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MULTNOMAH COUNTY BOARD OF COMMISSIONERS
PUBLIC TESTIMONY SIGN-UP

Please complete this form and return to the Board Clerk

This form is a public record

MEETING DATE: 01.19.06

SUBJECT: Jim Worlein

property tax problem

AGENDA NUMBER OR TOPIC: Public Comment

FOR: _____ AGAINST: _____ THE ABOVE AGENDA ITEM

NAME: _____

ADDRESS: 3017 SW Linneman Dr.

CITY/STATE/ZIP: Gresham

PHONE: DAYS: 503 706-1283 (cell) EVES: 503 661-3392

EMAIL: jworlein@mindspring.com FAX: _____

SPECIFIC ISSUE: _____

WRITTEN TESTIMONY: ATTACHED

IF YOU WISH TO ADDRESS THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Address the County Commissioners from the presenter table microphones. Please limit your comments to **3 minutes**.
3. State your name for the official record.
4. If written documentation is presented, please furnish one copy to the Board Clerk.

IF YOU WISH TO SUBMIT WRITTEN COMMENTS TO THE BOARD:

1. Please complete this form and return to the Board Clerk.
2. Written testimony will be entered into the official record.

Deb:

Could you e-mail me some sort of documentation that I was here today? Anything I would forward it to my mortgage company, to let them know I'm working on resolution.

A handwritten signature in cursive script, appearing to be 'J. A.' or similar, written in dark ink.

Also, what exactly did the Board decide to do regarding my situation?

I have left you a note to the board that I would like entered into the record, given to them.

1/19/06

Bd. of Commissioners:

Thanks for your time today. I am looking forward to providing you with additional information. Please give me an opportunity to fill you in, to briefly tell you the entire story from my perspective.

It's my plea that you not allow yourselves to be hamstrung by the letter of the law. Rather, focus on the intent of tax law. I sincerely implore you to do the right thing. To do this, you will have to ask your staff to be creative & maybe work harder; ~~to think~~ There is a solution to this that will be fair to all parties. Let's get it done.

Attached are 3 e-mails that I think summarize events. They'll get you started. I have more detailed documentation that could be helpful.

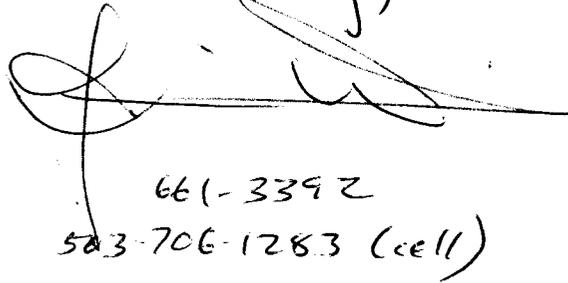
Re-stating my requests today.

- 1) Permit a 5-year interest & penalty free payment plan.
- 2) Notation in my tax records that this amount is not delinquent, in

common definition of the term. Hopefully this will put my mortgage company at ease.

3) Address this apparent unfair oversight at the state level. Seek amendment(s) that make a distinction between delinquent taxes and those that are back billed.

Sincerely,

A handwritten signature in black ink, appearing to be "J. W.", written over a horizontal line.

661-3392
503-706-1283 (cell)

jworlein@mindspring.com

Boyer e-mails

From: "BOYER Dave A" <dave.a.boyer@co.multnomah.or.us>
To: "Jim Worlein @ mindspring.com" <jworlein@mindspring.com>
Sent: Tuesday, January 17, 2006 10:09 AM
Attach: JWorlein_20051216133417.pdf
Subject: RE: Property Tax ADD

Jim

I am sorry this has taken so long but I have been out sick for the last two weeks. I did go to bat for you and asked our County Attorney, John Thomas on what flexibility we have in following the Oregon Revised Statutes. He informed me that we have to follow them to the letter. The staff that I worked with was Kathy Tuneberg, Tax Collector and Randy Walruff, the new County Assessor. We reviewed the history of your account and the Courts order regarding your account and based on the order and the Statutes we have followed what is allowable. I know this will not help you but I have asked Randy and Kathy to take this issue to the Association of Oregon Counties and propose a fix to allow more flexibility. This will not be able to happen until the 2007 legislative session. Sorry again for the problem. Let me know if you need anything else.

Dave Boyer
 Director, County Management/CFO
 501 SE Hawthorne Blvd Suite 531
 Portland, OR 97214
 (503) 988-3903
 e-mail dave.a.boyer@co.multnomah.or.us

-----Original Message-----

From: Jim Worlein @ mindspring.com [mailto:jworlein@mindspring.com]
Sent: Friday, December 30, 2005 1:51 PM
To: BOYER Dave A
Subject: Fw: Property Tax ADD

"Staff" and "county attorney" are rather vague. I would like the names of the people you spoke with. I'm sorry, but all the information you provided me doesn't make it sound like an a clerical error, but some people and an agency not doing its job. I realize the court has made this point academic, but I still think my anger and disappointment are valid.

"The statute provides that we do not charge interest for the back years." Sorry if laugh and say, "Don't do me any more favors."

"The law provides for no waiver of the interest in this situation...We are required to place the tax on the roll in the year following the year in which the clerical error is discovered. At that point it is the same as any other levied tax....without the accrual of interest at the interest rate set by statute which is 16% per annum."

Based on what you know, does this seem fair to you? What I am asking is: did you "go to bat for me"? The above would be questions 7 and 8. replies would be sincerely appreciated.

----- Original Message -----

From: Jim Worlein @ mindspring.com
To: BOYER Dave A
Sent: Friday, December 30, 2005 11:29 AM
Subject: Re: Property Tax

1/19/06

I was just about to e-mail you.

You have the basic facts correct. I am familiar with all the statutes, etc. that you cite. I was asking if the county could show some compassion to a working taxpayer for a change.

It is too late for an apology. Would have been nice to hear it when the \$7,500 bill was initially delivered.

I sincerely appreciate any effort you made on this issue. I am not surprised by the outcome, however. You spoke with the same people that made the mistake each year for 5 years, are making me pay for the mistake, who never said "sorry," and who never showed ANY inclination to work something out. They are also the same who wrote the laws. What did you expect?

I do have something further to ask of you. Ask the lawyers what are the likely consequences if the county accepted my suggestion. Do they think it fair and reasonable? Ask assessment and taxation if they, in light of my case, have talked with the lawyers about changing the law to allow payment that doesn't penalize the taxpayer. If not, why not? Also ask them if anyone has been held accountable for this error (that I was told affected others, as well, and delayed funds to county coffers) and has it been corrected.

I look forward to hearing the answers to the above six questions. Again, thank you for your time and happy New Year.

Jim Worlein

----- Original Message -----

From: BOYER Dave A

To: jworlein@mindspring.com

Cc: TUNEBERG Kathleen A

Sent: Thursday, December 29, 2005 12:45 PM

Subject: Property Tax

Dear Mr. Worlein

I have reviewed your situation with staff from Assessment and Taxation and have conferred with our County Attorney to see if we have any latitude in State statutes relating to property tax administration. I am sorry to say that there is nothing that I or the County can do to allow you to pay the taxes off over a period of time without the accrual of interest at the interest rate set by statute which is 16% per annum.

First, let me apologize for any clerical error that we may have made. I can assure you that our staff attempts to be accurate in all they do. As to any relief, the State Legislature specifically addressed this issue and we must follow their laws. Let me go over the history to make sure our and your understanding is the same.

History;

The 1998/99 tax statement mailed in the fall of 1998 was for a vacant lot. The Market Value was \$49,400 and the M-50 Assessed value was \$37,540. This bill was correct.

The 1999/00 tax statement mailed in the fall of 1999 was for a partially completed home. The Market Value was \$276,500 (land \$59,000 Imps \$217,500) but the Assessed Value was not adjusted to add the value of the partially completed home. This error then carried forward into the future years until it was corrected.

The 2000/01 tax statement mailed in the fall of 2000 was for a completed home. The Market Value was \$393,650. The Market and Assessed Values were increased for the work done from the previous year. What did not happen was that the appraiser did not notice that the Assessed Value from the previous year did not include a value for the partially completed home. So in effect we only had increased the Assessed Value for half the house.

The error was discovered in 2003 when we were able to do more complex audits using our software system. It is unfortunate these errors occurred.

ORS 311.229 specifically tells the Tax Collector what process "Shall" be followed in the event of a clerical error. The law provides for no waiver of the interest in this situation. The statute provides that we do not charge interest for the back years. We are required to place the tax on the roll in the year following the year in which the clerical error is discovered. At that point it is the same as any other levied tax. If paid in thirds then no interest is charged. If not then it is required to be treated as any other delinquent tax. Neither the Tax Collector nor the Board of County Commissioners has discretion to allow for payment plans without interest or to extend the date when taxes are due.

Attached is the scanned in copy of the Tax Courts' review and decision regarding your property. I have discussed this with the County Attorney and he advises me that the County must follow State law in the administration of property tax collections. Again I am sorry for any inconvenience we may have caused you. Please let me know if I can be of further assistance.

Dave Boyer
Director, County Management/CFO
501 SE Hawthorne Blvd Suite 531
Portland, OR 97214
(503) 988-3903
e-mail dave.a.boyer@co.multnomah.or.us

-----Original Message-----

From: jworlein@mindspring.com [mailto:jworlein@mindspring.com]
Sent: Friday, December 09, 2005 11:31 PM
To: BOYER Dave A
Subject: Worlein property tax appeal

Dear Mr. Boyer:

Thanks for taking the time to look into my situation. Deb from the commissioners' office suggested I see you on this matter. I had intended to take it directly to the board since my appeal and attempts to negotiate a payment schedule with Assessment and Taxation had failed. If you recall, I am asking five years with no fees or interest to pay the previously unbilled taxes. I believe this to be a reasonable and fair request, given the circumstances.

I appreciate that you are a busy man. And I have read and appreciate the statute regarding fees and interest for "delinquent" property taxes. These taxes are not delinquent, however; I was not billed in a timely manner. So I ask that you give due consideration to common sense and fairness when investigating and discussing this matter.

Sincerely,
Jim Worlein
503-661-3392 << File: JWorlein_20051216133417.pdf >>

Dave Boyer
Director, County Management/CFO
501 SE Hawthorne Blvd Suite 531
Portland, OR 97214
(503) 988-3903
e-mail dave.a.boyer@co.multnomah.or.us

jworlein@mindspring.com

State researcher

From: "THUMMEL Gregg W" <Gregg.W.Thummel@state.or.us>
 To: <jworlein@mindspring.com>
 Sent: Wednesday, May 04, 2005 10:30 AM
 Subject: Clerical Error Assessment

*****CONFIDENTIALITY NOTICE*****

This email may contain information that is privileged, confidential or otherwise exempt from disclosure under applicable law. If you are not the addressee or it appears from the context or otherwise that you have received this email in error, please advise me immediately by reply email, keep the contents confidential, and immediately delete the message and any attachments from your system.

Mr. Worlein,

I have done some research regarding your question about payment options for a clerical error assessment of property taxes. While there are no statutory provisions that allow for a negotiated settlement of the amount due or for a reduction in the accrual of delinquent interest, it may be helpful for you to have knowledge of the tax collection timeline and procedures.

You did not indicate when you first received your notice regarding the additional assessment due to the clerical error. I will assume you received it sometime after July 1, 2004. If you received it before that date then everything backs up one year.

Assuming you received the notice in the 2004-05 tax year, the county can not bill you for the additional tax until the 2005-06 tax year. The tax would be included on your tax statement in October, 2005 and an initial payment of 1/3 of the tax is required to be by November 15, 2005 to forestall the accrual of delinquent interest. This gives you from the time you received the original notice until November 15th to make payments and reduce the balance, interest free. You would then have until February 15, 2006 to pay the next 1/3 of the tax to continue to forestall the any interest. The final 1/3 could be paid anytime before May 15, 2006 without accruing interest.

If you are unable to meet the payment due dates outlined above, then interest begins to accrue at the rate of one and one third percent per month or fraction of a month until paid. This equates to an annual percentage rate of 16%. For the next three years no other fees, penalties or actions (except perhaps for periodic billings) will be taken in regard to collection of the tax. Thus you would have until November 15, 2008 to pay off the additional tax, plus interest. Or if you paid 1/3 of the tax by November 15, 2005 then you would have until February 15, 2009 to pay the remainder plus interest. Similarly if you had paid 2/3 of the tax by February 15, 2006 you would have until May 15, 2009 to pay the remainder plus interest. If you had not paid off the additional tax by that date then your property would be placed in foreclosure. Even after the property is placed in foreclosure you would have two more years to pay off the amount and get your property out of foreclosure. However then there would be additional penalties and fees, and you would be required to satisfy the bill with one lump sum payment rather than periodic installments.

Some counties have provided guidance to taxpayers as to how much they would have to pay monthly to pay off all of the tax due plus interest by a specific date. While such a "payment plan" does not actually relieve the taxpayer of any of the tax or delinquent interest, nor forestall the progress of the collection timeline, but it does provide for a manageable solution to the problem. You may ask your county assessor if they would go through the calculations for you. Alternatively you may just start making monthly payments as you can afford them and determine if you are making sufficient progress on the tax due. Note that after the interest starts to accrue, any payment you make will be applied to interest first until it is paid up to date and then will be applied to the initial tax due.

I sympathize with your situation. It seems unfair to be forced to come up with a large unexpected payment when you believed you had paid all the taxes due. However the Legislature only provided for the relief described above. This recognizes that you received, albeit unknowingly, a benefit of lower taxes for the last five years. They are willing to allow you that benefit interest free as long as you pay off the additional tax as explained above.

I hope this information is useful. Please let me know if you have any more questions or concerns.

1/19/06

Gregg Thummel, Conference Officer
Oregon Department of Revenue
Property Tax Division
(503) 945-8371

jworlein@mindspring.com*blunt, unsympathetic Kilmartin response*

From: "KILMARTIN Patrice M" <patrice.m.kilmartin@co.multnomah.or.us>
To: "Jim Worlein @ mindspring.com" <jworlein@mindspring.com>
Sent: Monday, October 18, 2004 9:43 AM
Subject: RE: What next: lost appeal, Acct #R185082

Mr. Worlein -

To rephrase paragraph 3, if you pay \$4,073.35 by November 15, '04 you will not be charged interest (you will receive no discount either). You will then pay \$3,973.80 on February 15, '05 and be charged no interest, and the same for May 16, '05. As any of those installments becomes past due, 1 1/3% interest will be charged on that **installment** the day after it was due and each month thereafter.

If you pay \$7,888.20 by November 15, '04 you will get a 2% discount and your next payment isn't due until May 15. See the details below:

	Third Date Due	Levied Tax	Tax Due	Discount	Third Due	Balance Due
12	Current Taxes for bill 2004.247330. Levied tax of 11,921.41					
3/3	3,973.80	3,973.80	<198.69>	3,775.11	11,669.31	
2/3	3,973.80	3,973.80	<158.95>	3,814.85	7,888.20	
1/3 due Nov 15	3,973.81	3,973.81		3,973.81	4,073.35	
	Total Due:	11,921.41	<357.64>	11,563.77		
		Tax Due	Interest	Annual Due	Balance Due	
11	2003.245719.0	2,370.04	92.17	7.37	99.54	99.54

-----Original Message-----

From: Jim Worlein @ mindspring.com [mailto:jworlein@mindspring.com]
Sent: Friday, October 15, 2004 5:20 AM
To: KILMARTIN Patrice M
Subject: Re: What next: lost appeal, Acct #R185082

Ms. Kilmartin:

Thanks for the reply. I have been gone the past couple of days.

My first reaction as U read your explanation was negative and emotional: I mean, wow, that statute really is stacked against the victim. And 16%! That's a real eye-opener/jaw-dropper.

But I'm sure I'll cool off as time goes by. Hopefully.

Suffice to say I'll have to look into borrowing money. However, given time, I can probably come up with cash. Please re-phrase your paragraph 3; I don't understand. I will need compare costs of waiting for, say, a year to pay cash in full versus a loan.

I may try and call you from work today.

Jim Worlein

----- Original Message -----

From: KILMARTIN Patrice M
To: jworlein@mindspring.com
Cc: KELSAY Douglas M ; FRAHLER Patricia A
Sent: Tuesday, October 12, 2004 10:26 AM
Subject: RE: What next: lost appeal, Acct #R185082

Mr.. Worlein - You've requested "real" options for paying the large omitted tax due to be billed you this month. All taxpayers are granted by law the same options for paying property taxes regardless of

1/19/06

circumstances, except that "Additional taxes arising from a correction under ORS 311.205 may be paid to the tax collector prior to the completion of the next general property tax roll" (ORS 311.206 (4)). This means you have had the opportunity to make advance payments since January 2004.

I will assume you have already considered refinancing your property or obtaining a mortgage line of credit using your equity to pay the tax in full by November 15. This would allow you to receive the 3% discount, which amounts to \$259.33. The interest charge on such financing will likely be much less than the 16% statutory rate charged on past due taxes.

If this is not an option you can exercise, you are permitted to pay any amount at any time to the Tax Collector. Interest will accrue at the rate of 1 1/3% per month on each trimester amount as it becomes past due - on November 16, '04, February 16,, '05 and May 17, '05. On May 17, 2005 the balance remaining due will become delinquent and interest will accrue on the full unpaid tax amount.

Barring action that may be taken by a secured interest such as a mortgage company or bank, payments may continue to be made for about 3 years before the property becomes subject to foreclosure. Additional tax will be levied each October of course. These amounts along with interest need to be factored into forecasted payment amounts if your goal is to become current. If the 2004/2005 tax debt is not paid in full by August 2008, foreclosure will occur. A two year redemption period begins which allows you until approximately September 2010 to redeem your property.

As you can see, you may have an extended period of time to work this all out, depending on whether you have secured any debt with the property.

Should you wish to discuss this further you may call me at 503)988-3345 x22708.

Respectfully,

Patrice Kilmartin

Personal Property Tax Collector