

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**ORDINANCE NO. 1328**

**Amending MCC Chapter 11.500 – Preschool for All Personal Income Tax to conform confidentiality provisions to State Law and to Reflect Certain Administrative Code Changes.**

(Language ~~stricken~~ is deleted; double underlined language is new.)

**The Multnomah County Board of Commissioners Finds:**

1. On November 3, 2020, Multnomah County voters approved Ballot Measure 26-214, which authorizes the County to impose a personal income tax to fund universal, tuition-free, voluntary, and high-quality preschool education for every three and four-year-olds residing within Multnomah County (the “Preschool for All Program”).
2. The Preschool for All Program personal income tax became effective January 1, 2021.
3. On January 28, 2021, Ordinance 1293 was approved establishing sections §§ 11.500 - 11.560 of Multnomah County Code (MCC) Chapter 11, tax code for the Preschool for All Program.
4. During the 2024 Oregon Legislative Session, House Bill (HB) 4031 was passed and signed by the Governor. HB 4031 amended ORS 314.835 regarding the confidentiality of tax return information. The changes became effective on March 28, 2024.
5. ORS 314.835 contains Oregon's tax return confidentiality law which prohibits sharing any tax return information unless specifically provided in law. As amended by HB 4031, ORS 314.835 now applies in the same manner to local governments (including the City of Portland, Multnomah County, and Metro Regional Government) for the tax returns of certain types of taxes. HB 4031 aligned state and local government treatment of certain taxpayer information.
6. The County now wishes to amend certain sections of MCC Chapter § 11.500 (§§ 11.538, 11.544, 11.552, and 11.554). The proposed amendment provides clear guidance to taxpayers, tax professionals, and certain County staff regarding tax return confidentiality (with who tax information can be shared, what types of tax return information can be shared, and the specific purpose for sharing any tax return information) and aligns MCC Chapter § 11.500 with ORS 314.835 changes. The amendment also clarifies interest assessed on unpaid or underpaid quarterly estimated payments and process for tax protests and appeals.
7. The Division of Finance and Risk Management of the Department of County Management recommends the adoption of this ordinance to the Board of County Commissioners to amend certain portions of MCC Chapter § 11.500. The County has worked closely with

the City of Portland Revenue Division and Metro with the intent to implement this amendment uniformly between jurisdictions.

8. The County intends to maintain tax code conformity with the Metro Supportive Housing Services income tax to facilitate tax administration. The amendment being proposed aligns Multnomah County Preschool for All Program tax code with the Metro Supportive Housing Services tax code.

**Multnomah County Ordains as Follows:**

**Section 1.** MCC § 11.538 is amended as follows:

**§ 11.538 – INTEREST.**

B) Interest will be assessed on any unpaid or underpaid quarterly estimated payment required by §§ 11.546 and 11.548 at the rate in subsection (A), computed from the due date of each quarterly estimated payment to the original due date of the tax return to which the estimated payments apply.

~~(C)~~(B) Interest at the rate established in subsection (A) shall be payable on any overpayments of Preschool for All Personal Income Taxes. Such interest shall be computed beginning four months after the later of:

- (1) The Payment Date or Extension Date, as applicable;
- (2) The date the tax return was filed or the refund was otherwise requested; or
- (3) The date the tax was paid.

~~(D)~~(G) The Administrator may waive or reduce interest for good cause if specifically provided for by written policy. The Administrator may look to ORS 305.145 and OAR 150-305-0062 for guidance in the waiver of interest. The Administrator must consult with the Multnomah County Chief Financial Officer before adopting a written policy that waives or reduces interest amounts.

\* \* \*

**Section 2.** MCC § 11.544 is amended as follows:

**§ 11.544 – PROTESTS AND APPEALS; PENALTY WAIVER.**

A) A Taxfiler may protest any determination by the Administrator. The Administrator must receive written notice of the protest within 30 days after the Administrator mailed or delivered the initial Notice of determination to the Taxfiler. ~~Failure to file such a written notice within the time permitted is deemed a waiver of any objections, and the Administrator will dismiss the appeal.~~ The protest must state the name and address of the Taxfiler and an explanation of the general grounds for the protest. The time to file a protest may be extended by the Administrator for good cause. Requests for extensions of time must be received before the

expiration of the original 30-day protest deadline. Failure to file a written notice within the time permitted will be deemed a waiver of any objections and the appeal will be dismissed.

(B) The Administrator must respond within 180 days after the protest is filed with a final determination. The Administrator's final determination must include the reasons for the determination and state the time and manner for appealing the final determination. The time to file a protest or the time for the Administrator's response may be extended by the Administrator for good cause. ~~Requests for extensions of time must be received before the original 30-day protest deadline expires.~~ The Administrator will give Notice to the Taxfiler if the Administrator's deadline is extended. Failure to issue a final determination within the time permitted will not invalidate any deficiency but will invalidate the imposition of interest and penalties attributable to the deficiency.

(BC) A Taxfiler may appeal any final determination by the Administrator to the appeals board. The Administrator must receive written notice of the appeal within 30 days after the Administrator mailed or delivered the final determination to the appellant. The notice of appeal must state the name and address of the appellant and include a copy of the final determination.

(GD) Within 90 days after the Administrator mails or delivers the final determination to the appellant, the appellant must file with the appeals board a written statement containing:

- (1) The reasons the Administrator's determination is incorrect; and
- (2) What the correct determination should be.

Failure to file this a written statement within the time permitted is a waiver of any objections, and the appeal will be dismissed.

(DE) Within 150 days after the Administrator mails or delivers the final determination to the appellant, the Administrator will file with the appeals board a written response to the appellant's statement. A copy of the Administrator's response must be mailed to the address provided by the appellant within ten days after the Administrator files it with the appeals board.

(EF) The Administrator must provide the appellant with Notice of the hearing date and location at least 14 days before the hearing. The appellant and the Administrator may present relevant testimony, evidence, and oral argument at the hearing. The appeals board may request additional written comment and documents as the appeals board deems appropriate.

(FG) Decisions of the appeals board must be in writing, state the basis and legal authority for the decision and be signed by the appeals board chair.

(GH) The decision of the appeals board is final as of the issue date and no further administrative appeal will be provided.

(HI) The filing of an appeal with the appeals board temporarily suspends the obligation to pay any tax owed under the Preschool For All Personal Income Tax Law that is the subject of the appeal pending a final decision by the appeals board.

(H) Penalty waiver or reduction requests are not subject to the protest/appeal process or timeline outlined in this subsection. The Taxfiler must file a written request with the Administrator detailing why a penalty should be waived within 30 days of receipt of a billing notice that assesses a penalty. The Administrator must respond to requests to reduce or waive penalties within ~~60~~ 180 days from the date the written request is received. As provided in this subchapter and the Preschool For All Personal Income Tax Administrative Code, the Administrator may waive or reduce penalties in certain situations. If the Taxfiler has requested that penalties be waived and the Administrator denies the Taxfiler's request for this discretionary waiver of penalties, the Taxfiler may request a conference with the Administrator within 30 days of the date of the Administrator's Notice of denial. If the conference with the Administrator results in a denial of the penalty waiver request, that decision is final and may not be appealed to the appeals board.

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**Section 3.** MCC § 11.552 is amended as follows:

**§ 11.552 – CONFIDENTIALITY.**

~~(A) Unless otherwise provided by law, no Multnomah County elected official, employee, or agent, nor any person who has acquired information pursuant to the Preschool For All Personal Income Tax Law, may divulge, release, or make known in any manner any financial information, Social Security number or any other elements of a tax return or tax account, including fact of filing and collection activity submitted or disclosed to Multnomah County or the Administrator under the provisions of this subchapter and any applicable administrative rule, unless otherwise provided in this subchapter.~~

~~(B) Nothing in this section prohibits:~~

~~(1) The disclosure of general statistics in a form that would prevent the identification of financial information, SSN, or TIN regarding an individual Taxfiler;~~

~~(2) The filing of any legal action by or on behalf of the Administrator or Multnomah County to obtain payment on unpaid accounts or the disclosure of information necessary to do so; or~~

~~(3) The assignment to an outside collection agency of any unpaid account receivable provided that the Administrator notifies the Taxfiler of the unpaid balance at least 60 days before the assignment of the claim.~~

~~(C) Any person that violates this section may be subject to civil penalties as established by administrative rule.~~

(A) In accordance with ORS 314.835, except as otherwise specifically provided by Oregon law or this chapter, it is unlawful for the Administrator or any County officer, employee or agent to divulge or make known in any manner the amount of income, expense, deduction, exclusion

or credit or any particulars set forth or disclosed in any report or return required in the administration of any tax imposed under the Preschool for All Tax Law.

(B) It is unlawful for the Administrator or any County officer, employee or agent, or elected official, or for any person who has acquired information pursuant to § 11.554 (B) to divulge, release or make known in any manner any information submitted or disclosed to the Administrator or County under the terms of the Preschool for All Tax Law for any purpose other than that specified in the provisions of law authorizing the use or disclosure.

(C) No subpoena or judicial order shall be issued compelling the Administrator or any County officers, employee, or agent, or any person who has acquired information pursuant to § 11.554 (B) or any other provision of state or County law, to divulge or make known the amount of income, expense, deduction, exclusion or credit or any particulars set forth or disclosed in any report or return except where the taxfiler's liability for any tax, surcharge or fee imposed under the Preschool for All Tax Law is to be adjudicated by the court from which such process issues.

(D) As used in this section:

(1) "Officer," "employee" or "person" includes an authorized representative of the officer, employee or person, or any former officer, employee or person, or an authorized representative of such former officer, employee or person.

(2) "Particulars" includes, but is not limited to, a taxfiler's name, address, telephone number, Social Security number, employer identification number or other taxpayer identification number, the amount of refund claimed by or granted to a taxpayer, and whether a report or return has been filed.

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**Section 4.** MCC § 11.554 is amended as follows:

**§ 11.554 – PERSONS TO WHOME INFORMATION MAY BE FURNISHED.**

~~(A) The Administrator, or the County's Chief Financial Officer if the administration of the Preschool For All Personal Income Tax Code has been contracted to a third party, may disclose information and give access to information to an authorized representative of the US Internal Revenue Service, Department of Revenue, state of Oregon, or to any local government of the State imposing taxes upon or measured by gross receipts or net income, for the following purposes:~~

~~(1) To inspect the tax return of any Taxfiler;~~

~~(2) To obtain an abstract or copy of the tax return;~~

~~(3) To obtain information concerning any item contained in any return;~~

~~(4) To obtain information of any financial audit of the tax returns of any Taxfiler; or~~

~~(5) To maintain compliance with State or Federal law (such as providing Social Security numbers to the Internal Revenue Service with 1099G filings for refunds issued). Disclosure and access will be granted only if the laws, regulations, or practices of the other jurisdiction maintain the confidentiality of this information at least to the extent provided by Preschool For All Personal Income Tax Law, as applicable.~~

~~(B) Upon request of a Taxfiler, or authorized representative, the Administrator will provide to the Taxfiler or authorized representative copies of any tax return information filed by the Taxfiler in the Administrator's possession.~~

~~(C) If a court of competent jurisdiction issues a court order requiring the disclosure of a Taxfiler's tax return information, the Administrator will comply with the terms of that court order after providing Notice to the Taxfiler at the Taxfiler's last known address.~~

~~(D) The Administrator may also disclose and give access to information to:~~

~~(1) The Multnomah County Attorney, the Attorney's assistants and employees, or other legal representatives of the County, to the extent disclosure or access is necessary for the performance of the duties of advising or representing the County.~~

~~(2) The Administrator's attorney, the attorney's assistants and employees, or other legal representatives of the Administrator, to the extent the Administrator deems disclosure or access necessary for the performance of the duties of advising or representing the Administrator, including but not limited to instituting legal actions on unpaid accounts.~~

~~(3) Other County employees and agents, to the extent disclosure or access is necessary for such employees or agents to perform their duties, including under contracts or agreements between Multnomah County and the Administrator.~~

~~(4) The Administrator's employees, agents and officials, to the extent the Administrator deems disclosure or access necessary for such employees, agents, or officials to:~~

~~(a) Aid in any legal collection effort on unpaid accounts;~~

~~(b) Perform their duties under contracts or agreements between the Administrator and Multnomah County or between the Administrator and any other department, bureau, agency, or subdivision of the Administrator relating to the administration of the Preschool for All Personal Income Tax Law; or~~

~~(c) Aid in determining whether a Preschool For All Personal Income Tax Law account is in compliance with all City of Portland, County, State and Federal laws or policies.~~

~~(E) All employees and agents specified above, prior to the performance of duties involving access to financial information submitted to Multnomah County or the Administrator under the~~

~~terms of the Preschool For All Personal Income Tax Law, must be advised in writing of the confidentiality provisions of the law and the penalties for violation of the law.~~

~~(F) No person described in subsection (A) above may receive access to financial information under this section unless that person:~~

~~(1) Is advised in writing of the penalties relating to the violation of confidentiality provisions of the Preschool For All Personal Income Tax; and~~

~~(2) Executes a certificate in a form prescribed by the Chief Financial Officer or Administrator, stating these provisions of law have been reviewed and that person is aware of the penalties for violating confidentiality rules. The Chief Financial Officer's or Administrator's signature on the certificate, required by this subsection, constitutes consent to disclosure to the persons executing the certificate.~~

~~(G) Any person that violates this section may be subject to civil penalties as set forth in the Preschool For All Personal Income Tax Administrative Code.~~

(A) The Administrator or the Director may:

(1) Furnish any taxfiler, representative authorized to represent the taxfiler under ORS 305.239 or person designated by the taxfiler under ORS 305.193, upon request of the taxfiler, representative or designee, with a copy of the taxfiler's tax return filed with the division for any year, or with a copy of any report filed by the taxfiler in connection with the return, or with any other information the division considers necessary.

(2) Publish lists of taxfilers who are entitled to unclaimed tax refunds.

(3) Publish statistics so classified as to prevent the identification of income or any particulars contained in any report or return.

(4) Disclose a taxfiler's name, address, telephone number, refund amount, amount due, Social Security number, employer identification number or other taxfiler identification number to the extent necessary in connection with collection activities or the processing and mailing of correspondence or of forms for any report or return required in the administration of any local tax.

(B) The Administrator or the Director also may disclose and give access to information described in § 11.552 to:

(1) The Commissioner of Internal Revenue or authorized representative, for tax administration and compliance purposes only.

(2) The Oregon Department of Revenue or authorized representative, for tax administration and compliance purposes only.

(3) For tax administration and compliance purposes, the proper officer or authorized representative of any of the following entities that has or is governed by a provision of law that meets the requirements of any applicable provision of the Internal Revenue Code as to confidentiality:

(a) A state;

(b) A city, county or other political subdivision of a state;

(c) The District of Columbia; or

(d) An association established exclusively to provide services to federal, state or local taxing authorities.

(4) The Multnomah County Attorney, the Attorney's assistants and employees, or other legal representatives of the County, to the extent the Administrator or Director deems disclosure or access necessary for the performance of the duties of advising or representing the Administrator or the Director, including but not limited to instituting legal actions on unpaid accounts.

(5) The Administrator's attorney, the attorney's assistants and employees, or other legal representatives of the Administrator, to the extent the Administrator deems disclosure or access necessary for the performance of the duties of advising or representing the Administrator, including but not limited to instituting legal actions on unpaid accounts.

(6) The proper officer or authorized representative of a city, county, or other subdivision of this state, to the extent the Administrator or Director deems disclosure or access necessary for purposes of mutual tax administration of city, county, or other subdivision taxes. Any disclosure under this paragraph may be made only pursuant to a written agreement between the division and the city, county, or other subdivision that ensures the confidentiality of the information disclosed.

(7) Other employees, agents and officials of the Administrator or the County, to the extent the Administrator or the Director deems disclosure or access necessary for such employees, agents or officials to:

(a) aid in any legal collection effort on unpaid accounts,

(b) perform their duties under contracts or agreements between the Administrator or the County and any other department, bureau, agency or subdivision of the Administrator or the County relating to the administration of the Preschool for All Tax Law, or

(c) aid in determining whether a taxfiler is in compliance with all County, City of Portland, Metro, State and Federal laws or policies.

(8) Other persons, partnerships, corporations and other legal entities, and their employees, to the extent the Administrator deems disclosure or access necessary for the performance of such others' duties under contracts or agreements between the Administrator and such legal entities, in the Administrator's administration of the tax laws.

(9) The Administrator's appeals board, per § 11.544, is authorized to receive relevant tax information for the purpose of considering and issuing decisions with respect to appeals of taxfilers to the Administrator's actions increasing tax due or reducing a refund of taxes paid.



The appeals board is a public body subject to Oregon public meeting laws in ORS 192.610 to 192.705. ORS 192.660(2)(f) authorizes an executive session meeting to privately consider records or information that are exempt by law from public disclosure. Tax information is exempt from public disclosure.

(C) Each officer or employee of the Administrator or the County and each person described or referred to in subsection (B) (4) to (9) of this section to whom disclosure or access to the tax information is given under subsection (B) of this section or any other provision of law, prior to beginning employment or the performance of duties involving such disclosure or access, shall be advised in writing of the provisions of §§ 11.552 and this section, including penalties for the violation of § 11.552 and this section, and shall as a condition of employment or performance of duties execute a certificate for the Administrator or the County, in a form prescribed by the Administrator or the County, stating in substance that the person has read these provisions of law, that the person has had them explained and that the person is aware of the penalties for the violation of § 11.552 and this section.

(D) Violation of §§ 11.552 or 11.554 is punishable by a fine not exceeding \$500. In addition, any county employee convicted for violation of §§ 11.552 or 11.554 will be dismissed from employment and will be barred from employment for a period of five years thereafter. Any agent of the county who is convicted is ineligible for participation in any county contract for a period of five years thereafter.

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FIRST READING: \_\_\_\_\_ 9/26/24 \_\_\_\_\_

SECOND READING AND ADOPTION: \_\_\_\_\_ 10/17/24 \_\_\_\_\_



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

*Jessica Vega Peterson*

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Jessica Vega Peterson, Chair

REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By *William Glasson*  
William Glasson, Senior County Attorney

**SUBMITTED BY: Eric Arellano, CFO**