



## Office Memorandum

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DATE: September 1, 2016

TO: Michael Vaughn, Director Division of Assessment, Recording and Taxation

FROM: Richard Teague, Tax Revenue Manager

RE: Tax Write Off Criteria

The Tax Collection Specialist and collection staff are responsible for the collection of delinquent taxes on centrally assessed utilities, industrial machinery and equipment, business personal property, manufactured homes, and floating home accounts.

Collection enforcement begins as soon as an account becomes delinquent. Notification is sent stating that if taxes are not paid a warrant will be recorded. If the taxes are not paid the warrant is recorded, becoming a lien on any real property owned by the debtor. Under Oregon law warrants act as judgments allowing the County to garnish bank accounts, employers and other resources such as Oregon tax refunds, ODSL unclaimed property, Groupons, insurance claims, receivables and rents. The collector continues to attempt to contact the taxpayers in an effort to collect the taxes. We search for real property they may own in other counties and record our warrants there. Businesses or individuals that have relocated or are headquartered out of state, and have a significant amount of delinquent taxes, are referred to the County Attorney for possible legal action.

Taxes are determined to be uncollectible:

- For corporations that have dissolved and the personal property has been removed from the site and cannot be located (under Oregon law the County cannot pursue corporate officers individually for delinquent property taxes).
- For individuals, when the person is deceased or the exact identity of a commonplace name cannot be determined and the location of lien property is unknown.
- For mobile homes and floating homes, when the home has gone through the statutory abandonment process and it is either demolished or donated.
- When bankruptcy stays collection activity, the delay itself often renders the debt uncollectible once the case is closed. In addition, the Bankruptcy Court may reduce the amount of taxes that can be collected or may sell the property, leaving the remainder uncollectible.

There is no set period of time that needs to pass before taxes may be written off. In the case of an account after bankruptcy or a manufactured home that is abandoned, or, the taxes may be determined to be uncollectible quickly. With an individual, taxes can remain on the tax roll until paid. All enforcement options are exhausted before taxes are written off except when it is not cost effective to do so.