



Oregon Department of Revenue

REVENUE BUILDING
955 CENTER STREET, N.E.
SALEM, OREGON 97310

DEPARTMENT OF LAND
CONSERVATION & DEVELOPMENT

APR 19 1990

April 16, 1990

SALEM

Susan Brody, Director
Department of Land Conservation and Development
1175 Court Street, NE
Salem, OR 97310

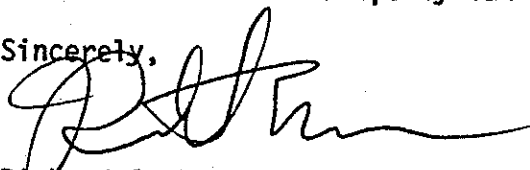
Dear Susan:

I am pleased to submit the Department of Revenue's State Agency Coordination Program Report for review and certification by the Land Conservation and Development Commission. Enclosed are seven (7) copies, as required. One copy is on file at my office for public inspection. Each copy includes the following documents:

1. The State Agency Coordination Program Report.
2. A listing of Oregon Revised Statutes pertaining to the department.
3. Department information circulars pertaining to the State Agency Coordination Program Report.
4. A department organizational chart.
5. A department publications list.

If you have any questions, please contact me (378-3363), or Bob Frey or Jesse Holler of the Property Tax Division (378-3022).

Sincerely,



Richard A. Munn
Director

RAM:co/1935Z

Enclosures

DEPARTMENT OF LAND
CONSERVATION & DEVELOPMENT

APR 17 1990

SALEM

OREGON DEPARTMENT OF REVENUE
COORDINATION PROGRAM
WITH
DEPARTMENT OF LAND
CONSERVATION AND DEVELOPMENT

Prepared Pursuant to

ORS 197.180

and

OAR 660-30

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04-12-90

OREGON DEPARTMENT OF REVENUE

COORDINATION PROGRAM

SECTION I

Executive Summary

The purpose of this document is to fulfill the requirement that all state agencies identify any programs which affect land use, and that such programs comply with the statewide planning goals and are compatible with acknowledged comprehensive plans and land use regulations.

The Department of Revenue has the responsibility to administer state income tax, special purpose taxes, and the property tax system. Income taxes are assessed against individuals and corporations based on income received or earned. Special-purpose taxes are a fee charged for certain activities, but not related to land use. The DOR therefore concludes that its actions or decisions in both the income and special-purpose tax and collection areas do not affect land use.

The assessing and collecting of property taxes is performed at the county level with the department performing an oversight function. This oversight function deals with the manner in which counties appraise and assess property, and approve special assessments for certain types of property. The statutes direct DOR and the county assessors to consider use limitations imposed by applicable land use plans and zoning ordinances in determining property values. However, zoning is not the only, or even the main, consideration in all situations. The law does not allow discretion by DOR and the county assessors in approving special assessments. If the statutory requirements are met, the special assessment must be approved regardless of any land use plan or zoning ordinance provision. Therefore, the DOR concludes that its actions or decisions as to property taxation do not affect land use.

Certain conflicts exist between the statutes regulating how land is planned and assessed in rural and urban areas. Action by the legislature will be required to bring about any resolution of these conflicts.

Introduction

ORS 197.180 requires each state agency to prepare a coordination program for review and certification by the state Land Conservation and Development Commission (LCDC). The purpose of State Agency Coordination (SAC) programs is to assure that state agency rules and programs which affect land use comply with the statewide planning goals and are compatible with acknowledged city and county comprehensive plans and land use regulations.

The Oregon Department of Revenue (the department) has developed this coordination program to fulfill its land use responsibilities. The department will assure its compliance by following LCDC's Administrative Rules and procedures in its coordination program.

The department's original state agency coordination program was approved by LCDC in May 1978. It identified a number of programs relating to land use including training sessions, special assessment¹ programs, and other laws. The program also listed Administrative Rules associated with its programs relating to land use.

The department has made no changes to its program since 1978. As a result of legislative changes and policy actions by LCDC, the coordination rule (OAR 660, Division 30) has been updated twice. The department must bring its revised coordination program into compliance with all current SAC requirements. The department's existing SAC program will be considered rescinded upon certification of the revised program by LCDC.

Department Overview

The department's principal duty is to administer state tax programs in the areas of income tax, property tax, tax relief, and a variety of miscellaneous tax programs.

There are five divisions within the Department of Revenue.

1. The Administrative Services Division provides the administrative support to keep other divisions and programs functioning.

1. Assessed value applies in ad valorem (at value) taxation and refers to the value of a property according to the tax rolls.

The Appraisal of Real Estate, 9th ed., American Institute of Real Estate Appraisers, Chicago.

Information Resources Management Section (IRM), in the Administrative Services Division, is the department's Public Affairs office. This section is the central "clearinghouse" for all department policies and administrative procedures, internal procedural manuals, publications, and forms to assure all department actions are conducted within the statutes and Administrative Rules of its programs. They provide detailed processing guidelines, policy statements, and general instructions on the administration of the department's duties. These materials are listed in the appendix and are available from Information Resources Management at 378-8001.

2. The Audit Division is responsible for ensuring that taxpayers pay the correct amount of tax. It also examines and verifies the accuracy of tax refunds and the amounts of relief under programs administered by the department.
3. The Collection Division is responsible for collecting delinquent taxes under many of the programs administered, including withholding, personal income, corporate excise, and timber tax programs.
4. The Information Processing Division is responsible for data processing and automated tax return processing systems.
5. The Property Tax Division has the responsibility of administering the state's property tax laws. The division is required by statute to ensure that counties conform to property tax laws and regulations in their appraisals², assessments, tax levies, tax collections, budgets, and board of equalization activities.

To help the counties comply with the laws, the division develops Administrative Rules and writes training manuals; holds workshops; conducts compliance studies and ratio and staffing studies; appraises industrial, utility, and unusual properties; interprets property tax laws; and answers questions from county personnel and taxpayers. The division is also responsible for administering timber taxes, which includes auditing timber tax returns, collecting the taxes, and distributing them to local governments.

2. In the appraisal of real estate, an appraisal is an unbiased estimate of the nature, quality, value, or utility of interest in, or aspect of, identified real estate, and related personalty.

SECTION II

AGENCY RULES AND PROGRAMS

This section addresses the requirements of LCDC's Administrative Rules, OAR 660-30-060(3), describing the department's statutory charges, Administrative Rules, and programs.

Enabling Statutes

The Oregon Department of Revenue's enabling statutes cover many chapters. Chapters and their titles are:

- 293 Receiving, Handling, and Disbursing Public Funds
- 294 Local Budget Law
- 305 General Administration of Revenue Laws; Administrative Appeal; Tax Court
- 306 Property Taxation Generally
- 307 Property Subject to Taxation
- 308 Assessment of Property for Taxation
- 309 Equalization of Property Taxes
- 310 Levy of Property Tax; Tax Reduction Programs
- 311 Collection of Property Taxes
- 312 Foreclosure of Property Tax Liens
- 314 Income Taxation Generally
- 316 Personal Income Tax
- 317 Corporation Excise Tax
- 318 Corporation Income Tax
- 319 Motor Vehicle and Aircraft Fuel Taxes
- 320 Privilege Taxes
- 321 Timber Taxes
- 323 Cigarette and Tobacco Products Tax
- 324 Oil and Gas Tax
- 401 Emergency Services; Search and Rescue; Emergency Telephone Systems; Communications Districts
- 459 Solid Waste Control

The department is responsible for carrying out programs that fall into three general categories. These are:

- Income Tax programs
- Special Purpose Taxes and Collection programs
- Property Tax programs

A table showing the size and the impact of each of these programs on the department is located in the appendix. Descriptions of each of these programs, within these three categories are:

Income Tax Programs

Personal Income Tax (ORS chapter 316). This program provides the principal source of revenue for financing state government. Additionally, funds from this source provide direct and indirect state assistance to local governments through such programs as Basic School Support, Property Tax Relief, and Homeowner and Renter Refund Program (HARRP).

Withholding (ORS chapter 316). The withholding program provides for advance payment of the personal withholding tax. Oregon's withholding provisions enable taxpayers to meet their obligations through current payment as wages are earned. Employers must withhold the tax from the wages paid their employees and pay it to the department.

Corporation (ORS chapters 317, 318). The corporation excise and income tax program represents a major contribution to the General Fund. Any corporation doing business in Oregon or having income-producing activity within the state is subject to either the corporation income or excise tax on net income assignable to Oregon.

Special Purpose Tax and Collection Programs

Cigarette Tax (ORS chapter 323). This program imposes a tax on retail consumers of cigarettes. The tax is precollected through the sale of tax stamps to licensed cigarette distributors. No unstamped cigarettes may be sold in Oregon. The taxes collected are shared by the state's General Fund, counties, cities, and the Department of Transportation's Special Fund for the elderly and handicapped.

Amusement Device (ORS chapter 320). Owners or operators of amusement or music devices pay a tax for the privilege of operating those devices. The state General Fund receives 60 percent of the revenue and 40 percent is apportioned to each county treasurer for general governmental expenses.

Other Tobacco Products (ORS chapter 323). Tobacco products (other than cigarettes) are taxed in Oregon at the rate of 35 percent of their wholesale price. The tax is collected by the department from licensed tobacco distributors at the time they file their quarterly tobacco tax return. All revenue collected goes into the state General Fund.

Oregon Tire Fee (ORS chapter 459). All retail tire dealers must collect a \$1 fee for each new tire sold to consumers. The department collects these fees when the dealers file quarterly fee returns. The department takes its administrative costs out of the revenue collected and then transfers the remainder to the Department of Environmental Quality (DEQ).

Petroleum Load Fee. The department collects an import delivery fee on petroleum products delivered to a storage tank located in the state and a fee for withdrawing petroleum products from a bulk facility. The fees collected are given to the Department of Environmental Quality and the State Fire Marshal.

Multnomah County Business Income Tax. The department administers the Multnomah County Business Income Tax (MCBIT) under a cost-reimbursement agreement with the county. This tax is collected from any entity doing business in Multnomah County. The department is reimbursed from the tax for any administrative costs and the balance of the revenue is used to provide county services.

Tri-Met. This program provides funding for the Tri-County Metropolitan Transportation District (TRI-MET) through a payroll tax on employers who have employees performing services within the transit district boundaries. The department is reimbursed for the administrative costs to administer the program.

Tri-Met Self-Employment Income. This tax is applied to self-employment earnings of taxpayers doing business or providing services within the Tri-County Metropolitan Transportation District. This includes portions of Multnomah, Clackamas, and Washington Counties. Revenues from the tax are used to help fund mass transportation within the district.

Lane Transit District. This program provides funding for the Lane Transit District through a payroll tax on employers who have employees performing services within the transit district boundaries. The department administers the program under an agreement with the district. A fee equal to actual administrative cost is charged.

Court Fines (ORS chapter 305). Under this program, the department receives the state's share of fines, filing fees, and assessments collected by justice and municipal courts. District and circuit court monies are collected by the State Court Administrator's Office. Money is distributed to various state funds according to provisions of Oregon law.

Other Agency Collections (ORS chapter 293). This program provides effective collection of delinquent debts for electing state agencies. The program is self-sustained as costs are charged to participating agencies and retained from the proceeds of collections. The agencies participate on a voluntary basis. This program includes working with other agencies, attaching income tax and property tax refunds for debts owed, making collections by letter or telephone work and, if necessary, issuing warrants and garnishing assets.

Emergency Telephone Service (ORS chapter 401). This program collects an excise tax to fund emergency telephone services for the "911" emergency system. Telephone companies collect the tax from their subscribers and send it to the department quarterly. After subtracting administrative costs, the department forwards the funds to the Emergency Management Division, Executive Department, which is responsible for the program.

Elderly Rental Assistance (ORS chapter 310). Provides direct property tax relief to low- and middle-income elderly Oregonians. Checks are mailed to claimants each October. Benefits are based on income level and amount of property tax or rent paid. HARRP (ORS chapter 310). The Homeowner and Renter Refund Program (HARRP) provides direct property tax relief to low- and middle-income Oregonians. Checks are mailed to claimants each October. Benefits are based on income level and amount of property tax or rent paid. Participation in HARRP is limited to persons with annual household income under \$17,500. Only one claim may be filed per household.

Property Tax Programs

The department's 11 remaining programs fall under the category of property tax and are administered by the Property Tax Division. The division is divided into three sections: Local Government, Valuation, and Program Services. These sections and their programs are:

Local Government Section

Eastern Oregon Forestland (ORS 321.805). The department determines the value of forestland in Eastern Oregon (land east of the summit of the Cascades) and provides values to county assessors. Base values were initially set by statute at \$25 per acre for 1982. For each year after, the value is adjusted from the previous year by the stumpage value change from the prior year (ORS 321.810).

The department must maintain records on land value and timber value. These records are used to determine the land values to be certified to assessors. By Administrative Rule, the department has set minimum qualification standards for eligibility for this program (OAR 150-321.805).

Eastern Oregon Severance Tax (ORS 321.405). Timber harvested from private lands in Eastern Oregon is subject to severance taxes. These taxes are distributed to local taxing districts to reduce the property taxes on all other properties.

The Timber Section reviews tax returns prepared by taxpayers to confirm that all computations are correct. This ensures that local governments receive the proper amount of tax and aids in improving voluntary compliance.

In addition to receiving tax payments, the department is responsible for collecting unpaid taxes. The Collection Division starts action after the taxpayer has been notified of a potential tax liability. The department designs and sends forms to taxpayers, receives and processes harvest notification, files returns, computes distribution factors, and distributes the taxes.

To have a basis for computing taxes, the department collects sales data, cost data, and log value data to construct stumpage value tables. These tables are provided to help taxpayers complete their returns. Conference officers are available for taxpayers who wish to appeal.

Forest Products Harvest Tax (ORS 321.005). The Forest Products Harvest Tax is a fee based on the board feet of harvested forest products in Oregon. It generates the revenues to support the Oregon State University Forest Research Laboratory; the emergency fire fund, administered by the Oregon State Board of Forestry; and the administration of the Forest Practices Act, administered by the Oregon State Board of Forestry.

The department collects and distributes these revenues to the proper accounts. Preparing forms, mailing forms, auditing, collecting, and distributing these funds are the main duties assigned the department.

Western Oregon Forestland (ORS 321.257). The valuation³ of Western Oregon Forestland covers forestland west of the summit of the Cascades. The base values for this program were originally determined in 1977 by the department, and not established by statute. These values then were challenged in court. In 1983, the Oregon Supreme Court established the 1977 base Western Oregon Forestland values, and ordered all Western Oregon Forestland values for the period between 1977 and 1983 revalued using the revised 1977 base.

The department is responsible for valuing forestland at the proper level. That includes establishing value classes for land being designated and determining the forestland value index based on the 1977 values. Each year, the department calculates this index to update forestland values. The resulting values are certified to county assessors (ORS 321.352).

The department also maintains records of forestland classifications, and field staff inspects parcels whenever an application is filed to see if they qualify for designation as forestland (ORS 321.358).

Western Oregon Severance Tax (ORS 321.272). Timber harvested from private lands in Western Oregon is subject to severance taxes. The severance taxes replace property taxes on timber. These taxes are distributed to local taxing districts and reduce the property taxes on all other properties.

In auditing, the Timber Section sees that tax computed by the taxpayer is correct, ensures that local governments receive the proper amount of tax, and aids in improving voluntary compliance. Taxpayers can appeal department actions.

3. Valuation is the process of estimating the market value, insurable value, investment value, or other properly defined value of an identified interest or interests in a specific parcel or parcels of real estate as of a given date.

The Appraisal of Real Estate, 9th ed., American Institute of Real Estate Appraisers, Chicago.

As well as receiving tax payments, the department is responsible for collecting unpaid taxes. The Collection Division initiates action after the taxpayer has been notified of a potential tax liability. The department designs and sends forms to taxpayers, receives and processes harvest notification, files returns, computes distribution factors, and distributes the taxes.

To have a basis for computing taxes, the department furnishes taxpayers with stumpage values and cost and adjustment tables. The department collects sales data, cost data, and log value data to construct stumpage value tables, adjustment tables, and cost tables.

Finance and Taxation (chapters 294, 307, 310, 311, and 312). This program provides assistance and training for county assessors, tax collectors, and treasurers so assessment and taxation programs will function correctly and equitably. It also administers local budget law which covers a variety of statutes and revenue matters affecting local taxing districts. Taxing district budgets are reviewed for statutory compliance.

The program staff designs and writes manuals; designs, prescribes, and prints statewide standard forms; trains county personnel; provides daily technical assistance by telephone, mail, or in person; manages the funded exemption program for nonprofit homes; and reviews and approves all voter-approved property tax levies and taxing district annual operational budgets.

Senior Citizen Property Tax and Special Assessment Deferrals (ORS 311.666--311.780). Under the Property Tax Deferral Program, homeowners age 62 or older, with a total household income of no more than \$17,500⁴ for the previous year, can defer property tax payments. They must have a recorded deed to the property or be buying the property under a recorded sales contract. The state pays the tax, which must be repaid with interest when the owner dies, sells the property, ceases to live permanently on the property, or when ownership changes. The deferred taxes become a lien on the property.

The department receives, processes, and approves applications for the deferral, files the liens, pays the taxes, and collects the deferred taxes when the accounts are disqualified.

Under the bonded special assessment deferral programs, homeowners age 62 or older can defer payments of special assessments for local improvements. The state pays installments twice yearly. The amount must be repaid with interest when the owner dies, sells the property, ceases to live permanently on the property, or when ownership changes.

The department receives, processes, and approves applications for the deferral, pays the installments, and collects the deferred taxes when the accounts are disqualified.

4. The 1989 Legislature modified the income requirements for the Property Tax Deferral Program as follows: prior year income of less than \$17,500 if the claim is filed before January 1, 1990; less than \$18,500 if the claim is filed on or after January 1, 1990, but before January 1, 1991; and less than \$19,500 if the claim is filed on or after January 1, 1991.

Valuation Section

The Valuation Section of the Property Tax Division has general supervision over more than 1.6 million property accounts. The section provides general advice and guidance on property tax questions to counties and to taxpayers.

Industrial (ORS 306.126). The Industrial Program provides appraisal assistance to county assessors. State law requires the department to provide the services of qualified industrial appraisers to county assessors in appraising industrial properties.

The department completes appraisals of all industrial plants that have an improvement value of more than \$1 million. These are appraised at no charge to the counties.

Counties are responsible for the appraisal of all industrial plants with a value of less than \$1 million. However, the department provides assistance through an annual training course, appraisal manuals, sharing cost data concerning buildings and machinery, and providing trending multipliers.

County assessors generally do not have appraisers with the expertise or training to appraise complex industrial properties. Appraisal of an industrial complex requires valuation considerations far beyond the boundaries of individual counties. The Industrial Program is geared to acquiring and evaluating data from all sources. The process provides assurance of equalization of values for industrial accounts not only within the county, but between counties.

Without Industrial Program assistance, there would be a shift in valuation from industrial to other property that would increase taxes on other property, primarily residential.

Oil and Gas Production (ORS 324.050--324.520). This program began after the 1981 Legislature enacted a tax on the production of oil and natural gas within the state. The tax is 6 percent of the gross sales value of the oil and gas produced after deducting the value of exempt royalty interests, certain production expenses, and a quarterly exemption of \$3,000 for each producing well.

Property tax paid on qualified properties associated with the production of gas and oil is allowed as a credit against the production tax. The production tax, which is paid quarterly, is transmitted to the Division of State Lands for addition to the Common School Fund. The Property Tax Division is responsible for auditing and examining reports and returns, determining deficiencies, making assessments, and handling claims for refunds.

Centrally Assessed Property (ORS 308.505--308.660 & 308.705-- 308.730). The Property Tax Division, rather than the county assessor, is responsible for annually assessing certain property for tax purposes. The department appraises these properties in their entirety, even if they cross state lines. These appraisals are not coordinated with other states. When assessments are determined, the values are certified to the county assessor for inclusion in the county property tax roll.

Properties assessed are primarily railroads and utilities with air transport, express, pipeline, private railroad car, and water transportation also included. The nature of these properties (mobile, fast-growing, intercounty, interstate, and complex) makes it mandatory that they be appraised annually to maintain equity with locally assessed property.

Locally Assessed Property (chapters 306, 307, and 308). These property tax administration programs ensure equity of assessment of properties appraised by local assessors and compliance with statutory assessment requirements.

Supervision of county ratio studies, which are the basis for the current true cash value for approximately one million properties each year, is a statutory requirement of this program. This is accomplished through audits of the counties' ratio study data and analysis of the assessors' ratio studies submitted biannually.

Compliance studies are made in the counties to assure statutory requirements are followed regarding the six-year appraisal cycle, proper appraisal procedures, and that property is assessed at 100 percent of true cash value (TCV).

Program Services Section

This section provides support for property tax programs and the other two sections, including division budget and internal system automation.

Formal instruction for personnel at the county level, including assessors' offices and boards of equalization, is provided.

Cost factor books, value schedules, appraisal aids, and other information are provided for use by county assessors. These publications provide the basis for approximately 90 percent of the property appraisals made at the county level.

Current cost factors for residential and farm buildings are provided every two years. Value schedules for personal property valuation are provided annually, with appraisal aids and information issued on a continuing basis.

Current ownership maps for use in identifying and appraising properties are maintained for counties where local staff is not available or full-time cartographers are not justified. Also, complete remapping of counties, where ownership maps are inadequate, is accomplished through this program.

Both the maintenance of the ownership maps and the remapping of counties are under a 50-50 cost-share agreement with the counties. As a part of this program, taxing district boundary changes are reviewed and approved.

County automation service is provided along with assistance to counties with systems development.

Administrative Rules (OAR)

The Oregon Department of Revenue adopts Administrative Rules to interpret statutes. Following is a general list of the Administrative Rule divisions that pertain to property tax programs:

Division	Subject
307	Exemptions
308	Farm Use
309	Ratio Study
310	Homesteads
311	Special Assessments
321	Timber Taxes
570	Weed Control

Analysis of Programs Affecting Land Use

The determination of whether a Revenue Department rule or program affects land use requires an evaluation of the agency's rules and programs against the definition of that term in the SAC rule.

The definition of a "rule or program affecting land use" is found in LCDC's SAC rule at OAR 660-30-005(2). Under this provision, an agency rule or program affects land use if it is:

1. Specifically referenced in the statewide planning goals; or is
2. Reasonably expected to have significant effects on:
 - a. Resources, objectives, or areas identified in the statewide planning goals; or
 - b. Present or future land uses identified in acknowledged comprehensive plans.

For each program determined to affect land use, the agency must adopt rules and procedures to assure that actions or decisions taken under the program comply with the statewide goals and are compatible with the applicable acknowledged comprehensive plan and land use regulations.

A. Revenue Programs Referenced in the Statewide Planning Goals

None of the statewide planning goals identify any specific Department of Revenue rule or program for goal compliance. Therefore, none of the department's rules or programs affects land use based on this criterion.

B. Significant Effect of Revenue Rules and Programs on Statewide Goals or Uses in Acknowledged Plans

The department's overall responsibility, as described previously, is to administer three types of tax programs: (1) personal and corporate income tax, (2) special purpose taxes, fees, and collections (e.g., tobacco products, amusement devices, payroll deductions, court fines, etc.), and (3) property tax.

Income and Special Purpose Tax Collection Programs

The adoption, operation, and enforcement of agency programs and rules involving income tax and special purpose taxes, fees, and collections create no discernible impact on the resources, objectives, or areas identified in the statewide goals or upon existing or future uses contained in acknowledged comprehensive plans. Income taxes are assessed against individuals and corporations based on income received or earned. Special purpose taxes are a fee charged for certain activities, such as the purchase of tires or cigarettes. The taxes are therefore not based on nor affect land use. Consequently, the department concludes that its actions or decisions in both the income tax and special purpose tax and collection areas do not affect land use as that term is defined in OAR 660-30-005(2).

Property Tax Programs

In Oregon, like in most states, assessment of property taxes is based on a determination of the fair market value of the land.

The department has responsibility for a variety of programs in the general area of property tax. These include:

1. Operating various forest harvest (i.e., severance) tax programs in eastern and western Oregon.
2. Appraising major industrial properties. This program also includes the provision of technical assistance and training to local assessors in valuing industrial properties.
3. Taxation of properties associated with oil and gas production.
4. Assessment of railroad, utility, air and water transport, and pipeline properties and holdings.

5. Assisting and training county assessors, tax collectors, and treasurers in the administration of local assessment and taxation programs. Under this program the department also carries out the Local Budget Law which involves the review of the budgets of local taxing districts.
6. Administering the Senior Citizen Property Tax and Special Assessment Deferrals authorized pursuant to ORS 311.666 to 311.780.
7. General supervision of the various Assessment Standards and Equalization programs established by ORS chapters 306, 307, and 308. The purpose of these programs is to assure that local property assessments statewide are equitable and comply with statutory assessment requirements. The department, in its oversight function, must ensure that the county assessors, in performing their appraisal and assessment tasks, take into consideration use limitations imposed on property by land use plans and zoning ordinances.
8. General supervision of the various special assessment and exemption programs established by ORS chapters 307, 308 and 321. The overall purpose of these programs is to lessen the property tax obligation on owners of property in specified use categories. The legislature has determined which uses qualify for special use assessments and exemptions.

The department performs a variety of tasks and activities in carrying out its property tax programs. These actions include:

1. Formal interpretation of statutory requirements and establishment of standards and procedures through the adoption of agency Administrative Rules.
2. Providing training and assistance to county assessors and other local tax officials.
3. Publishing guidelines and other informational materials to explain the operation of the state's tax laws and requirements.
4. Maintenance and updating of property tax records.
5. Conducting appraisals of high value or special types of property.
6. Undertaking appeals, enforcement, disqualifications, and other specific actions required by law involving particular cases.

C. Assessment and Taxation at the Local Level

The assessors of the various counties, through their appraisal staffs, appraise property at its true cash value. ORS 308.205 defines true cash value as follows:

True cash value of all property, real and personal, means the market value of the property as of the assessment date. True cash value in all cases shall be determined by methods and procedures in accordance with rules adopted by the Department of Revenue and in accordance with the following:

(1) If the property has no immediate market value, its true cash value is the amount of money that would justly compensate the owner for loss of the property.

(2) If the property is subject to governmental restriction as to use on the assessment date under applicable law or regulation, true cash value shall not be based upon sales that reflect for the property a market value that the property would have if the use of the property were not subject to the restriction unless adjustments in value are made reflecting the effect of the restrictions.
(Emphasis added.)

Therefore, true cash value equals market value except for special assessments (special assessments will be discussed in the next section). Market value is defined in OAR 150-308.205-(A) to be:

(1) Definitions: (a) Market Value as a basis for true cash value shall be taken to mean the most probable price in terms of money which a property will bring if exposed for sale in the open market, allowing a period of time and financing typical for the particular type of property involved and under conditions where both parties to the transaction are under no undue compulsion to sell or buy and are able, willing and reasonably well-informed....
(Emphasis added.)

The property is then assessed at 100 percent of its true cash value and placed on the property tax roll as required by ORS 308.232:

All real or personal property within each county shall be valued and assessed at 100 percent of its true cash value.

The department (as well as local taxing entities) is required to employ methods of assessing taxable real property which take into consideration the factors prescribed in ORS 308.235:

(1) Taxable real property shall be assessed by a method which takes into consideration:

(a) The applicable land use plans, including current zoning and other governmental land use restrictions;

(b) The improvements on the land and in the surrounding country and also the use, earning power and usefulness of the improvements, and any rights or privileges attached thereto or connected with; and

(c) The quality of the soil, and the natural resources in, on or connected with the land, its conveniences to transportation lines, public roads and other local advantage of a similar or different kind.

(2) If land is situated within an irrigation, drainage, reclamation or other improvement district, the value of the land shall not be considered to be increased until the construction and improvement of the district have been completed to the point that water may be delivered to or removed from the land, as the case may be.

It is these statutory directives that form the basis for the department's determination that none of its property tax programs, and the decisions and actions taken under them, affect land use as defined by LCDC's SAC rule.⁵ By law, the department and county assessors must recognize the use limitations established by comprehensive plans and zoning in determining the property's assessed value.

The assessor cannot value any land for a use that is not a legal use under the zoning of the land. Therefore, assessment decisions made by the department and the county assessor, by themselves, do not affect in any direct or significant way the statewide goals or how cities and counties plan and zone within their jurisdictions.

5. "Affect" as defined by LCDC's SAC rule means that no decisions made or actions taken by the Department of Revenue or any county assessor will establish a conflict with an acknowledged comprehensive plan, or are reasonably expected to have a significant impact on an existing or future use identified in a comprehensive plan.

D. Special Assessments

The legislature has adopted a number of statutes to encourage or help landowners maintain a certain land use. The statutes governing special assessments establish specific requirements which, if met, entitle property to receive preferential tax treatment regardless of how the land is zoned. The department or the county assessors have no delegated discretion or authority to consider other factors outside of those statutory requirements, in approving special assessments.

Listed below are the current special assessments programs that the legislature has established:

1. Farm-Use Assessment:

Land may be zoned exclusive farm use (EFU) as part of a comprehensive land use plan, or designated as farmland as a result of the landowner applying for and being granted a special assessment. The farmland special assessment is intended to provide a financial incentive through reduced taxes for an owner who wishes to farm the land.

a. EFU Zone: ORS 215.203 provides for exclusive farm use (EFU) as follows:

(1) Zoning ordinances may be adopted to zone designated areas of land within the county as exclusive farm-use zones. Land within such zones shall be used exclusively for farm use except as otherwise provided in ORS 215.213 or 215.283. Farm-use zones shall be established only when such zoning is consistent with the comprehensive plan.

(2)(a) As used in this section, "farm use" means the current employment of land for the primary purpose of obtaining a profit in money by raising, harvesting and selling crops or the feeding, breeding, management and sale of, or the produce of, livestock, poultry, fur-bearing animals or honeybees, or for dairying and the sale of dairy products, or any other agricultural or horticultural use, or animal husbandry, or any combination thereof. "Farm use" includes the preparation and storage of the products raised on such land for human use and animal use and disposal by marketing or otherwise. "Farm use" also includes the propagation, cultivation, maintenance and harvesting of aquatic species....

Therefore, land becomes zoned for exclusive farm use (EFU) only when such zoning is adopted by the local governing body, as required by Statewide Goal Three: Agricultural Lands. Such zoning must be consistent with the comprehensive plan as stated in ORS 215.203(1), and the land so zoned must be currently employed in a farm use as defined in ORS 215.203(2).

If the standard set out in ORS 308.370(1) is met, then the assessor is required by law to value the land at its farm-use value. No application or filing by the owner is required. ORS 308.370(1) states:

Any land which is within a farm use zone established under ORS 215.010 to 215.190 and 215.402 to 215.438 or 227.215 to 227.300, and which is used exclusively for farm use as defined in ORS 215.203(2), shall for purposes of assessment, be valued under ORS 308.232 at its true cash value for farm use and not at the true cash value it would have if applied to other than farm use. (Emphasis added.)

ORS 308.382(1) provides for the disqualification of specially assessed land in an EFU zone from receiving that special assessment if it is not being used as farmland. If the land is also not being used for industrial, commercial, residential, or other uses which would prevent the land from being returned to farming, then the land will be assessed and taxed at market value beginning with the year of disqualification. In this case, any penalties provided under ORS 308.399 would not be immediately imposed, but held as a potential additional tax liability against the property.

ORS 308.382(2) provides for the disqualification of specially assessed land in an EFU zone from receiving that special assessment if it is not being used as farmland. If the land is being used for industrial, commercial, residential, or other uses which would prevent the land from being returned to farming, then the land will be assessed and taxed at market value beginning with the year of disqualification, and the penalties provided under ORS 308.399 will be immediately imposed.

ORS 308.399 requires that upon imposition a property disqualified under ORS 308.382 that was formerly specially assessed under ORS 215.203 will be assessed for total value at highest and best use and the owner billed additional taxes for each year the exemption was in place up to the maximum. The maximum is ten years if the land is located outside of an urban growth boundary, and five years if located within an urban growth boundary.

In conclusion, it is the land use that affects taxation, and not the reverse. The assessing body cannot set land use, but rather must react to that use by statute.

b. Non-EFU Zone: If farmland is not located within an exclusive farm-use zone, the owner must file an application to have the land valued at its farm-use value. In addition to being currently employed in a farm, the land must have been so employed in the prior two years and have met a gross income test in three of the prior five years. It makes no difference what the land is zoned if non-EFU, or why the land is zoned non-EFU (even if the land was removed from an EFU zone at the owner's request). If the above use and income requirements are met, then the assessor by law must value the land at its farm-use value. ORS 308.370(2) provides:

Any land which is not within a farm use zone but which is being used, and has been used for the preceding two years, exclusively for farm use as defined in ORS 215.203(2) shall, upon compliance with ORS 308.375, for purposes of assessment, be valued under ORS 308.232 at its true cash value for farm use and not at the true cash value it would have if applied to other than farm use....

ORS 308.375 (1) provides:

Any owner of farmland entitled to special assessment under ORS 308.370(2) must, to secure such assessment, make application therefore to the county assessor on or before April 1 of the first year in which such assessment is desired.

ORS 308.384(1) provides for the disqualification of land specially assessed as farmland, but not in an EFU zone from receiving that special assessment if it is not being used as farmland. If the land is also not being used for industrial, commercial, residential, or other uses which would prevent the land from being returned to farming, then the land will be assessed and taxed at market value beginning with the year of disqualification. In this case, any penalties provided under ORS 308.395 would not be immediately imposed, but held as a potential additional tax liability against the property.

ORS 308.384 (2) provides for the disqualification of land specially assessed as farmland, but not in an EFU zone from receiving that special assessment if it is not being used as farmland. If the land is being used for industrial, commercial, residential, or other uses which would prevent the land from being returned to farming, then the land will be assessed and taxed at market value beginning with the year of disqualification, and the penalties provided under ORS 308.395 will be immediately imposed.

ORS 308.395 requires that upon imposition, a property disqualified under ORS 308.384 that was formerly specially assessed under ORS 308.370(2) will be assessed for total value at highest and best use and the owner billed additional taxes for each year the exemption was in place up to a maximum of five years.

Again, it is the land use that affects taxation, and not the reverse. The assessing body cannot set land use, but rather must react to that use by statute.

2. Single-Family Residential:

The single-family residential special assessment allows property in continuous use as a single-family residence to be assessed and taxed at a residential value when the highest and best use of the property would be other than a single-family residence. This provides a property owner a way to maintain his or her residence without an undue tax burden, being forced to sell, or converting the property to another use.

ORS 308.670 requires that any land and improvements located within an industrial, commercial, or multiple-family residential zone, but which is now being used, and for the preceding five years been used, as a single-family residence shall upon compliance with ORS 308.675 be valued at its true cash value as a single-family residence and not at its highest and best use. ORS 308.675 requires the owner or other legally interested party entitled to the special assessment to make application to the county assessor on or before April 1 of the first year in which the assessment is desired.

ORS 308.680 provides for the disqualification of property from the single-family residence special assessment (a) upon notification in writing by the taxpayer to the assessor requesting the special assessment be removed, (b) sale or transfer of the property to an ownership (e.g., a nonprofit entity or governmental agency) exempt from the obligation to pay property taxes, or (c) when such property ceases to be used as a single-family residence. In addition, transfer of the property, for any reason, to a new owner who is subject to pay property taxes shall not disqualify the property from the single-family residence exemption unless, in at least 30 days in advance of the transfer, the local governing body with planning and zoning jurisdiction over such property adopts an ordinance which disallows the continuance of this special assessment on that particular piece of property when that property changes hands.

ORS 308.685 requires that upon disqualification, a property formerly specially assessed under ORS 308.670 will be assessed for total value at highest and best use and the owner billed additional taxes for each year the exemption was in place up to a maximum of five tax years.

The granting of this special assessment does not affect existing or future land use. Rather, ORS 308.670 provides a way of lowering taxes for an owner who is putting the property to a legal use under the applicable zoning, but at less than the highest and best use.⁶

3. Designated Forestland: (WOODLAND)

Land may be classified forestland for property tax assessment purposes because the assessor determines its highest and best use is the growing and harvesting of trees, or the land may be designated as forestland as a result of the landowner applying for and being granted a special assessment. The forestland special assessment provides a financial incentive through reduced taxes for the landowner who wishes to grow and harvest marketable timber on land planned and zoned for forest, farm, or nonforest uses (such as: residential, commercial, and industrial).

ORS 321.815(1) (Eastern Oregon) and ORS 321.358(1) (Western Oregon) requires a landowner desiring forestland special assessment to apply to the county assessor on or before April 1 following the assessment date on which a special assessment as forestland is desired. The owner may also make such application within 30 days of receipt of either a Notice of Assessment of the land as omitted property, or a notice of increase in the true cash value of this land, or by December 15 of the year of increased assessment if the owner does not receive the omitted assessment notice. However, pursuant to ORS 321.805 (Eastern Oregon) and ORS 321.257 (Western Oregon) the owner of land may receive a forestland special assessment without filing an application where the assessor classifies or had previously classified the land as forestland.

ORS 321.358(3) (Western Oregon) requires the assessor to designate land as forestland if it meets the minimum stocking or acreage requirements established by the department.

6. Highest and best use is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

The Appraisal of Real Estate, 9th ed., American Institute of Real Estate Appraisers, Chicago, p. 269.

ORS 321.815(3) (Eastern Oregon) does not statutorily establish this means of qualification. However, the Administrative Rules of the department require that all land (Eastern or Western Oregon) meet the minimum stocking and acreage requirements in order to qualify for forestland special assessment (see OAR 150-321.358 and OAR 150-321.805).

Therefore, if the land is determined by the assessor to be classified or designated as forestland because the land meets the minimum stocking and acreage requirements contained in the department's Administrative Rules, the assessor is required by law to assess the land as forestland regardless of the comprehensive land use plan or zoning.

While it may appear that the statutes allow the various county assessors discretion in granting the special assessment, the department and Attorney General have long held that such discretion lies only in determining if the property meets the statutory and rule requirements to qualify for the special assessment.⁷ Moreover, there are several Attorney General opinions that instruct the assessors to approve the forestland special assessment if the property owner establishes intent to hold land for the purpose of planting trees.⁸ In other words, the assessor would be required to approve the special assessment before the landowner has met the forestland stocking requirements; if the landowner demonstrates intent to use the land for growing and harvesting trees of marketable species.

In conclusion, the assessor does not have discretion to determine what the requirements will be in granting a forestland special assessment. These requirements are established by statute and rule. Comprehensive plans and zoning designations are not statutory requirements applied in granting the forestland special assessments.

7. Informal Attorney General Letter Opinion 68-218, Bartz, "Special and Limited Assessment," 1968. If an owner of forestland applies for an exemption and qualifies, the assessor has no discretion but must grant timberland values to the land even though the land has a better and higher [sic] use as subdivision property.

8. Informal Attorney General Letter Opinion 70-158, Bartz, "Timber," 1970. Designation as forestland is to be allowed if the owner is making reasonable effort towards reforestation. Owner needs only to establish intention to hold land for purpose of planting trees.

Informal Attorney General Letter Opinion 70-186, Bartz, "Timber," 1970, and Informal Attorney General Letter Opinion 70-189, Bartz, "Timber," 1970. Law allows land to be designated as forestland even though there is no stocking, but there is intent to begin growing trees on the land.

ORS 321.820 (Eastern Oregon) and ORS 321.359 (Western Oregon) provide for the disqualification of such land from the forestland designation if the owner requests such a change, a sale occurs which makes the property exempt from taxation, if it is discovered that the land is no longer being used for growing marketable timber, or the land has been platted for subdivision.

ORS 321.825 (Eastern Oregon) and ORS 321.372 (Western Oregon) requires that upon disqualification, a property formerly designated as forestland will be assessed at a value which represents the highest and best use of the land. The owner of that property will then be billed additional taxes for each year the designation was in place up to a maximum of five tax years.

4. Open Space Lands:

Open space lands may be created through the zoning process as part of a comprehensive land use plan, or designated as open space land as a result of the landowner applying for and being granted a special assessment. The open space special assessment does not create a land use conflict where land is zoned other than open space land, but rather provides a financial incentive, through reduced taxes, for the owner who wishes to maintain land as open space land, and where leaving the land as open space would be in the public interest.

ORS 308.740 defines open space land as any land so designated by an official comprehensive land use plan adopted by any city or county, or any land area the preservation of which would in its present use: (1) conserve and enhance natural or scenic resources, landscaped areas, recreational areas, or abutting public lands; (2) protect and conserve air, water, soils, wetlands, beaches, or tidal marshes; (3) preserve historic sites; or (4) promote orderly urban or suburban development.

ORS 308.750 requires that the landowner desiring the open space special assessment make application to the county assessor in the calendar year prior to the assessment year for which the designation is requested.

ORS 308.755 requires the county assessor to refer applications for the open space assessment to the planning commission, if any, and the granting authority (the city or county governing body as appropriate). If a comprehensive plan is in place, then the application will be processed in the same manner in which an amendment to that plan is processed (i.e., a public hearing will be held after proper notice of the hearing is given). If no such plan is in place the application will be processed after a public hearing is held. In determining the approval or disapproval of such application, the granting authority will weigh the benefits of the current use as

outlined under ORS 308.740 against the potential loss of revenue from taxing the property at its highest and best use, but not deny the application solely because of loss of revenue. The granting authority may approve all or part of the property for this assessment.

As provided in ORS 308.760, neither the county assessor nor the Department of Revenue has any discretion in this matter. If the granting authority approves the assessment request, the assessor is required by law to assess the property as open space land. ORS 308.760(2) states:

When the granting authority determines that the land qualifies under ORS 308.740 to 308.790 [statutes dealing with open space lands], it shall enter on record its order of approval and file a copy of the order with the county assessor within ten days. The order shall state the open space use upon which approval was based. The county assessor shall, as to any such land, assess on the basis provided in ORS 308.765, and each year the land is classified shall also enter on the assessment roll, as a notation, the assessed value of such land were it not so classified [as a potential tax liability in case the land is later disqualified from special assessment].

ORS 308.765 states:

In determining the true cash value of open space land which has been classified as such under ORS 308.740 to 308.790, each year the assessor shall, notwithstanding the provisions of ORS 308.205:

(1) Assume the highest and best use of the land to be the current open space use, such as park, sanctuary or golf course, and the assessor shall not consider alternative uses to which the land might be put. (Emphasis added.)

(2) Value the improvements on the land, if any, as required by ORS 308.205.

Upon the request of the owner, the open space classification may be withdrawn. ORS 308.770 requires that total additional taxes be assessed plus interest for all years the classification was in effect. ORS 308.775 requires a penalty equal to 20 percent of the total taxes if the assessor has not been notified of the land use change.

5. Western Oregon Small Tract Option Tax:

The Western Oregon Small Tract Option Tax (WOSTOT), which is administered by the Department of Forestry, has minimal impact on the Department of Revenue. This program involves a plan between the landowner and the Department of Forestry. If the plan is approved by ODOF, then the county assessor is required by law (ORS 321.730) to specially assess the qualifying property.

6. Riparian Lands:

The riparian lands program is administered by the Department of Fish and Wildlife. This program involves a plan between the landowner and the Department of Fish and Wildlife. If the plan is approved by ODFW, then the county assessor is required by law (ORS chapter 720, 1981 Oregon Laws, and OAR 635-09-300 to 635-09-360) to specially assess the qualifying property.

7. Historic Property:

The historic property program is administered by the Department of Parks and Recreation. This program involves a plan between the landowner and Department of Parks and Recreation. If the plan is approved by ODPR, then the county assessor is required by law (ORS 358.495 and .505) to specially assess the qualifying property.

E. Conclusion

It is the conclusion based on the above discussion that none of the department's rules and programs affects land use from the standpoint of "significant effects" on resources, objectives, or areas in the statewide goals or on existing or future uses in comprehensive plans.

Currently, certain conflicts exist between the statutes regulating how land is planned and how land is assessed in rural and urban areas. Specifically, under the present statutes, it is legally possible for land to be planned and zoned for rural or urban development, and still qualify for preferential tax benefits. For example, there may exist a parcel of land within the urban growth boundary zoned commercial or industrial. However, by meeting the appropriate legal requirements, the owner of that parcel may receive a special assessment as the land is being put to a residential, farm, or forest use.

Reconciliation of the operation of the state's land use and tax laws lies outside of the Department of Revenue's existing administrative and rulemaking authority under the state revenue statutes or ORS 197.180 (state agency coordination). Action by the legislature will be required to bring about any resolution of these conflicts.

Agency Programs Subject to LCDC Permit Compliance Rule

The department's programs do not involve the issuance of permits. They are not subject to LCDC's agency permit compliance and compatibility rule, OAR 660, Division 31.

SECTION III

AGENCY PROGRAM TO ASSURE COMPLIANCE WITH THE STATEWIDE PLANNING GOALS AND COMPATIBILITY WITH ACKNOWLEDGED COMPREHENSIVE PLANS

This section responds to the requirements of OAR 660-30-060(4). These requirements ask an agency how it will assure that any of its rules and programs determined to affect land use comply with the Statewide Planning Goals and are compatible with acknowledged city and county comprehensive plans and land use regulations.

Exempt and Compatible Agency Land Use Programs

None of the department's rules or programs fall into the category of an exempt land use program. There are no applicable statutes, constitutional provisions, or appellate court decisions which expressly exempt these programs from compatibility with acknowledged comprehensive plans, but not from compliance with the statewide planning goals.

Rules and Procedures to Assure Compliance with the Statewide Goals and Compatibility with Acknowledged Comprehensive Plans

The department is not required to adopt any rules and procedures to assure compliance with the statewide planning goals and capability with acknowledged comprehensive plans because none of its programs have been determined to affect land use (see Section II above).

Compliance and Compatibility of New or Amended Land Use Programs

The department has adopted the following policy to assure that new or amended agency programs address state land use requirements and are properly incorporated into the department's SAC program:

The department shall submit notice of any new agency rules or programs determined to affect land use to the Department of Land Conservation and Development (DLCD) as required by OAR 660-30-075.

SECTION IV

OREGON DEPARTMENT OF REVENUE PROGRAM FOR COORDINATION WITH THE DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT, AFFECTED STATE AND FEDERAL AGENCIES AND OTHER ORGANIZATIONS

Agencies Coordination With the Department of Revenue

The department does not participate in land use planning activities. Therefore, we do not have a coordinating plan with other agencies.

The department does receive "what if" questions from other agencies and county governing bodies. Examples include:

- 1) County planners and city managers asking about the effect of zoning wording changes, such as the qualification or disqualification of exclusive farm-use zones for special farm-use assessment.
- 2) A government agency (Department of Veterans' Affairs, Bureau of Land Management, etc.,) asking if deferred taxes would be due if land is traded, bought, or sold.

Interagency Coordination Procedures

Other than providing notice of rule making, circulation of information brochures, and training/information sessions, the department is not involved in planning or goal-setting activities.

Interagency Coordination Contact

Questions regarding interagency coordination may be addressed to:

Supervisor
Information Resource Management
Oregon Department of Revenue
955 Center Street, NE
Salem, OR 97310

378-8001

SECTION V

PROGRAMS FOR COOPERATION WITH, AND TECHNICAL ASSISTANCE TO, LOCAL GOVERNMENTS

Agency Participation in, and Coordination With, City and County Development of Comprehensive Plans

The department does not anticipate becoming involved, or otherwise actively participating in the development, amendment, or implementation of city and county comprehensive plans. The department's role will be limited to providing technical assistance upon request to cities and counties as discussed below.

Department Contact for Cooperation and Technical Assistance

The department gathers summary statistics on the programs it administers. For property tax programs, data is available at the county level and can be, at cost, produced for local areas. The areas which appear related to land use planning are discussed separately below.

Technical Assistance and Information Available

The department shall exercise general supervision and control over the system of property taxation throughout the state. (ORS 306.115.) The department offers technical assistance and information through training, publications, and other assistance. These services include:

Training

Assessors' Appraisal School--an annual training session of one week, usually held in August. The school provides training to county assessment personnel in cartography, data analysis, and appraisal techniques for industrial, commercial, rural, farm, and residential properties. An enrollment fee is charged. For more information call 378-3022.

New Laws School--a one- or two-day session held in the fall of legislative years to inform assessors and their staffs of new laws and law changes that will affect assessment and taxation. No enrollment fee is charged. For more information call 378-3022.

New Assessors' School--a three-day session held every other January for newly-elected assessors and their staffs. The school provides an overview of the assessment and taxation process. Topics include cartography, valuation of real property, the appraisal process, the sales ratio and adjustment program, special values and use value assessments, the appeals process, local budget, county automation, utility/industrial valuation, timber, Administrative Rules, exemptions, and senior citizen's deferral. No enrollment fee is charged. For more information call 378-3022.

Board of Equalization Schools--held once a year, in the late winter, throughout the state. These sessions are one-day seminars used to inform board members of their responsibilities for equalization of the assessment rolls. No fee is charged. For more information call 378-3372.

Local Budget Workshops--one-day workshops held in various locations throughout the state during January and February. They are attended by representatives of Oregon's 1,500 taxing districts who receive instruction in the development of their budget documents. No fee is charged. For more information call 378-3375.

Tax Rate Computation Workshops--Assessors and members of their staffs attend these one-day sessions to learn how to correctly compute tax rates. They are scheduled during May and June and are held at various locations throughout the state. No fee is charged. For more information call 378-3375.

Western Oregon Severance Tax Distribution Workshops--a series of presentations designed to acquaint local government taxing districts and other interested groups with the method used to distribute timber severance tax receipts to taxing districts. Information provided includes an overview of the WOST, the computation formula for calculating levy offsets, and current issues which impact those influenced by WOST receipts. No fee is charged. For more information call 378-3375.

Publications

The following publications are available through the Research Section. For more information call the Research Section Supervisor at 378-3727.

1. **Oregon Personal Income Tax Analysis**--Analysis of tax returns filed with the department is made yearly. Detailed statewide data and some county data are published annually in Oregon Personal Income Tax Statistics. More detailed data is available from the Research Section at both the statewide and county levels. At present, no summary data is available for governmental units within counties.
2. **Oregon Homeowner and Renter Property Tax Refunds (HARRP)**--Property tax refund claims filed with the department are analyzed yearly. Data through 1973 were published in 53 Years of Property Tax Relief in Oregon. Subsequent data prior to 1984 were published with the Oregon Personal Income Tax Statistics. Since 1984, HARRP data have been published annually in Oregon HARRP and ERA Annual Statistics. This document also provides data concerning the Elderly Rental Assistance Program. Substantial detail is available for both the state and counties.

3. **Oregon Property Tax Statistics**--Data on assessed valuation, tax levies, and tax collections reported to the department by county assessors are published annually. A supplement, containing more detailed data by taxing district, is also published annually.
4. **Oregon Corporation Excise and Income Taxes**--Data is summarized at the statewide level from returns filed with the department. Since many taxpayers allocate a portion of their total income to Oregon, it is not possible to provide this information on other than a statewide basis.
5. **Local Taxes Administered by the Oregon Department of Revenue**--The department currently administers the Multnomah County Business Income Tax and Washington County Corporation Income Tax. Data on collections under these programs is available from the Research Section.
6. **Eastern Oregon Severance Tax**--Summary data on harvest volumes and tax revenues is gathered and available from the department. Since this data is reported by tax code area, it is available for all taxing districts in Eastern Oregon.
7. **Western Oregon Severance Tax**--Summary data on harvest volumes and tax revenues is gathered and available from the department. Since this data is reported by tax code area, it is available for all taxing districts in Western Oregon.
8. **Forest Products Harvest Tax**--Summary data on harvest volumes and tax revenues is gathered and available from the department. Since this data is reported by tax code area, it is available for all taxing districts in Oregon.
9. **Shared Revenues**--The department prepares an annual forecast of revenues collected by the state and (partially) distributed to city and county governments. These include cigarette and liquor revenues and payments in lieu of property taxes. Contact the Research Section for more details.
10. **Ratio and Assessment Data**--This publication covers information on assessment level studies for the 36 counties. Contact the valuation supervisor at 378-3372.

Other Assistance

Mapping--The Program Services Section's Mapping Unit of the Property Tax Division is responsible for the maintenance of tax ownership maps for several of the counties. (See ORS 306.125.) The same unit is also responsible for approval of boundary changes implemented by the local taxing districts (ORS 308.225).

Other information/assistance includes "information circulars" which describe programs administered by the department. These include farmland assessments, both in and out of Exclusive Farm-Use (EFU) zones, forest tax programs, disaster area property tax deferral, and alternative energy devices programs. Interested persons should contact the department's Tax Help Unit at 371-2244 for more information.

The department's staff of tax experts and research economists is available for technical assistance to local planners and others in any way consistent with the laws relating to the department's responsibilities.

These include:

Administrative Services Division

Research Section Supervisor - 378-3727
Information Resources Management Supervisor - 378-8001

Audit Division

Corporation Audit Supervisor - 378-3745
Audit & Compliance Supervisor - 378-8303
Program Services Supervisor - 378-7388

Collection Division

Division Administrator - 378-8032

Information Processing Division

Division Administrator - 378-3363

Property Tax Division

Local Government Section Supervisor - 378-3375
Valuation Section Supervisor - 378-3372
Program Services Section Supervisor - 378-3022

Participation in Period Review Process

These requirements do not directly apply to the department or its programs. Department personnel are sometimes involved as legislation is introduced to determine the impact on tax matters. When county assessors are notified of changes in comprehensive plans, zoning ordinances, or zoning designations (ORS 308.371), they often request the department "what if" questions regarding its effect on property taxes.

Cooperation and Technical Assistance to Coastal Cities and Counties

The department does not have and does not expect to adopt rules which apply to just coastal counties. The department's cartography section does maintain some counties maps and also assists other coastal counties in maintaining the vegetation lines and riparian lands such as tidelands.

Technical Assistance Pursuant to ORS 197.712(2)(f) and 197.717(1) and (2)
Local Public Facility Planning, Permit Issuance, and Economic Development

On request, the department will answer technical questions relating to property taxes in an Enterprise Zone.

SECTION VI

APPENDIX

Oregon Revised Statutes and Administrative Rules Cited or Paraphrased in the Text of the Report.

- ORS 215.203 Zoning ordinances establishing exclusive farm use zones; definitions
- ORS 215.213 Permitted uses in exclusive farm use zones
- ORS 215.283 Alternative uses in exclusive farm use zone
- ORS 308.205 "True cash value" defined
- ORS 308.232 Property to be valued and assessed at 100 percent true cash value
- ORS 308.235 Valuation of land
- ORS 308.370 Value of single-family dwellings not to be increased because of deferred maintenance activities; effect of uniformity of assessment orders
- ORS 308.375 Application for special assessment under ORS 308.370
- ORS 308.382 Effect of disqualification for special assessment of land lying within exclusive farm use zone
- ORS 308.384 Effect of disqualification for special assessment of unzoned farmland
- ORS 308.395 Collection of additional tax from land not diverted from farm use; lien
- ORS 308.399 Penalty when land disqualified for special assessment; exceptions to penalty assessment
- ORS 308.670 Single-family residences within commercial or industrial zones assessed at single-family residence value
- ORS 308.675 Application for special assessment; form; contents; execution
- ORS 308.680 Assessment of approved land; notice to assessor of change in land use; election by governing body to disqualify property upon transfer; limitation
- ORS 308.685 Disqualified land; additional tax; notice to owner; cancellation of additional tax upon rezoning
- ORS 308.740 Definition for ORS 308.740 to 308.790
- ORS 308.745 Policy
- ORS 308.750 Application for open space use assessment; contents of application; filing; reapplication
- ORS 308.755 Submission of application for approval of local granting authority; grounds for denial; approval; withdrawal of application

- ORS 308.760 Notice to assessor of approval or denial; recording approval; assessor to record potential additional taxes on tax roll; appeal from denial
- ORS 308.765 Determination of true cash value of open space lands

- ORS 308.770 Change in use of open space land; notice to assessor; withdrawal from classification; collection of additional potential taxes
- ORS 308.775 Withdrawal by assessor when use changed; notice to granting authority; imposition of additional taxes; interest; penalty; exception in case of certain sale of land
- ORS 308.780 Prepayment of additional taxes; extending taxes on tax roll; collection; distribution
- ORS 308.785 Reports from owner to assessor; effect of failure of owner to make report upon request
- ORS 308.790 Rules and regulations
- ORS 321.257 Definitions for ORS 321.257 to 321.381
- ORS 321.358 Application for designation as forestland; contents; approval
- ORS 321.359 Removal of designation; exceptions; appeal from reassessment or denial; requalification
- ORS 321.372 Additional tax upon removal of forestland designation; attachment of lien; payment
- ORS 321.805 Definitions for ORS 321.805 to 321.825
- ORS 321.815 Application for forestland designation; contents; approval
- ORS 321.820 Removal of forestland designation; notice; appeal; requalification
- ORS 321.825 Additional tax upon removal of forestland designation; lien; prepayment

Enabling Statutes (see page 4 of text)

Information Circulars List

- Assessment of Farmland in an Exclusive Farm Use Zone
- Assessment of Farmland not in an Exclusive Farm Use Zone
- Forest Tax Programs

Oregon Department of Revenue Organization Chart

Department Publications List