

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

In the Matter of a Refund to Northwest)
Natural Gas Company Taxes Pending Further)
Appeal Pursuant to ORS 311.806) Order No. 1-2010

WHEREAS, by General Judgment dated and entered August 5, 2008, in the Oregon Tax Court Regular Division (Case No. 4751), the Oregon Tax Court ordered a reduction in the value of property owned by Northwest Natural Gas Company in Columbia County property for tax years 2002-2006; and

WHEREAS, the General Judgment ordered the State of Oregon, Department of Revenue to instruct the appropriate county authorities to correct the assessment rolls to reflect the property value reductions, and to direct any county authority to take any and all actions necessary to effect refunds consistent with the correction; and

WHEREAS, the State of Oregon, Department of Revenue has appealed the General Judgment to the Oregon Supreme Court (Case No. S056384); and

WHEREAS, ORS 311.806 authorizes the County tax collector to refund taxes paid on a property value, a claim for exemption or a claim for cancellation of a property tax exemption if : A) the Oregon Tax Court issues a decision that could result in a refund if the decision is upheld on appeal; B) the final resolution is pending further appeal; and C) the County governing body orders a refund of taxes paid; and

WHEREAS, the Columbia County Assessor has prepared an estimate of taxes that would be due to be refunded to Northwest Natural Gas Company if the Oregon Supreme Court upholds the decision, a copy of which is attached hereto as Attachment 1, and is incorporated herein by this reference;

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NOW, THEREFORE, IT IS HEREBY ordered as follows:

The Columbia County Tax Collector shall refund property taxes to Northwest Natural Gas Company in the amount of \$1,950,612.

Dated this 27th day of January, 2010.

BOARD OF COUNTY COMMISSIONERS
FOR COLUMBIA COUNTY, OREGON

By:  _____

Anthony Hyde, Chair

By:  _____

Earl Fisher, Commissioner

By:  _____

Rita Bernhard, Commissioner

Approved as to form

By:  _____

Office of County Counsel

Columbia County - Estimate of impact of NW Natural lawsuit if Supreme Court rules it is due refund

	2002	2003	2004	2005	2006	2007	2008	2009	Total
Tax Revenue Estimate based on Assessor's valuation and each year's particular tax rate									
Tax Revenue	314,725	268,571	219,527	290,769	353,125	318,529	80,241	105,125	1,950,612
12% Interest	<u>279,662</u>	<u>204,671</u>	<u>139,933</u>	<u>148,538</u>	<u>135,876</u>	<u>81,508</u>	<u>10,306</u>	<u>0</u>	<u>1,000,494</u>
Total	594,387	473,242	359,460	439,307	489,001	400,037	90,547	105,125	2,951,106

Dec 2010 payment estimate estimate

Tax Revenue	314,725	268,571	219,527	290,769	353,125	318,529	80,241	105,125	1,950,612
12% Interest	<u>319,614</u>	<u>238,783</u>	<u>167,919</u>	<u>185,673</u>	<u>181,168</u>	<u>122,261</u>	<u>20,611</u>	<u>13,191</u>	<u>1,249,220</u>
Total	634,339	507,354	387,446	476,442	534,293	440,790	100,852	118,316	3,199,832

If pay Jan 2010

Tax Revenue	314,725	268,571	219,527	290,769	353,125	318,529	80,241	105,125	1,950,612
int 2002 - 2009	279,662	204,671	139,933	148,538	135,876	81,508	10,306	0	1,000,494
1% Interest	<u>3,329</u>	<u>2,843</u>	<u>2,332</u>	<u>3,095</u>	<u>3,774</u>	<u>3,396</u>	<u>859</u>	<u>1,099</u>	<u>20,727</u>
Total	597,716	476,084	361,792	442,402	492,775	403,433	91,406	106,224	2,971,833

increase of

248,726

Each month that goes by, the county (across all taxing districts) would accrue an estimated \$20,727 in interest due.

Tax Collector has in reserve \$ 3,073,224 (based on more general estimate) in order to have funds available to pay as soon as a decision is handed down.

Recommend paying the refund amount, as allowed under ORS 311.806, which would stop the accrual of further interest over the months that roll by until the Oregon Supreme Court makes its decision. If the decision does not call for a refund, the refunded tax dollars would revert to the county and funds held in reserve would be distributed to the taxing districts.