduled July 21, 2009

PURPOSE: To change the order of who is considered to be the responsible taxpayer for the Forest Products Harvest Tax program.

1 **150-321.005(9)**

2 **Establishing Legal Taxpayer for Forest Products Harvest Tax FPHT**

3 (1) It ~~is will be~~ the policy of the department to use the following ~~sequence of sequential~~ criteria to
4 establish the identity of the taxpayer responsible for the Forest Products Harvest Tax (FPHT):

5 (a) The party holding title to timber as evidenced in a written agreement.

6 (b) ~~If the element of (a) is not present, T~~the party indicated on the “Notification of Operations” as the
7 timber owner.

8 (c) ~~If the elements of (a) and (b) are not present, then T~~the party receiving payment for logs delivered to
9 a conversion center.

10 (d) ~~If the elements of (a), (b), and (c) are not present, then T~~the owner of land from which harvest
11 occurred is the responsible taxpayer.

12 (d) ~~The party holding title to timber as evidenced in a written agreement.~~

13 (e) ~~2~~ The following examples of transactions are a guide ~~may be useful~~ in determining the responsible
14 taxpayer:

15 TYPE OF	RESPONSIBLE
16 TRANSACTION	TAXPAYER
17 1. Outright sale of standing timber only.	Timber purchaser
18 2. Sale of land and timber by deed.	Purchaser of property
19 3. Sale of land and timber by land sales contract.	Purchaser of property
20 4. Sale of logs prior to any measure i.e., from the landing.	Purchaser of the logs
21 5. Trading timber for services and/or materials.	Person receiving timber
22 6. Timber trespass or theft.	Legal Owner of timber
23 7. Sale of delivered logs to a mill or conversion center.	Legal Owner of the logs
24 8. License to cut or remove.	Licensee timber
25 9. Timber given as a gift.	Recipient of gift

26

27



ADMINISTRATIVE RULE REVIEW

Amended Rule

Permanent Rule

Rule No. OAR 150-321.005(9)	
Page Page 2 of 2	Last Revised Date June 19, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated July 2009	Hearing Scheduled July 21, 2009

PURPOSE: To change the order of who is considered to be the responsible taxpayer for the Forest Products Harvest Tax program.

<u>TYPE OF TRANSACTION</u>	<u>RESPONSIBLE TAXPAYER</u>
(a). <u>Outright sale of standing timber only</u>	<u>Timber purchaser</u>
(b). <u>Sale of land and timber by deed</u>	<u>Property purchaser</u>
(c). <u>Sale of land and timber by land sales contract</u>	<u>Property purchaser</u>
(d). <u>Sale of logs prior to being measured for purchase at a conversion site</u>	<u>Log Purchaser</u>
(e). <u>Trading timber for services or materials</u>	<u>Person receiving timber</u>
(f). <u>Sale of delivered logs to a mill or conversion center</u>	<u>Owner of the logs</u>
(g). <u>License to cut or remove</u>	<u>Licensee of timber</u>
(h). <u>Timber given as a gift</u>	<u>Recipient of gift</u>

1
2 ~~(23) When it becomes necessary to~~ The department will consider the following elements when it is
3 necessary to interpret a written agreement in order to establish identity of the taxpayer, the following
4 tests will apply:

- 5 (a) Type of agreement—i.e., a contract for the performance of services vs. a contract that
- 6 transfers the ownership of property.
- 7 (b) The intent of the agreement.
- 8 (c) Which party enjoys the “benefit of ownership”?
- 9 (d) Which party bears the loss in a catastrophic event?
- 10 (e) The timing of and manner of payment.

11 ~~(34) Whenever an agreement is so ambiguous that identity of the taxpayer cannot be reasonably~~
12 determined, the last party known to hold title to timber and/or logs will be deemed the taxpayer.

13 **Stat. Auth.:** ORS 305.100

14 **Stats. Implemented:** ORS 321.005