

Chapter 310

2003 EDITION

Property Tax Rates and Amounts; Tax Limitations; Tax Reduction Programs

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**PROPERTY TAX RATES
AND AMOUNTS**

(County Tax Duties Generally)

310.010 Determination of amount of tax for county and other purposes. The county court or board of county commissioners of each county shall, in July of each year, estimate and determine the amount of money to be raised for county purposes for the current fiscal year, and also the several amounts to be raised in the county for other purposes, as required or authorized by law. The determination shall be entered in its records.

310.020 Levy of tax to defray county expenses. The county court or board of county commissioners for each county in the state shall, in July of each year, levy a tax upon all taxable property in the county sufficient in amount to defray the expenses of the county for the current fiscal year.

310.030 Levy of taxes required or permitted by law. The county court or board of county commissioners shall, in July of each year, levy all taxes which by law it is required to levy, and any other taxes which it may determine to levy and by law it is permitted to levy.

310.040 Reducing levy where necessity for budget item eliminated. If after a tax levy has been made by any county court or board of county commissioners and before the extension of the levy upon the tax rolls, the necessity for any item contained in the budget upon which the levy is based is eliminated by act of the Legislative Assembly, the county court or board of county commissioners shall by appropriate order reduce the amount of the levy by the amount of such item. Thereupon the levy shall be extended upon the rolls as so reduced.

310.045 [1965 c.604 §2; repealed by 1969 c.612 §5]

**(Procedure to Certify Taxes and
Determine Tax Rates)**

310.050 Making levy in dollars and cents for tax years before 1998-1999. (1) All counties, cities, school districts and other corporations, which are vested with the power of levying ad valorem taxes, shall make their total ad valorem levy in dollars and cents, and not otherwise.

(2) This section does not apply to tax years beginning on or after July 1, 1998. [Amended by 1959 c.181 §1; part renumbered 310.065; 1967 c.293 §3; 1979 c.689 §15; 1991 c.459 §217; 1997 c.541 §243]

310.055 Operating taxes. (1) As used in the property tax laws of this state, "operating taxes" means ad valorem property taxes that are subject to a permanent rate limit under section 11, Article XI of the Oregon

Constitution, or statutory rate limit under ORS 310.236 (4) or 310.237, if applicable.

(2) For the tax year beginning July 1, 1997, operating taxes consist of the sum of the following (or such lesser amount as is certified to the assessor under ORS 310.206 (4)(b):

(a) The total amount of ad valorem property taxes as provided in ORS 310.200 to 310.242, except that the amount under this paragraph does not include:

(A) Local option taxes;

(B) Ad valorem property taxes used to repay taxing district bond or pension and disability plan obligations described in section 11 (5), Article XI of the Oregon Constitution;

(C) Ad valorem property taxes that would otherwise be subject to this paragraph, except that the taxes are of a taxing district other than a city, county or school district, and are used to support a hospital facility;

(D) Ad valorem property taxes that would otherwise be subject to this paragraph, except that the levy of the taxes was approved by voters prior to December 5, 1996, that met the voter participation requirements in section 11 (8), Article XI of the Oregon Constitution, and that are first imposed in the tax year beginning July 1, 1996, or July 1, 1997;

(E) Serial or one-year levies described in ORS 280.040 to 280.140 (1995 Edition) that replace levies that were imposed in the tax year beginning July 1, 1996, that were approved by voters in an election held after December 4, 1996, and that are first imposed for the tax year beginning July 1, 1997, if the rate or the amount of the levy is not greater than the rate or the amount of the replaced levy;

(F) Taxes imposed to pay principal and interest on exempt bonded indebtedness; and

(G) Urban renewal increment taxes; and

(b) The total amount of the following ad valorem property taxes, without reduction under ORS 310.200 to 310.242:

(A) Ad valorem property taxes of a taxing district other than a city, county or school district that are used to support a hospital facility;

(B) Ad valorem property taxes approved by voters prior to December 5, 1996, that met the voter participation requirements in section 11 (8), Article XI of the Oregon Constitution, and that are first imposed in the tax year beginning July 1, 1996, or July 1, 1997; and

(C) Serial or one-year levies described in ORS 280.040 to 280.140 (1995 Edition) that replace levies that were imposed in the tax

year beginning July 1, 1996, that were approved by voters after December 4, 1996, and that are first imposed for the tax year beginning July 1, 1997, if the rate or the amount of the levy is not greater than the rate or the amount of the replaced levy.

(3) For tax years beginning on or after July 1, 1998, each taxing district is authorized to levy the full amount of the operating taxes of the district on all taxable property within the boundaries of the district. Operating taxes consist of:

(a) Ad valorem property taxes imposed at the rate established as the permanent rate limit or statutory rate limit, if applicable, for the taxing district or such lesser rate as the taxing district certifies to the assessor under ORS 310.060; or

(b) If the district is imposing operating property taxes for the first time, ad valorem property taxes imposed at the rate established in the manner provided for by law as the permanent rate limit for the district or such lesser rate as the taxing district may determine. [1997 c.541 §321; 1999 c.21 §24; 1999 c.186 §4; 2001 c.114 §23]

310.060 Notice certifying taxes; contents; extension of time to give notice or correct erroneous certification. (1) Not later than July 15 of each year, every city, school district or other public corporation authorized to levy or impose a tax on property shall file a written notice certifying the ad valorem property tax rate or the estimated amount of ad valorem property taxes to be imposed by the taxing district and any other taxes on property imposed by the taxing district on property subject to ad valorem property taxation that are required or authorized to be placed on the assessment and tax roll for the current fiscal year. The notice shall be accompanied by two copies of a lawfully adopted ordinance or resolution that categorizes the tax, fee, charge, assessment or toll as subject to or not subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

(2) For any ad valorem property taxes levied by the taxing district, the notice shall state as separate items:

(a) The taxing district's rate of ad valorem property taxation that is within the permanent rate limitation imposed by section 11 (3), Article XI of the Oregon Constitution, or within the statutory rate limit determined in ORS 310.236 (4)(b) or 310.237, if applicable;

(b) The total rate or amount of the taxing district's local option taxes imposed pursuant to ORS 280.040 to 280.145 that have a term of five years or less and that are not for capital projects;

(c) The total amount of the taxing district's local option taxes that are for capital projects;

(d) The total amount levied for the payment of bonded indebtedness or interest thereon that is not subject to limitation under section 11 (11) or section 11b, Article XI of the Oregon Constitution; and

(e) The total amount levied that is subject to section 11b, Article XI of the Oregon Constitution, but that is not subject to the permanent ad valorem property tax rate limit described in section 11 (3), Article XI of the Oregon Constitution, because the amount levied is to be used to repay:

(A) Principal and interest for any bond issued before December 5, 1996, and secured by a pledge or explicit commitment of ad valorem property taxes or a covenant to levy or collect ad valorem property taxes;

(B) Principal and interest for any other formal, written borrowing of moneys executed before December 5, 1996, for which ad valorem property tax revenues have been pledged or explicitly committed, or that are secured by a covenant to levy or collect ad valorem property taxes;

(C) Principal and interest for any bond issued to refund an obligation described in subparagraph (A) or (B) of this paragraph; or

(D) Local government pension and disability plan obligations that commit ad valorem property taxes.

(3)(a) The notice shall also list each rate or amount subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

(b) If an item described in subsection (2) of this section is allocable to more than one category described in ORS 310.150, the notice shall list separately the portion of each item allocable to each category.

(4) For any other taxes on property imposed by the taxing district, the notice shall state:

(a) The total amount of money to be raised by each other tax, in the aggregate or on a property by property basis, as appropriate.

(b) Each amount that is subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

(5) For any district authorized by law to place any other fees, charges, assessments or tolls on the assessment and tax roll, the notice shall state the total amount of money to be raised on a property by property basis.

(6) In addition to the notice required under subsection (1) of this section, any taxing district that is subject to the Local Budget Law shall also provide the documents required by ORS 294.555 (3).

(7) Not later than July 15 of each year, the taxing district shall give the notice and documents described in this section to the assessor of the county in which the principal office of the taxing district is located and, if the taxing district is located in more than one county, to the assessor of each county in which any part of the taxing district is located. Not later than September 30 of each year, the taxing district shall provide a complete copy of the budget document to the clerk of the county in which the principal office of the taxing district is located and, if the taxing district is located in more than one county, to the clerk of each county in which any part of the taxing district is located.

(8) The Department of Revenue shall prescribe the form of notice required by this section. All amounts shall be stated in dollars and cents or ad valorem property tax rates in dollars and cents per thousand dollars of assessed value, as required by law. If the notice is given to the assessor and the clerk of more than one county, a copy of each other such notice given shall accompany every notice given.

(9) For good and sufficient reason, the county assessor may extend the time for the giving of the notice or correcting an erroneous certification for the current year up to but not later than October 1 as the county assessor considers reasonable. [Amended by 1955 c.259 §1; 1967 c.293 §4; 1973 c.333 §2; 1979 c.241 §28a; 1981 c.790 §12; 1985 c.784 §2; 1991 c.459 §218; 1993 c.270 §44; 1995 c.293 §1; 1997 c.154 §5; 1997 c.541 §244; 1999 c.186 §5; 1999 c.632 §23; 2001 c.135 §31; 2001 c.695 §32; 2001 c.753 §7]

310.061 Assessor to determine and report maximum school district operating tax when district certifies lesser rate; determination modified if district divided into zones. (1) If a school district certifies a rate pursuant to ORS 310.060 that is less than the maximum rate of operating taxes allowed by law, the county assessor for each county within which the school district is located shall determine the amount of operating taxes that would have been imposed by the school district if the school district had certified the maximum rate of operating taxes allowed by law.

(2) If a school district has established tax zones pursuant to ORS 328.570 to 328.579, solely for purposes of subsection (1) of this section:

(a) The maximum rate of operating tax allowed by law shall be determined for each tax zone of the district; and

(b) The maximum rate of operating tax for a tax zone in which the district does not provide all of kindergarten through grade 12 education shall equal the maximum rate of operating tax for the district multiplied by the percentage established for the zone in the resolution adopted under ORS 328.576.

(3) Each county assessor who is required to calculate an amount under subsection (1) of this section shall report that amount to the Department of Education. [1999 c.186 §12; 2001 c.246 §7]

Note: 310.061 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 310 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

310.065 Procedure where notice not given. If the written notice of a taxing district's ad valorem property tax or other tax is not given to the county assessor at the time specified, or as extended, under ORS 310.060, the assessor shall not include the tax in the computation of the total district tax rate under ORS 310.090. [Formerly part of 310.050; 1993 c.270 §45; 1997 c.541 §246]

310.070 Procedure when taxes exceed limitations or are incorrectly categorized.

(1) If the ad valorem property taxes reported to the clerk and assessor under ORS 310.060 are in excess of the constitutional or statutory limitations, or both, the assessor, upon the advice of the Department of Revenue, shall extend upon the tax roll of the county only such part of the taxes as will comply with the constitutional and statutory limitations and requirements governing the taxes.

(2) If any part of the taxes on property certified under ORS 310.060 is incorrectly categorized as subject to or not subject to the limits of section 11b, Article XI of the Oregon Constitution, the Department of Revenue shall notify the taxing unit governing body and the county assessor and the county assessor shall extend the taxes on the roll in a manner that complies with the Oregon Constitution. For purposes of this section, taxes are incorrectly categorized only if:

(a) The sole authority of the taxing unit to impose taxes on property is provided by statute and the statute does not authorize the imposition of taxes on property categorized as reported under ORS 310.060; or

(b) The Oregon Tax Court or the Oregon Supreme Court has finally determined the correct manner in which a tax on property of the taxing unit should be categorized and that determination is different from the category reported under ORS 310.060. For purposes of this paragraph, "finally determined"

means that the Oregon Tax Court has entered a decision which has become final as described under ORS 305.440 or that, upon appeal from the Oregon Tax Court, the Supreme Court has entered a decision.

(3) If any item certifying ad valorem property taxes under ORS 310.060 incorrectly characterizes the item attributes under section 11, Article XI of the Oregon Constitution, the Department of Revenue shall notify the taxing district governing body and the county assessor, and the county assessor shall extend the taxes on the roll in a manner that complies with the Oregon Constitution. [Amended by 1967 c.293 §5; 1971 c.646 §3; 1981 c.790 §13; 1983 s.s. c.5 §19; 1985 c.319 §2; 1993 c.270 §46; 1997 c.541 §247]

310.080 [Repealed by 1957 c.626 §1]

310.081 [Subsections (1) and (2) of 1961 Replacement Part enacted as 1957 c.626 §11; subsection (3) of 1957 Replacement Part enacted as part of 1957 s.s. c.2 §4; 1959 c.388 §9; repealed by 1963 c.570 §33]

310.082 [1957 s.s. c.2 §4; repealed by 1959 c.388 §15]

310.084 [1957 c.626 §12; repealed by 1963 c.570 §33]

310.090 Computation of rate for each item of tax; category rates; total rates.

(1) Subject to ORS 310.070, the county assessor shall compute the rate for each item of ad valorem property taxes, the category rate of ad valorem property taxes for each category described in ORS 310.150 and the total rate of ad valorem property taxes for each taxing district as provided in this section.

(2) If the item of tax that is reported on the notice filed under ORS 310.060 is an amount, the rate of tax for that item shall be computed by dividing the amount by the assessed value used to compute the tax rate. The assessed value used to compute the tax rate is the tax levying district's assessed value adjusted as otherwise provided by law.

(3) The computed tax rates under subsection (2) of this section or as reported on the notice filed under ORS 310.060 shall be carried to the number of decimal places specified by rule of the Department of Revenue and truncated. The truncated rate shall be expressed as a rate per thousand dollars of assessed value.

(4) All of the taxing district's taxes that are reported on the notice filed under ORS 310.060 as rates and that are within the same category under ORS 310.150 shall be added together and added to the rates computed under subsection (2) of this section that are within the same category to obtain the category rates for the taxing district.

(5) The total tax rate of the district shall be the total of the truncated tax rates calculated for the taxing district for the year. [Amended by 1967 c.293 §11; 1991 c.459 §221; 1997 c.541 §248]

310.100 Taxes to apply to property shown by assessment roll; furnishing certificate showing aggregate valuation of taxable property. Each ad valorem property tax of a taxing district shall apply to all the taxable property of the district, or to all the taxable property in a tax zone of a district that has established two or more tax zones within the district, as shown by the assessment roll last compiled by the assessor. The assessor, upon the application of the governing body or of the duly accredited officer of any such taxing district, shall furnish a certificate, properly verified, showing the aggregate valuation of the taxable property therein. [Amended by 1991 c.459 §222; 1997 c.541 §250; 2001 c.246 §8; 2001 c.553 §6]

310.105 Rate adjustments to reflect nontimber offsets; no effect on permanent or statutory rate limits. (1) If a taxing district lying in two or more counties is entitled to offsets which have been provided by statute, the rates determined under ORS 310.090 shall be further adjusted to reflect the offsets.

(2) Adjustments under this section shall be made to ensure that the rate of taxation is uniform throughout the taxing district.

(3) Adjustments made under this section shall not affect the permanent rate limit determined for purposes of section 11 (3), Article XI of the Oregon Constitution, or the statutory rate limit determined in ORS 310.236 (4)(b) or 310.237, if applicable. [1971 c.720 §1; 1977 c.892 §37; 1979 c.438 §4; 1993 c.801 §37; 1997 c.541 §251; 1999 c.186 §6]

310.108 Operating tax rate adjustment for timber offsets. If the taxing district is a district other than a school district, education service district, community college district or community college service district, and is a district for which the assessor is directed to offset timber harvest privilege tax revenues against the district's ad valorem property taxes under ORS 321.312 or 321.487, the operating tax rate certified on the notice required under ORS 310.060, shall be further adjusted to reflect the amount of the offset. [1997 c.541 §252; 1999 c.1078 §§33,33b]

Note: 310.108 is repealed December 31, 2006. See section 26, chapter 621, Oregon Laws 2003.

Note: 310.108 was added to and made a part of ORS chapter 310 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

310.110 Apportionment of taxes where taxing district lies in two or more counties; estimates. (1) If a taxing district lies in two or more counties, and the district certifies an item of ad valorem property tax as an amount in the notice required under ORS 310.060, the amount certified by the district shall be apportioned on the basis of the assessed value used to compute the tax

rate for the current tax year, in the proportion that the assessed value of the part of the district lying in each county bears to the assessed value of the whole district. However, if a boundary change affecting the district becomes effective as to the levy being apportioned, an adjustment of the assessed value shall be made so as to reflect the boundary change.

(2) Any assessor who is unable to certify the current assessed value for any joint district lying partially in the county by September 25 shall, with the cooperation of the Department of Revenue, estimate as closely as practicable the assessed value of that district for the purpose of apportioning the ad valorem property taxes of the joint district in the current year as equitably as is possible. The estimate shall be completed and certified to the assessor or assessors of the other counties on the fifth business day after September 25 and shall be used as the basis for the apportionment required by this section. [Amended by 1953 c.194 §2; 1963 c.274 §1; 1967 c.199 §1; 1971 c.482 §1; 1977 c.892 §38; 1979 c.438 §5; 1981 c.804 §86; 1985 c.613 §5; 1991 c.459 §223; 1997 c.541 §254; 1999 c.1078 §69; 2003 c.621 §94]

Note: The amendments to 310.110 by section 94, chapter 621, Oregon Laws 2003, apply to property tax years beginning on or after July 1, 2004. See section 96b, chapter 621, Oregon Laws 2003.

310.120 [Repealed by 1977 c.730 §4]

310.125 Special rule for computing maximum amount of certain continuing ad valorem levies for tax years before 1998-1999. (1) The authorized amount of any continuing ad valorem property tax levy described in subsection (2) of this section shall be computed by multiplying the current assessed value of taxable property to which the voted millage or percentage is to be applied by the ratio assigned by the Department of Revenue applicable to the county of the taxing district involved as of January 1 of the calendar year in which the continuing levy was approved by the electors of the unit.

(2) The provisions of subsection (1) of this section shall apply only to continuing ad valorem property tax levies which were approved by the electors of the taxing district involved in a measure which:

(a) Was voted upon prior to July 21, 1953 (the effective date of ORS 310.400);

(b) Contained a reference to a millage or percentage of the property valuation of the taxing district as either the sole basis or the upper limit of the amount of levy being proposed; and

(c) Was intended to apply the specified millage or percentage to the assessed valuation of property in the taxing district.

(3) It is the purpose of this section to eliminate the unintended effect of changing

county assessment ratios on property tax levies of a continuing nature which were voted in terms including a reference to a millage or percentage of the property valuation of the taxing district involved. The Legislative Assembly finds that those electors who approved such measures assumed that assessment ratios would remain relatively stable and did not intend that their voted levy could be raised or lowered at will in future years by the county assessor or the legislature in changing the assessment ratio applicable to their property.

(4) This section does not apply to levies which were approved for the purpose of financing a fire and police disability and retirement fund.

(5) This section does not apply to tax years beginning on or after July 1, 1998. [1961 c.719 §§1,2; 1975 c.189 §1; 1991 c.459 §224; 1997 c.541 §256]

310.130 [Amended by 1991 c.459 §224a; 1993 c.270 §47; repealed by 1997 c.541 §268]

310.135 [1979 c.241 §53; renumbered 310.404 in 1991]

TAX LIMITATIONS

(1990 Measure 5 Limits on Amount of Tax)

310.140 Legislative findings; definitions. The Legislative Assembly finds that section 11b, Article XI of the Oregon Constitution, was drafted by citizens and placed before the voters of the State of Oregon by initiative petition. Section 11b, Article XI of the Oregon Constitution, uses terms that do not have established legal meanings and require definition by the Legislative Assembly. Section 11b, Article XI of the Oregon Constitution, was amended by section 11 (11), Article XI of the Oregon Constitution. This section is intended to interpret the terms of section 11b, Article XI of the Oregon Constitution, as originally adopted and as amended by section 11 (11), Article XI of the Oregon Constitution, consistent with the intent of the people in adopting these provisions, so that the provisions of section 11b, Article XI of the Oregon Constitution, may be given effect uniformly throughout the State of Oregon, with minimal confusion and misunderstanding by citizens and affected units of government. As used in the revenue and tax laws of this state, and for purposes of section 11b, Article XI of the Oregon Constitution:

(1) "Actual cost" means all direct or indirect costs incurred by a government unit in order to deliver goods or services or to undertake a capital construction project. The "actual cost" of providing goods or services to a property or property owner includes the average cost or an allocated portion of the total amount of the actual cost of making a good or service available to the property or

property owner, whether stated as a minimum, fixed or variable amount. "Actual cost" includes, but is not limited to, the costs of labor, materials, supplies, equipment rental, property acquisition, permits, engineering, financing, reasonable program delinquencies, return on investment, required fees, insurance, administration, accounting, depreciation, amortization, operation, maintenance, repair or replacement and debt service, including debt service payments or payments into reserve accounts for debt service and payment of amounts necessary to meet debt service coverage requirements.

(2) "Assessment for local improvement" means any tax, fee, charge or assessment that does not exceed the actual cost incurred by a unit of government for design, construction and financing of a local improvement.

(3) "Bonded indebtedness" means any formally executed written agreement representing a promise by a unit of government to pay to another a specified sum of money, at a specified date or dates at least one year in the future.

(4) "Capital construction":

(a) For bonded indebtedness issued prior to December 5, 1996, and for the proceeds of any bonded indebtedness approved by electors prior to December 5, 1996, that were spent or contractually obligated to be spent prior to June 20, 1997, means the construction, modification, replacement, repair, remodeling or renovation of a structure, or addition to a structure, that is expected to have a useful life of more than one year, and includes, but is not limited to:

(A) Acquisition of land, or a legal interest in land, in conjunction with the capital construction of a structure.

(B) Acquisition, installation of machinery or equipment, furnishings or materials that will become an integral part of a structure.

(C) Activities related to the capital construction, including planning, design, authorizing, issuing, carrying or repaying interim or permanent financing, research, land use and environmental impact studies, acquisition of permits or licenses or other services connected with the construction.

(D) Acquisition of existing structures, or legal interests in structures, in conjunction with the capital construction.

(b) For bonded indebtedness issued on or after December 5, 1996, except for the proceeds of any bonded indebtedness approved by electors prior to December 5, 1996, that were spent or contractually obligated to be spent before June 20, 1997, has the meaning given that term in paragraph (a) of this subsection, except that "capital construction":

(A) Includes public safety and law enforcement vehicles with a projected useful life of five years or more; and

(B) Does not include:

(i) Maintenance and repairs, the need for which could be reasonably anticipated;

(ii) Supplies and equipment that are not intrinsic to the structure; or

(iii) Furnishings, unless the furnishings are acquired in connection with the acquisition, construction, remodeling or renovation of a structure, or the repair of a structure that is required because of damage or destruction of the structure.

(5) "Capital improvements":

(a) For bonded indebtedness issued prior to December 5, 1996, and for the proceeds of any bonded indebtedness approved by electors before December 5, 1996, that were spent or contractually obligated to be spent before June 20, 1997, means land, structures, facilities, as that term is defined in ORS 288.805, machinery, equipment or furnishings having a useful life longer than one year.

(b) For bonded indebtedness issued on or after December 5, 1996, except for the proceeds of any bonded indebtedness approved by electors prior to December 5, 1996, that were spent or contractually obligated to be spent before June 20, 1997, has the meaning given that term in paragraph (a) of this subsection, except that "capital improvements":

(A) Includes public safety and law enforcement vehicles with a projected useful life of five years or more; and

(B) Does not include:

(i) Maintenance and repairs, the need for which could be reasonably anticipated;

(ii) Supplies and equipment that are not intrinsic to the structure; or

(iii) Furnishings, unless the furnishings are acquired in connection with the acquisition, construction, remodeling or renovation of a structure, or the repair of a structure that is required because of damage or destruction of the structure.

(6) "Direct consequence of ownership" means that the obligation of the owner of property to pay a tax arises solely because that person is the owner of the property, and the obligation to pay the tax arises as an immediate and necessary result of that ownership without respect to any other intervening transaction, condition or event.

(7)(a) "Exempt bonded indebtedness" means:

(A) Bonded indebtedness authorized by a specific provision of the Oregon Constitution;

(B) Bonded indebtedness incurred or to be incurred for capital construction or capital improvements that was issued as a general obligation of the issuing governmental unit on or before November 6, 1990;

(C) Bonded indebtedness incurred or to be incurred for capital construction or capital improvements that was issued as a general obligation of the issuing governmental unit after November 6, 1990, with the approval of the electors of the issuing governmental unit; or

(D) Bonded indebtedness incurred or to be incurred for capital construction or capital improvements, if the issuance of the bonds is approved by voters on or after December 5, 1996, in an election that is in compliance with the voter participation requirements of section 11 (8), Article XI of the Oregon Constitution.

(b) "Exempt bonded indebtedness" includes bonded indebtedness issued to refund or refinance any bonded indebtedness described in paragraph (a) of this subsection.

(8)(a) "Incurred charge" means a charge imposed by a unit of government on property or upon a property owner that does not exceed the actual cost of providing goods or services and that can be controlled or avoided by the property owner because:

(A) The charge is based on the quantity of the goods or services used, and the owner has direct control over the quantity;

(B) The goods or services are provided only on the specific request of the property owner; or

(C) The goods or services are provided by the government unit only after the individual property owner has failed to meet routine obligations of ownership of the affected property, and such action is deemed necessary by an appropriate government unit to enforce regulations pertaining to health or safety.

(b) For purposes of this subsection, an owner of property may control or avoid an incurred charge if the owner is capable of taking action to affect the amount of a charge that is or will be imposed or to avoid imposition of a charge even if the owner must incur expense in so doing.

(c) For purposes of paragraph (a)(A) of this subsection, an owner of property has direct control over the quantity of goods or services if the owner of property has the ability, whether or not that ability is exercised, to determine the quantity of goods or services provided or to be provided.

(9)(a) "Local improvement" means a capital construction project, or part thereof, undertaken by a local government, pursuant

to ORS 223.387 to 223.399, or pursuant to a local ordinance or resolution prescribing the procedure to be followed in making local assessments for benefits from a local improvement upon the lots that have been benefited by all or a part of the improvement:

(A) That provides a special benefit only to specific properties or rectifies a problem caused by specific properties;

(B) The costs of which are assessed against those properties in a single assessment upon the completion of the project; and

(C) For which the property owner may elect to make payment of the assessment plus appropriate interest over a period of at least 10 years.

(b) For purposes of paragraph (a) of this subsection, the status of a capital construction project as a local improvement is not affected by the accrual of a general benefit to property other than the property receiving the special benefit.

(10) "Maintenance and repairs, the need for which could be reasonably anticipated":

(a) Means activities, the type of which may be deducted as an expense under the provisions of the federal Internal Revenue Code, as amended and in effect on December 31, 2002, that keep the property in ordinarily efficient operating condition and that do not add materially to the value of the property nor appreciably prolong the life of the property;

(b) Does not include maintenance and repair of property that is required by damage, destruction or defect in design, or that was otherwise not reasonably expected at the time the property was constructed or acquired, or the addition of material that is in the nature of the replacement of property and that arrests the deterioration or appreciably prolongs the useful life of the property; and

(c) Does not include street and highway construction, overlay and reconstruction.

(11) "Projected useful life" means the useful life, as reasonably estimated by the unit of government undertaking the capital construction or capital improvement project, beginning with the date the property was acquired, constructed or reconstructed and based on the property's condition at the time the property was acquired, constructed or reconstructed.

(12) "Routine obligations of ownership" means a standard of operation, maintenance, use or care of property established by law, or if established by custom or common law, a standard that is reasonable for the type of property affected.

(13) "Single assessment" means the complete assessment process, including preassessment, assessment or reassessment, for any local improvement authorized by ORS 223.387 to 223.399, or a local ordinance or resolution that provides the procedure to be followed in making local assessments for benefits from a local improvement upon lots that have been benefited by all or part of the improvement.

(14) "Special benefit only to specific properties" shall have the same meaning as "special and peculiar benefit" as that term is used in ORS 223.389.

(15) "Specific request" means:

(a) An affirmative act by a property owner to seek or obtain delivery of goods or services;

(b) An affirmative act by a property owner, the legal consequence of which is to cause the delivery of goods or services to the property owner; or

(c) Failure of an owner of property to change a request for goods or services made by a prior owner of the property.

(16) "Structure" means any temporary or permanent building or improvement to real property of any kind that is constructed on or attached to real property, whether above, on or beneath the surface.

(17) "Supplies and equipment intrinsic to a structure" means the supplies and equipment that are necessary to permit a structure to perform the functions for which the structure was constructed, or that will, upon installation, constitute fixtures considered to be part of the real property that is comprised, in whole or part, of the structure and land supporting the structure.

(18) "Tax on property" means any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property, but does not include incurred charges or assessments for local improvements. As used in this subsection, "property" means real or tangible personal property, and intangible property that is part of a unit of real or tangible personal property to the extent that such intangible property is subject to a tax on property. [1991 c.459 §210; 1997 c.541 §258; 1999 c.21 §25; 1999 c.90 §33; 2001 c.660 §28; 2003 c.46 §24; 2003 c.77 §6; 2003 c.195 §23; 2003 c.802 §63]

310.143 Certification of taxes on taxable property subject to 1990 Measure 5 limits; refunds of taxes on property not certified, erroneously certified or certified by nongovernmental entity. (1) Any tax on property that is imposed on property that is subject to ad valorem taxation by any unit of local government shall be certified to

the assessor each year, as provided under ORS 310.060. Except as otherwise specifically provided by law, any tax, fee, charge or assessment that is not a tax on property or is not imposed on property subject to ad valorem taxation shall not be certified to the assessor. Each tax certified shall be certified in whichever of the following forms is applicable:

(a) In dollars and cents in either the total amount to be raised from all property in the unit;

(b) In dollars and cents per property; or

(c) As a rate per \$1,000 of assessed value.

(2) If any unit of local government imposes on property that is subject to ad valorem taxation a tax on property, as defined in ORS 310.140, that is not certified to the assessor under ORS 310.060 for imposition and collection, and a court of competent jurisdiction determines that the tax is subject to the limits of section 11b, Article XI of the Oregon Constitution, the unit of local government shall pay any refunds ordered by the court. No refunds shall be paid from the unsegregated tax collections account, and the assessor shall not be required to redetermine the amount of other taxes imposed on any property that also is subject to the challenged tax.

(3) Notwithstanding ORS 311.806, when any unit of local government certifies a tax on property to be collected by the tax collector, and the amount of the tax on individual properties is calculated by the unit of local government, any claim for refund of such taxes due to an error in calculation of the amount of the tax shall be made to the unit of local government within the same time and in the same manner as claims for refund are to be made under ORS 311.806. The unit of local government shall pay any refunds it determines to be due to errors in calculation of the amount of the tax out of the funds available to the unit of local government. Such refunds shall not be paid from the unsegregated tax collections account, and the assessor shall not be required to redetermine the amount of other taxes imposed on the property for which the refund is made.

(4) Notwithstanding ORS 311.806, when any entity that is not a unit of local government certifies an amount specifically authorized by law to be included on the roll to be collected by the tax collector, and the amount on individual properties is calculated by the entity, any claim for refund of the amount due to an error in calculation of the amount shall be made to the entity within the same time and in the same manner as claims for refunds are to be made under ORS 311.806 (2). The entity shall pay any refunds

it determines to be due to errors in calculation of the amount out of the funds available to the entity. The refunds shall not be paid from the unsegregated tax collections account, and the assessor shall not be required to redetermine the amount of other taxes imposed on the property for which the refund is made. [1991 c.459 §211; 1993 c.270 §48; 1995 c.256 §9; 1997 c.541 §259]

310.145 Ordinance or resolution classifying and categorizing taxes subject to 1990 Measure 5 limits. (1) Each unit of local government that imposes a tax, fee, charge or assessment may adopt an ordinance or resolution classifying all or any of the taxes, fees, charges and assessments it imposes as being in one or more of the following categories:

(a) Taxes on property subject to the limits of section 11b, Article XI of the Oregon Constitution, and within this category, those taxes that are dedicated to funding the public school system, and those that are imposed to support other government operations.

(b) Incurred charges.

(c) Assessments for local improvements.

(d) Taxes to pay principal and interest on exempt bonded indebtedness.

(e) All other taxes, fees, charges and assessments that are not subject to the limits of section 11b, Article XI of the Oregon Constitution.

(2) An ordinance or resolution adopted under this section shall serve as notice of the classification of taxes, fees, charges and assessments for purposes of ORS 305.580 to 305.591. [1991 c.459 §212; 1993 c.270 §49]

310.147 Code area system; tentative consolidated tax rates per category; total consolidated code area rates after adjustment; recordation on assessment roll.

(1) Each year, the county assessor shall establish a system of code areas, identified by code numbers, which shall represent all of the various combinations of taxing districts, or tax zones of taxing districts in which district taxes differ, as of July 1 of that year in which a piece of property was located in the county on January 1 of that year.

(2) The assessor shall compute a tentative consolidated ad valorem property tax rate for each code area. The tentative consolidated ad valorem property tax rate for the code area shall be determined for each category under ORS 310.150. The tentative consolidated ad valorem property tax rate for each category for the code area shall be the sum of the category rates determined under ORS 310.090 for each taxing district in the code area.

(3)(a) The assessor shall compute the consolidated category rate for each category under ORS 310.150 using the ad valorem property taxes to be imposed on each property after adjustment under ORS 310.150. In the case of the exempt bonded indebtedness category, the tentative consolidated category rate for the code area shall be the consolidated category rate for the code area.

(b) The total consolidated rate for the code area shall equal the sum of the consolidated rates for each category determined under paragraph (a) of this subsection after adjustment under ORS 310.150.

(4) The assessor shall indicate on the assessment roll the code area number for each item of property assessed. In addition, the assessor shall compile in duplicate a list of all code areas and their numbers and identify for each area the names of each taxing district in the area, the rate, after adjustment under ORS 310.150, for each item of the taxing district reported on the notice filed under ORS 310.060, the total rate for each taxing district and by category as described in ORS 310.150 and the total consolidated rate for the code area. The list shall constitute a part of the certificate prepared under ORS 311.105, to be delivered to the county clerk and to the tax collector. [Formerly 308.221; 2001 c.246 §9; 2001 c.553 §7; 2003 c.621 §104]

Note: Section 105, chapter 621, Oregon Laws 2003, provides:

Sec. 105. The amendments to ORS 310.147 by section 104 of this 2003 Act apply to property tax years beginning on or after July 1, 2004. [2003 c.621 §105; 2003 c.621 §105a]

310.150 Segregation into categories; category limits; determination if amount of taxes on property is within limits; method of reducing taxes to meet limits.

(1) The three categories within which ad valorem property tax items are to be categorized in the notice to be filed under ORS 310.060 and for which category rates of ad valorem property taxes are to be computed under ORS 310.090 and tentative consolidated category rates are to be computed for each code area under ORS 310.147 are as follows:

(a) Taxes levied or imposed for the purpose of funding exempt bonded indebtedness.

(b) Taxes levied or imposed for the purpose of funding the public school system and that are not described in paragraph (a) of this subsection.

(c) Taxes levied or imposed for the purpose of funding government operations other than public school system operations and that are not described in paragraph (a) of this subsection.

(2) After computation of the tentative ad valorem property tax consolidated rate for

each category under ORS 310.147, and after calculation of the amount of ad valorem property taxes to be imposed on properties in the county, but before extending any taxes on the assessment and tax roll, the assessor shall determine whether the total amount of taxes on property to be imposed on each property in the code area in each category is within the limits described in subsection (3) of this section.

(3)(a) The assessor shall determine whether the ad valorem property taxes to be imposed on any property exceed the limits described in this subsection in order to ensure, as guaranteed in section 11 (11) and 11b, Article XI of the Oregon Constitution, that taxes imposed in each geographic area taxed by the same local taxing districts do not exceed \$5 (public school system) and \$10 (other government) per \$1,000 of real market value.

(b) For the category of taxes imposed for the purpose of funding the public school system that are not for the purpose of paying principal and interest on exempt bonded indebtedness, if the tentative consolidated ad valorem property tax rate determined under subsection (2) of this section exceeds \$5 per \$1,000 of real market value, the consolidated rate shall be adjusted as provided in this section so that the consolidated rate for the public school system category equals \$5 per \$1,000 of real market value.

(c) For the category of taxes imposed for the purpose of funding government operations other than the public school system and that are not for the purpose of paying principal and interest on exempt bonded indebtedness, if the tentative consolidated ad valorem property tax rate exceeds \$10 per \$1,000 of real market value, the consolidated rate shall be adjusted as provided in this section so that the consolidated rate for the other government category equals \$10 per \$1,000 of real market value.

(d) For the category of taxes imposed for the purpose of paying principal and interest on exempt bonded indebtedness, the tentative consolidated rate determined under subsection (2) of this section shall be the consolidated rate for the exempt bonded indebtedness category.

(4) If the taxes on property in either category to be imposed on any property in the code area exceed the limit established for that category in subsection (3) of this section, the assessor shall reduce the taxes by applying a reduction ratio.

(5)(a) If local option taxes described under ORS 280.040 to 280.145 have been adopted by one or more taxing districts in the code area, the reduction ratio shall be calculated under this subsection and applied

only to the local option taxes imposed on the property for which the taxes are being determined.

(b) Local option taxes subject to compression under this subsection include urban renewal division of tax revenue that is derived from the division of local option tax authority.

(c) The numerator of the reduction ratio shall be the amount obtained (but not less than zero) by subtracting the tentative consolidated category rate of ad valorem property taxes that are not local option taxes from the maximum rate of ad valorem property taxes for the category described in subsection (3) of this section.

(d) The denominator for the ratio shall be the total rate of all local option taxes for the category.

(e) The assessor shall multiply the reduction ratio determined under this subsection by each local option tax amount to which the property is subject in the category.

(f) So reduced, the assessor shall again determine if the total taxes for the category to be imposed on the property exceed the limits described in subsection (3) of this section. If the reduced taxes for the category do not exceed the category limit, such taxes shall be the taxes used to compute the consolidated rate for the code area in which the property is located. If the reduced taxes for the category still exceed the category limit after all local option taxes have been eliminated, the taxes in the category shall be subject to further reduction under subsection (6) of this section.

(6)(a) If the property is not subject to local option taxes or if all local option taxes have been eliminated as a result of the application of the reduction ratio calculated under subsection (5) of this section, and the tentative consolidated rate determined under ORS 310.147 for the category exceeds the maximum rate of ad valorem property taxes for the category described in subsection (3) of this section, the reduction ratio shall be determined under this subsection.

(b) The numerator of the reduction ratio shall be the maximum rate permitted for the category described in subsection (3) of this section.

(c) The denominator of the reduction ratio shall be the tentative consolidated category rate under ORS 310.147 (or the category rate applicable to the property after the reduction under subsection (5) of this section, if applicable).

(d) The assessor shall multiply the reduction ratio determined under this subsection by the amount of each taxing district

item of ad valorem property tax that is a component of the tentative consolidated category rate for the code area in which the property is located.

(7) In determining whether the taxes described in subsection (1)(c) of this section exceed the limitation under subsection (3)(c) of this section, all moneys raised through the urban renewal special levy described in ORS 457.435 and all moneys raised through the urban renewal division of tax, including amounts derived from exempt bonded indebtedness authority and local option tax authority, must be categorized as subject to the limitation described in subsection (3)(c) of this section. [1991 c.459 §213; 1997 c.541 §260; 2003 c.198 §1]

310.153 Total amount to be raised for each taxing district and item; basis for assessor's certificate. (1) The assessor shall determine the total amount to be raised for each taxing district in the code area and, for the total amount for each taxing district, the amount for each item that is listed in the taxing district's notice filed under ORS 310.060.

(2) The amounts determined under this section shall serve as the basis for the assessor's certificate prepared under ORS 311.105. [1997 c.541 §263]

Note: 310.153 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 310 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

310.155 Public school system limit; definitions. (1) For purposes of ORS 310.150, taxes are levied or imposed to fund the public school system if the taxes will be used exclusively for educational services, including support services, provided by any unit of government, at any level from prekindergarten through post-graduate training.

(2) Taxes on property levied or imposed by a unit of government whose principal function is to provide educational services shall be considered to be dedicated to fund the public school system unless the sole purpose of a particular, voter approved levy is for other than educational services or support services as defined in this section.

(3) Taxes on property levied or imposed by a unit of government whose principal function is to perform government operations other than educational services shall be considered to be dedicated to fund the public school system only if the sole purpose of a particular, voter approved levy is for educational services or support services as defined in this section.

(4) As used in this section, "educational services" includes:

(a) Establishment and maintenance of preschools, kindergartens, elementary schools, high schools, community colleges and institutions of higher education.

(b) Establishment and maintenance of career schools, adult education programs, evening school programs and schools or facilities for the physically, mentally or emotionally disabled.

(5) As used in this section, "support services" includes clerical, administrative, professional and managerial services, property maintenance, transportation, counseling, training and other services customarily performed in connection with the delivery of educational services.

(6) "Educational services" does not include community recreation programs, civic activities, public libraries, programs for custody or care of children or community welfare activities if those programs or activities are provided to the general public and not for the benefit of students or other participants in the programs and activities described in subsection (4) of this section. [1991 c.459 §214; 1995 c.343 §27; 1997 c.541 §264]

310.156 Certain community college library limits. (1) Notwithstanding ORS 310.155 and for purposes of ORS 310.150, taxes levied or imposed by a community college district to provide a public library system established prior to September 9, 1995, shall be considered to be levied or imposed for the purpose of funding government operations other than the public school system.

(2) As used in this section, "public library system" has the meaning given the term in ORS 357.400. [1995 c.43 §2]

310.160 Unit of property; description for purposes of determining if amount of taxes exceeds 1990 Measure 5 limits. (1) For purposes of determining whether the taxes on property to be imposed on any property exceed the limits imposed by section 11b, Article XI of the Oregon Constitution, the unit of property to be considered shall consist of all contiguous property within a single code area in the county under common ownership that is used and appraised for a single integrated purpose, whether or not that property is taxed as a single account or multiple accounts.

(2) In the case of real property that is specially assessed under ORS 308A.107, 308A.256, 308A.315 or 321.257 to 321.390 or any other law, or partially exempt from tax under ORS 307.250, 307.370 or 358.480 to 358.545 or any other law, the unit of property shall consist of all components of land and improvements in a single operating unit.

(3) In the case of timeshare properties, the unit of property shall consist of all real

property components associated with all timeshare property within a timeshare plan as described in ORS 94.808.

(4) In the case of personal property that is not part of an operating unit consisting of both real and personal property, the unit of property shall consist of all items of personal property identified in a single property tax account.

(5) In the case of land upon which an improvement is located, and the land and the improvement are owned by different persons, if the land and improvements are a single operating unit, the unit of property shall consist of the entire improved parcel. [1991 c.459 §215; 1993 c.801 §37a; 1999 c.314 §64; 2001 c.540 §20]

310.165 Partially exempt or specially assessed property; treatment of additional taxes imposed upon disqualification from special assessment or exemption. (1) For any unit of property partially exempt from tax under ORS 307.250, 307.370, 308.459 or 358.480 to 358.545 or any other law, the assessor shall determine the maximum amount of taxes on property to be imposed on such property under ORS 310.150, by using the lesser of the real market value or the taxable value of the property after the exemption has been applied.

(2) For any land that is specially assessed for ad valorem tax purposes under ORS 308A.050 to 308A.128, 308A.250 to 308A.259, 308A.315, 321.257 to 321.390, 321.700 to 321.754 or 321.805 to 321.855, the assessor shall determine the maximum amount of taxes on property to be imposed on such property under ORS 310.150 by using the lesser of the real market value or the specially assessed value of the property.

(3) In the case of any unit of property of which a part of the unit is exempt from taxation, and that part may be identified both as to value and physical description, the real market value of the unit shall not include the value of the exempt part of the unit.

(4) If any unit of property described in subsection (1) or (2) of this section for which the maximum amount of taxes imposed has been determined under this section is subject to imposition of additional taxes due to disqualification from special assessment or partial exemption, the determination of the maximum amount of additional taxes that may be imposed due to disqualification shall be made on the basis of the real market value of the property for the year to which the additional taxes relate. [1991 c.459 §216; 1993 c.270 §50; 1993 c.801 §37b; 1999 c.314 §65; 2001 c.114 §24; 2001 c.540 §21; 2003 c.454 §§104,106; 2003 c.621 §95]

Note: Section 107, chapter 454, Oregon Laws 2003, provides:

Sec. 107. The amendments to ORS 310.165 by section 106 of this 2003 Act apply to tax years beginning on or after July 1, 2004. [2003 c.454 §107]

310.170 Allocation by districts of distributions from unsegregated tax collections account among taxes subject to 1990 Measure 5 limits. If any taxing district certifies for levy or imposition under ORS 310.060 more than one tax subject to the limits of section 11b, Article XI of the Oregon Constitution, and receives distributions from the unsegregated tax collections account in an amount that is less than the total amount of taxes so certified, the taxing district may allocate the funds distributed to it among the taxes so certified. No taxing district may allocate funds to any one tax in an amount greater than the amount the district certified for levy or imposition under ORS 310.060 during the period for which the tax is imposed. [1991 c.459 §219]

310.180 [1991 c.396 §3; 1993 c.424 §7; repealed by 1997 c.541 §268]

310.181 [1991 c.396 §2; repealed by 1997 c.541 §268]

310.182 [1991 c.396 §4; 1993 c.424 §8; repealed by 1997 c.541 §268]

310.184 [1991 c.396 §5; 1993 c.424 §9; repealed by 1997 c.541 §268]

310.186 [1991 c.396 §§6,8; 1993 c.424 §10; repealed by 1997 c.541 §268]

310.188 [1991 c.396 §7; 1993 c.424 §11; repealed by 1997 c.541 §268]

(Election Challenges)

310.190 Effect of election challenge on tax; resolution of challenge. (1) If a challenge has been filed under ORS 258.016 (7), any tax that was authorized by the election shall not be extended on the assessment and tax roll until the challenge has been resolved.

(2) If a challenge is resolved so that the contested election is determined to be valid and all appeals of the resolution also resolved, or rights to appeal expired, the tax that was authorized by the election shall be extended on the roll for the first tax year following the date of resolution.

(3) The tax shall be extended for the same number of years as the tax would have been imposed had the challenge not occurred. [1997 c.541 §318]

310.193 Taxing district duty to notify assessor of challenge. A taxing district that has received notice of a challenge to one of the district's elections under ORS 258.016 shall notify the assessor of the filing of the challenge and of the resolution of the challenge. [1997 c.541 §319]

**(Calculation of 1997 Measure 50
Permanent and Supplemental Statutory
Rate Limits on Operating Taxes and
1997-1998 Tax Reductions)**

310.200 Purpose. The purpose of ORS 310.200 to 310.242 is to set forth the procedure by which tax reductions caused by implementation of section 11, Article XI of the Oregon Constitution, and caused by additional statutory reductions, for the tax year beginning July 1, 1997, are to be distributed to the property taxpayers and taxing districts of this state and to derive each district's permanent rate limit for operating taxes and statutory rate limit for operating taxes for tax years beginning on or after July 1, 1997. [1997 c.541 §20]

310.202 Definitions for ORS 310.200 to 310.242. As used in ORS 310.200 to 310.242:

(1) "Local option taxes" means taxes described under section 11 (4) or (7)(c), Article XI of the Oregon Constitution, and does not include serial levies or continuing levies first imposed in the tax year beginning July 1, 1997, that merely replace serial or one-year levies imposed in the tax year beginning July 1, 1996.

(2) "Measure 5 assessed value rate" means the rate determined under ORS 310.238.

(3) "Measure 5 imposed tax estimate" means the amount determined under ORS 310.210 solely for purposes of tax reduction distribution and is not the amount of tax actually to be imposed on property for the tax year.

(4) "Measure 5 value" means the real market value of taxable property that is not subject to special assessment or the specially assessed value of property subject to special assessment.

(5) "Measure 47 comparison taxes" means taxes calculated under ORS 310.212. The Legislative Assembly is expressly not adopting by reference any provision of repealed Ballot Measure 47 (1996) under ORS 310.200 to 310.242.

(6) "Operating taxes" has the meaning given that term in ORS 310.055.

(7) "Permanent rate limit on operating taxes" means a taxing district's maximum rate of operating taxes allowed under section 11 (3), Article XI of the Oregon Constitution.

(8) "Pre-reduction Measure 50 taxes" means the amount determined by subtracting those taxes not subject to reduction under section 11 (3), Article XI of the Oregon Constitution, from the Measure 5 imposed tax estimate.

(9) "Qualified taxing district obligations" means any portion of a local taxing district levy that is used to repay:

(a) Principal and interest for any bond issued before December 5, 1996, and secured by a pledge or explicit commitment of ad valorem property taxes or a covenant to levy or collect ad valorem property taxes;

(b) Principal and interest for any other formal, written borrowing of moneys executed before December 5, 1996, for which ad valorem property tax revenues have been pledged or explicitly committed, or that are secured by a covenant to levy or collect ad valorem property taxes;

(c) Principal and interest for any bond issued to refund an obligation described in paragraph (a) or (b) of this subsection; or

(d) Local government pension and disability plan obligations that commit ad valorem property taxes and the ad valorem property taxes imposed to fulfill those obligations.

(10) "Statutory rate limit on operating taxes" means the maximum rate of operating taxes that may be imposed after supplemental statutory reduction under ORS 310.222 (6).

(11) "Urban renewal increment" has the meaning given the term "increment" in ORS 457.010. [1997 c.541 §21; 2003 c.46 §25]

310.204 "Hospital facility" defined. In order to determine if ad valorem property taxes are used to support a hospital facility and therefore are subject to section 11 (6), Article XI of the Oregon Constitution, the term "hospital facility" means a facility with an organized medical staff, with permanent facilities that include inpatient beds, and with medical services, including physician services and continuous nursing services under the supervision of registered nurses, to provide diagnosis and medical or surgical treatment primarily for but not limited to acutely ill patients and accident victims. [1997 c.541 §266]

Note: 310.204 was added to and made a part of ORS chapter 310 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

310.206 1997-1998 tax certification notice. (1) Notwithstanding ORS 310.060, for the tax year beginning July 1, 1997, the notice required under ORS 310.060 shall be as provided in this section.

(2) Every city, school district or other public corporation authorized to levy or impose a tax on property shall file a notice in writing of the ad valorem property tax levy made by it and any other taxes on property imposed by it on property subject to ad valorem property taxation that is required or

authorized to be placed on the assessment and tax roll for the current fiscal year. The notice shall be accompanied by a copy of a lawfully adopted ordinance or resolution that categorizes the tax, fee, charge, assessment or toll as subject to or not subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

(3) For any ad valorem property taxes levied by the taxing district, the notice shall state as a separate item:

(a) The total amount of money, prior to reduction under section 11 (3), Article XI of the Oregon Constitution, that the taxing district would have been entitled to levy under the property tax laws of this state as described in ORS 310.210 (2);

(b) If the taxing district is a taxing district other than a city, county or school district:

(A) The amount of the levy that is used to support a hospital facility; and

(B) The amount of any levy certified in the tax year beginning July 1, 1995, that was used to support a hospital facility;

(c) The amount of any levy of ad valorem property taxes that is not subject to constitutional reduction because the levy is described in section 11 (7)(a), Article XI of the Oregon Constitution;

(d) The amount of any serial or one-year levy that replaces an existing serial or one-year levy approved by a majority of the voters voting on the question in an election held on or after December 5, 1996, and first imposed for a tax year beginning on July 1, 1997, if the rate or the amount of the levy is not greater than the rate or amount of the levy replaced;

(e) The total rate or amount of the taxing district's local option tax that is imposed pursuant to ORS 280.040 to 280.145 or that is treated as a local option tax under section 11 (7)(c), Article XI of the Oregon Constitution, and the date the local option tax was approved by voters;

(f) The amount levied for the payment of exempt bonded indebtedness or interest thereon that is not subject to limitation under section 11 (11) or section 11b, Article XI of the Oregon Constitution;

(g) The amount levied to pay qualified taxing district obligations, identifying the extent to which the amount levied is to be used to repay:

(A) Principal and interest for any bond issued before December 5, 1996, and secured by a pledge or explicit commitment of ad valorem property taxes or a covenant to levy or collect ad valorem property taxes;

(B) Principal and interest for any other formal, written borrowing of moneys executed before December 5, 1996, for which ad valorem property tax revenues have been pledged or explicitly committed, or that are secured by a covenant to levy or collect ad valorem property taxes;

(C) Principal and interest for any bond issued to refund an obligation described in subparagraph (A) or (B) of this paragraph; or

(D) Local government pension and disability plan obligations that commit ad valorem property taxes and the ad valorem property taxes imposed to fulfill those obligations; and

(h) For any levy certified under paragraph (g) of this subsection, the amount levied to pay the same qualified obligation (or a predecessor obligation that has been refunded by the current qualified obligation) in the tax year beginning July 1, 1995.

(4)(a) If the taxing district chooses not to levy the entire amount that the taxing district would have been entitled to levy under subsection (3)(a) of this section, the taxing district shall state the amount as prescribed in subsection (3)(a) of this section under the heading "For Permanent Rate Limit Determination Only."

(b) The taxing district shall then state the lesser amount that the district has determined as the maximum amount to be raised for operating tax purposes for the tax year beginning July 1, 1997, under the heading "1997-1998 Operating Tax Amount."

(5)(a) The notice shall also list each rate or amount subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

(b) If an item as described in subsection (3) of this section is allocable to more than one category under ORS 310.150, then notwithstanding subsection (3) of this section, the notice shall list as a separate item each portion that is allocable to a category.

(6) The notice and the taxing district filing the notice shall comply with ORS 310.060 (3). [1997 c.541 §22]

310.208 1997-1998 urban renewal certification. (1) Notwithstanding ORS 457.440, for the tax year beginning July 1, 1997, an urban renewal agency shall certify to the assessor for each urban renewal plan the amount that would have been certified under ORS 457.440 (1995 Edition) and the other laws of this state applicable to the certification as set forth in Oregon Revised Statutes (1995 Edition) and as further modified by the laws of this state applicable to the tax year beginning July 1, 1997, other than:

(a) Section 11, Article XI of the Oregon Constitution, and the other provisions of House Joint Resolution 85 (1997) (Ballot Measure 50 (1997)); and

(b) ORS 310.212 to 310.242.

(2) If the urban renewal plan is an existing urban renewal plan, as defined in ORS 457.010, the urban renewal agency shall include in the certification a notice of a potential special levy made by the municipality, as defined in ORS 457.010, as permitted under section 11 (16), Article XI of the Oregon Constitution, in an amount to be subsequently determined under ORS 310.240 (4). If the urban renewal plan is not an existing urban renewal plan, no special levy described in this subsection shall be made.

(3) For purposes of making the certification described in this section, the real market value of property shall be determined as provided in section 11 (11)(a)(A), Article XI of the Oregon Constitution. [1997 c.541 §23]

310.210 Measure 5 imposed tax estimate. (1) After the assessor has received all certifications of levy under ORS 310.206 for the tax year beginning July 1, 1997, the assessor shall first calculate the Measure 5 imposed tax estimate under this section.

(2) The assessor shall compute ad valorem property taxes on each property under the property tax laws of this state as set forth in the Oregon Revised Statutes (1995 Edition), including section 11, Article XI of the Oregon Constitution (1995 Edition), as further modified by the property tax laws of this state applicable to the tax year beginning July 1, 1997, except for the following laws:

(a) Section 11, Article XI of the Oregon Constitution, and the other provisions of House Joint Resolution 85 (1997) (Ballot Measure 50 (1997));

(b) ORS 310.212 to 310.242; and

(c) Any provision of law requiring an offset against a local taxing district levy.

(3) The amount of taxes determined under subsection (2) of this section for each property shall be the property's Measure 5 imposed tax estimate. The amount determined for each district shall be the district's Measure 5 imposed tax estimate.

(4) In calculating the Measure 5 imposed tax estimate, the assessor shall not take into account any local option taxes that have been certified under ORS 310.206.

(5) For purposes of calculating the Measure 5 imposed tax estimate under this section, the real market value of property shall be determined as provided in section 11 (11)(a)(A), Article XI of the Oregon Constitution. [1997 c.541 §24]

310.212 Measure 47 comparison taxes.

(1) The assessor shall determine Measure 47 comparison taxes for each property under this section.

(2)(a) The assessor shall subtract the following taxes from the ad valorem property taxes imposed on each property for the tax year beginning July 1, 1995:

(A) Taxes imposed to pay principal and interest on exempt bonded indebtedness;

(B) Urban renewal taxes; and

(C) Taxes imposed to pay qualified taxing district obligations, as calculated under subsection (3) of this section.

(b) The assessor shall calculate the dollar value of offsets against ad valorem property taxes for the tax year beginning July 1, 1995, and shall add to the amount determined under paragraph (a) of this subsection each property's share of such offsets if:

(A) The county contains a taxing district with offsets from appeals for the tax year beginning July 1, 1995, that exceed 10 percent of the district's net levy for the tax year beginning July 1, 1995; and

(B) The taxing district is not a school district, education service district, community college or community college service district.

(3)(a) The amount subtracted for qualified taxing district obligations under subsection (2)(a)(C) of this section shall be determined for each category described in ORS 310.150.

(b) For each category, the assessor shall multiply the total amount imposed by a district on a property, less those taxes described in subsection (2)(a)(A) and (B) of this section, by a ratio, the numerator of which is the total amount of qualified obligations that were certified by the district for the tax year beginning July 1, 1995, and the denominator of which is the total amount of the district's imposed taxes, other than taxes imposed to pay principal and interest on exempt bonded indebtedness and urban renewal taxes, in the category.

(c) The total of the amounts determined under this subsection for all three categories shall be the amount subtracted under subsection (2)(a)(C) of this section.

(4) The assessor shall reduce the amount determined under subsection (2) of this section by 10 percent.

(5) The assessor shall determine for each property the value that has been added to the assessment roll for the tax year beginning July 1, 1997, that is attributable to changes in the value of the property for the tax year beginning July 1, 1996, or July 1, 1997, as the result of:

(a) New property or improvements to property;

(b) A partition or subdivision of property;

(c) A rezoning of property and use of the property consistent with the rezoning;

(d) Omitted property; or

(e) The disqualification of property from exemption, partial exemption or special assessment.

(6) The assessor shall divide the amount determined in subsection (4) of this section by the Measure 5 value in the code area on the assessment roll for the tax year beginning July 1, 1997, reduced by the total value determined in the code area under subsection (5) of this section to arrive at a Measure 47 comparison tax rate.

(7)(a) The assessor shall multiply the total value determined for each property under subsection (5) of this section by the Measure 47 comparison tax rate in the code area determined under subsection (6) of this section.

(b) The assessor shall add the amount determined under paragraph (a) of this subsection to the amount determined in subsection (4) of this section to arrive at the total amount of Measure 47 comparison taxes for each property.

(c) The assessor shall total the amounts determined under paragraph (b) of this subsection for all property in the code area to determine the total Measure 47 comparison taxes for the code area.

(8) The assessor shall allocate the Measure 47 comparison taxes to each taxing district in the code area in the proportion that each taxing district's share of the Measure 5 imposed tax estimate in the code area (excluding taxes for exempt bonded indebtedness and urban renewal and the amount certified for qualified taxing district obligations) bears to the total Measure 5 imposed taxes for the code area (excluding taxes for exempt bonded indebtedness and urban renewal and the amount certified for qualified taxing district obligations). The total of the amounts so allocated to a district from all of the district's code areas shall be the taxing district's Measure 47 comparison tax.

(9) If the taxing district is other than a city, county or school district and supports a hospital facility through ad valorem property taxes, the Measure 47 comparison tax shall be further adjusted by subtracting the allocated portion of taxes used to support a hospital facility from the total amount allocated to the district under subsection (8) of this section.

(10) The Measure 47 comparison tax shall be further adjusted by subtracting the allo-

cated portion of taxes that are imposed pursuant to an operating tax levy approved by voters prior to December 5, 1996, in an election and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(a) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(b) That was the general election in an even-numbered year. [1997 c.541 §25]

310.214 Measure 47 comparison tax adjustments for certain nonschool taxing districts. (1) This section applies to a taxing district if:

(a) The district is not a school district, education service district, community college district or community college service district;

(b) The additions to value in the district under ORS 310.212 (5) exceed 10 percent of the Measure 5 value for the district (before the addition of any value described in ORS 310.212 (5)); and

(c) There has been no voter approval of a new tax base under section 11, Article XI of the Oregon Constitution (1995 Edition), or other tax levy that would first take effect in a tax year beginning July 1 of 1995, 1996 or 1997 (other than the approval of taxes to pay bonded indebtedness).

(2) Notwithstanding ORS 310.212, the Measure 47 comparison taxes of a taxing district described in subsection (1) of this section shall be increased by reducing the preliminary reduction percentage in ORS 310.218 by each percentage point, or fraction thereof, that the additions to value in the district identified in subsection (1)(b) of this section exceed 10 percent. [1997 c.541 §25a]

310.216 Pre-reduction Measure 50 taxes. (1) The assessor shall determine pre-reduction Measure 50 taxes under this section.

(2) For each taxing district in the county, the assessor shall subtract from the taxing district's Measure 5 imposed tax estimate all of the following:

(a) The total amount imposed to pay principal and interest on exempt bonded indebtedness;

(b) The amount certified to pay qualified obligations of the taxing district;

(c) The amount imposed to repay indebtedness of an urban renewal area;

(d) If the taxing district is other than a city, county or school district, the amount imposed that is used to support a hospital facility; and

(e) The amount imposed pursuant to an operating tax levy approved by voters prior to December 5, 1996, and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(A) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(B) That was the general election in an even-numbered year.

(3) The amount determined under subsection (2) of this section shall be the taxing district's pre-reduction Measure 50 tax. [1997 c.541 §26]

310.218 Preliminary reduction percentages. (1) The assessor shall compare the pre-reduction Measure 50 tax for the district with the Measure 47 comparison tax for the district, and determine the percentage by which the Measure 47 comparison tax is less than the pre-reduction Measure 50 tax for the district.

(2) The percentage determined under this section shall be the preliminary reduction percentage for the district. [1997 c.541 §27]

310.220 Assessor certification to Department of Revenue; contents. The assessor shall certify to the Department of Revenue for each taxing district and code area in the county:

(1) A preliminary reduction percentage determined under ORS 310.218;

(2) The pre-reduction Measure 50 tax applicable to the district, as determined under ORS 310.216;

(3) The Measure 47 comparison tax applicable to the district, as determined under ORS 310.212;

(4) The assessed value of the additions of value described in ORS 310.212 (5)(a) and (b);

(5) The Measure 47 comparison taxes attributable to the additions of value, as determined under ORS 310.212 (7)(a);

(6) Taxes used to pay qualified obligations, if the qualified obligations consist of local government pension and disability plan obligations;

(7) Urban renewal taxes other than urban renewal taxes used to pay principal and interest on bonded indebtedness;

(8) Operating tax levies approved by voters prior to December 5, 1996, and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(a) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(b) That was the general election in an even-numbered year; and

(9) Any other information required by the department. [1997 c.541 §28]

310.222 Computation of 1997 Measure 50 reduction and supplemental statutory reduction; certification to assessor. (1) Upon receipt of all certifications made under ORS 310.220, the Department of Revenue shall compute:

(a) A statewide constitutional reduction percentage for pre-reduction Measure 50 taxes so as to achieve a statewide average reduction in Measure 50 taxes of 17 percent; and

(b) A supplemental statutory reduction percentage so as to achieve a statewide average reduction of 17 percent in all of the following taxes:

(A) Pre-reduction Measure 50 taxes;

(B) Taxes used to pay qualified obligations of the taxing districts, if the qualified obligations consist of local government pension and disability plan obligations;

(C) Urban renewal taxes other than urban renewal taxes used to pay principal and interest on bonded indebtedness; and

(D) An operating tax levy approved by voters prior to December 5, 1996, and for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(i) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(ii) That was the general election in an even-numbered year.

(2) The department shall compute a constitutional reduction percentage for Measure 50 taxes by comparing the total statewide pre-reduction Measure 50 tax amount with the total statewide Measure 47 comparison tax amount and calculating the statewide percentage by which the total Measure 47 comparison tax amount is less than the total pre-reduction Measure 50 tax amount.

(3) If the statewide reduction percentage for Measure 50 taxes determined under subsection (1) of this section equals 17 percent, the constitutional reduction percentage for each district shall equal the percentage certified to the district under ORS 310.220. The department shall proceed to calculate the supplemental statutory reduction under subsection (6) of this section.

(4) If the statewide reduction percentage for Measure 50 taxes determined under subsection (1) of this section is greater than 17 percent, each taxing district's preliminary

reduction percentage shall be multiplied by a fraction, the numerator of which is the percentage point difference between the statewide reduction percentage and 17 percent, and the denominator of which is the statewide reduction percentage. The product shall then be subtracted from the preliminary reduction percentage to obtain the taxing district's constitutional reduction percentage. The department shall then calculate the supplemental statutory reduction under subsection (6) of this section.

(5) If the statewide reduction percentage for Measure 50 taxes determined under subsection (1) of this section is less than 17 percent, each taxing district's preliminary reduction percentage shall be multiplied by a fraction, the numerator of which is the percentage point difference between the statewide reduction percentage and 17 percent, and the denominator of which is the statewide reduction percentage. The product shall then be added to the preliminary reduction percentage to obtain the constitutional reduction percentage for the district. The department shall then calculate the supplemental statutory reduction under subsection (6) of this section.

(6)(a) Following the determination made under subsection (3), (4) or (5) of this section, the department shall compute a supplemental statutory reduction percentage so that the statewide total amount of all of the taxes described in subsection (1)(b) of this section is reduced by 17 percent, using the procedure in this subsection.

(b) The department shall compute a statewide total amount of the taxes certified under ORS 310.220 (6), (7) and (8), and shall multiply this amount by 17 percent.

(c) The supplemental reduction shall be the percentage equivalent of a fraction, the numerator of which is the amount calculated under paragraph (b) of this section and the denominator of which is the statewide total pre-reduction Measure 50 tax amount plus the total amount of taxes certified under ORS 310.220 (6), (7) and (8).

(d) For each taxing district, the department shall:

(A) Add the supplemental reduction percentage to the constitutional reduction percentage determined for the district under subsection (3), (4) or (5) of this section to determine a total reduction percentage for taxes that are subject to constitutional reduction; and

(B) Reduce the district's other taxes that were certified by the assessor under ORS 310.220 (6), (7) and (8) by the supplemental statutory reduction percentage.

(7)(a) If the statewide constitutional reduction percentage no longer equals 17 percent after the department estimates compression of Measure 50 taxes on a code area basis, the department shall recalculate the constitutional reduction percentages as described in subsections (4) and (5) of this section until the statewide reduction percentage equals 17 percent. Constitutional reduction percentages for each district shall be finally determined prior to any determination of supplemental statutory reduction.

(b) The reduction percentages determined under this section shall be adjusted so that the appropriate pre-compression rate is the rate used under ORS 310.236.

(8) The department shall certify to the assessor:

(a) The constitutional reduction percentages and reduction amounts for each district as determined under subsections (3), (4) and (5) of this section; and

(b) The statutory reduction percentages and reduction amounts determined under subsection (6) of this section. [1997 c.541 §29]

310.228 Determination of state replacement obligation. (1) Based on the constitutional reduction amounts computed under ORS 310.222, the Department of Revenue shall determine the statewide total amount of constitutionally required reduction certified under ORS 310.222 (8), excluding statutory reduction amounts, for:

- (a) School districts;
- (b) Education service districts;
- (c) Community college districts; and
- (d) Community college service districts.

(2) Amounts appropriated to districts in the categories described in subsection (1) of this section for the fiscal year that equal the amounts determined under subsection (1) of this section shall constitute the state's replacement obligation under section 11 (9), Article XI of the Oregon Constitution. [1997 c.541 §29a]

310.230 Adjustment of Measure 47 comparison taxes and supplemental statutory reduction to account for certain additions of value. (1) If the total statewide amount of additions of value certified to the Department of Revenue under ORS 310.220 (4) exceeds four percent of the assessed value of taxable property in this state for the tax year beginning July 1, 1997 (not taking into account the additions of value certified under ORS 310.220), the department shall subtract the portion of the Measure 47 comparison taxes attributable to additions of value in excess of four percent from the statewide total of Measure 47 comparison taxes, prior

to making the computation under ORS 310.222.

(2) The supplemental statutory reduction percentage determined under ORS 310.222 (6) shall be adjusted so as to achieve the same total reduction percentage for the taxes described in ORS 310.222 (1)(b) as is achieved for the statewide constitutional reduction percentage following the calculation in subsection (1) of this section. [1997 c.541 §30]

310.232 Subtraction of urban renewal increment from assessed value. The assessed value of taxable property of a taxing district shall be further adjusted by the assessor for purposes of determining the district's amount of taxes before compression under ORS 310.242 by subtracting any assessed value in the district attributable to an urban renewal increment in the district. [1997 c.541 §31]

310.234 Nonschool taxing district 1997-1998 operating tax adjustment for timber offsets. If the taxing district is a district other than a school district, education service district, community college district or community college service district and is a district for which the assessor is directed to offset timber harvest privilege tax revenues against the district's ad valorem property taxes under ORS 321.312 or 321.515 (1997 Edition), the operating tax rate calculated under ORS 310.236 (3), (4) or (5), whichever is applicable, shall be further adjusted to reflect the amount of the offset. Except as provided in this section, the adjusted rate shall not be used for any purpose under ORS 310.200 to 310.242 other than determination of the district's ad valorem property taxes for the tax year beginning July 1, 1997. [1997 c.541 §32a; 1999 c.1078 §71]

310.236 Determination of taxing district 1997-1998 operating taxes and permanent and statutory rate limits for tax years after 1997-1998; 1997-1998 pre-compression consolidated rates for code areas and categories. (1) Upon receipt of the reduction percentages for each district, the assessor shall determine the district's post-reduction Measure 50 taxes for the tax year beginning July 1, 1997, under this section.

(2) The assessor shall multiply the certified constitutional reduction percentage by the pre-reduction Measure 50 tax amount determined under ORS 310.216 and then add to the product any of the following taxes applicable to the district:

(a) If the taxing district is other than a city, county or school district, taxes imposed to support a hospital facility; and

(b) Taxes imposed pursuant to an operating tax levy approved by voters prior to De-

ember 5, 1996, for which property taxes are first imposed for the tax year beginning July 1, 1996, or July 1, 1997, if the levy was approved by voters in an election:

(A) In which at least 50 percent of registered voters eligible to vote in the election cast a ballot; or

(B) That was the general election in an even-numbered year.

(3) The assessor shall then calculate the operating tax rate for the district by dividing the amount determined under subsection (2) of this section by the assessed value of taxable property in the district determined under ORS 310.232. The rate so determined shall be the district's permanent rate limit for operating taxes.

(4)(a) If the taxing district is a district for which a supplemental statutory reduction percentage has been certified to the assessor, the assessor shall repeat the calculation described in subsection (2) of this section, substituting the total reduction percentage for the constitutional reduction percentage. Any district taxes that are described in subsection (2)(b) of this section shall be reduced by the supplemental reduction percentage in determining the amount.

(b) The assessor shall then calculate the operating tax rate for the district by dividing the amount determined under paragraph (a) of this subsection by the assessed value of taxable property in the district determined under ORS 310.232. The rate so determined shall be the district's statutory rate limit for operating taxes.

(5) If, in the written notice made under ORS 310.206, the district made a separate certification for permanent rate limit purposes and for 1997 operating tax purposes, and the rate determined under subsection (3) of this section, or subsection (4) of this section (if applicable), will produce operating taxes greater than the amount certified for operating taxes, the rate determined under subsection (3) or (4) of this section shall be adjusted so as to produce the amount certified by the district. Except as provided in ORS 310.234, the adjusted rate shall not be used for any purpose under ORS 310.200 to 310.242 other than determination of the district's ad valorem property taxes for the tax year beginning July 1, 1997.

(6) The assessor shall determine a rate per \$1,000 of assessed value for any of the following taxes applicable to the district:

(a) Taxes imposed to pay qualified obligations of the district;

(b) Local option taxes; and

(c) Taxes imposed to pay exempt bonded indebtedness.

(7) The rates per \$1,000 of assessed value determined under subsection (6) of this section shall be determined by dividing the amount of the tax for which a rate is being determined by the assessed value of taxable property in the district under ORS 310.232.

(8) The assessor shall determine a total rate for the district and a rate for each category described in ORS 310.150 for the district.

(9) Based on the rates determined under subsection (8) of this section, the assessor shall determine a pre-compression consolidated rate for each code area and a pre-compression consolidated rate per category described in ORS 310.150 for each code area. [1997 c.541 §32]

310.237 Reallocation of Measure 47 comparison taxes and adjustment of rate limits for certain districts for 2000-2001 and later tax years. (1) This section applies to a taxing district that is located in a county in which:

(a) For the tax year beginning July 1, 1996, a taxing district imposed one or more serial or one-year levies that expired before the tax year beginning July 1, 1997;

(b) Between December 5, 1996, and July 1, 1997, voters approved one or more temporary levies to replace the levies described in paragraph (a) of this subsection and increased the amount being replaced;

(c) Each levy described in paragraph (b) of this subsection is treated as a local option tax under section 11 (7)(c), Article XI of the Oregon Constitution;

(d) The total amount of local option taxes described in paragraph (c) of this subsection that were imposed by the taxing district for the tax year beginning July 1, 1997, exceeded \$1.2 million; and

(e) The total amount of replacement authority for the taxing district exceeds \$900,000.

(2) For each taxing district described in subsection (1) of this section, the Department of Revenue shall recompute the amount of property taxes that would have been imposed by the taxing district for the tax year beginning July 1, 1997, making the following changes in the calculation of 1997-1998 operating taxes for all taxing districts within the county in which the taxing district is located:

(a) The total Measure 5 imposed tax estimate determined under ORS 310.210 shall consist of the total Measure 5 imposed tax estimate determined for the tax year beginning July 1, 1997, plus that portion of any local option taxes that represent replacement authority for a serial or one-year levy im-

posed for the tax year beginning July 1, 1996, and described in subsection (1)(a) of this section;

(b) A taxing district's Measure 5 imposed tax estimate shall take the replacement authority into account only if that taxing district imposed the serial or one-year levy for the tax year beginning July 1, 1996; and

(c) Measure 47 comparison taxes shall be allocated to taxing districts in the county based on the ratio described in ORS 310.212 (8), substituting the Measure 5 imposed tax estimate determined under paragraphs (a) and (b) of this subsection.

(3) The rate of tax that would have been achieved for the tax year beginning July 1, 1997, had the operating taxes of the taxing district been calculated as provided for in this section, shall serve as the taxing district's statutory rate limit on operating taxes, to the extent the rate limit is less than or equal to the lesser of the district's permanent rate limit on operating taxes or statutory rate limit on operating taxes as determined under ORS 310.200 to 310.242 (1997 Edition).

(4) The department shall recalculate taxes for each taxing district under this section separately.

(5) As used in this section, "replacement authority" means that portion of the levy described in subsection (1)(c) of this section that would have been incorporated into the permanent rate limit of the taxing district if the levy described in subsection (1)(c) of this section were treated as a levy described in section 11 (7)(b), Article XI of the Oregon Constitution. [1999 c.186 §1]

Note: 310.237 was added to and made a part of 310.200 to 310.242 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

310.238 Rate conversion; Measure 5 assessed value rate. (1) In order to ensure that the consolidated rates for each code area do not exceed the \$5 per \$1,000 of real market value limit for the public school system and \$10 per \$1,000 of real market value limit for other government operations that is guaranteed in section 11 (11) and 11b, Article XI of the Oregon Constitution, the assessor shall, for each code area, convert the constitutional rate limit for each category into a rate per \$1,000 of assessed value by multiplying the applicable rate limit by a fraction, the numerator of which is the code area market value and the denominator of which is the code area assessed value.

(2) The assessor shall add the rates determined under subsection (1) of this section and the consolidated rate under ORS 310.236 for the exempt bonded indebtedness category.

The total shall be the Measure 5 assessed value rate. [1997 c.541 §33]

310.239 Effect of increase of permanent rate limit of certain school districts.

(1) If the permanent rate limit on operating taxes of a school district is increased on or after November 26, 2003, pursuant to section 11 (5)(d), Article XI of the Oregon Constitution, the statutory rate limit on operating taxes of the school district shall remain at the same rate as before the increase in the permanent rate limit on operating taxes of the district.

(2) This section applies only to school districts with a statutory rate limit on operating taxes on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value. [2003 c.715 §35]

Note: Section 36, chapter 715, Oregon Laws 2003, provides:

Sec. 36. Section 35 of this 2003 Act [310.239] applies to tax years beginning on or after July 1, 2005. [2003 c.715 §36]

Note: 310.239 was added to and made a part of 310.200 to 310.242 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

310.240 Calculation of taxes imposed on urban renewal increment for 1997-1998; special levies.

(1) In the case of a code area in which urban renewal taxes are to be imposed for the tax year beginning July 1, 1997, the assessor shall determine the rate of taxes to be imposed on the urban renewal increment under this section.

(2) The assessor shall use the lesser of the total consolidated rate for the code area determined under ORS 310.236, or the total consolidated Measure 5 assessed value rate, for purposes of the remainder of the calculation under this section.

(3) The assessor shall multiply the rate determined under subsection (2) of this section by the urban renewal increment for the code area. The assessor shall determine the total amount under this subsection for all code areas within an urban renewal plan to determine the total amount of taxes to be raised on the urban renewal increment.

(4) For each urban renewal plan, the assessor shall compare the amount determined under subsection (3) of this section with the amount certified by the urban renewal agency under ORS 310.208. If the amount determined under subsection (3) of this section is less than the amount certified, the assessor shall determine a special levy in the amount of the difference.

(5) The assessor shall determine a rate per \$1,000 of assessed value for the special levy described in subsection (4) of this section by dividing the amount of the special levy by the assessed value of the municipal-

ity that activated the urban renewal agency and all taxable property in the urban renewal area lying outside the city or county, including the value of the urban renewal increment, and shall add the rate to the pre-compression consolidated rate for each code area in which the special levy is to be extended.

(6) For tax years beginning on or after July 1, 1998, urban renewal tax increment calculations shall be made as provided in ORS 457.420 to 457.460. [1997 c.541 §34; 1999 c.579 §24]

310.242 1997-1998 compression of consolidated rates.

(1) For each property, the assessor shall adjust the pre-compression consolidated rates for each category determined under ORS 310.236 including any special levy under ORS 310.240 (5) (and as further modified by ORS 310.234) to be rates per \$1,000 of real market value.

(2) The assessor shall compare the pre-compression consolidated rates for each category as modified under subsection (1) of this section with the rate of \$5 per \$1,000 of real market value of the property for the public school system category and \$10 per \$1,000 of real market value of the property for the other government operations category.

(3) If a pre-compression consolidated category rate for a property, as modified under subsection (1) of this section, exceeds the \$5 or \$10 per \$1,000 category rate limits set forth in subsection (2) of this section (whichever is applicable), the consolidated category rate shall be compressed as provided in subsection (4) or (5) of this section.

(4)(a) If local option taxes in the category for which compression is being determined have been adopted by one or more taxing districts that impose taxes on the property, the reduction ratio shall be calculated under this subsection and applied only to the local option taxes imposed on the property.

(b) The numerator of the reduction ratio shall be the amount obtained, but not less than zero, by subtracting the property's pre-compression consolidated category rate of ad valorem property taxes that are not local option taxes from the maximum rate of ad valorem property taxes for the category.

(c) The denominator for the reduction ratio shall be the total rate of all local option taxes for the category.

(d) The assessor shall multiply the reduction ratio determined under this subsection by the rate of each local option tax in the category to which the property is subject. After reduction, the assessor shall recompute:

(A) The rates per \$1,000 of assessed value for the property;

(B) The total amount of local option taxes to be raised in the code area; and

(C) The local option tax rates per \$1,000 of assessed value for the code area and incorporate those rates into the consolidated rate for the code area.

(5)(a) If no local option taxes have been adopted by a taxing district in the category in the code area or if all local option taxes have been eliminated as a result of application of the reduction ratio calculated under subsection (4) of this section, and the pre-compression consolidated category rate as modified under subsection (1) of this section or following further adjustment under subsection (4) of this section exceeds the \$5 or \$10 per \$1,000 category rate limits set forth in subsection (2) of this section (whichever is applicable), the reduction ratio shall be determined under this subsection.

(b) The numerator of the reduction ratio shall be the maximum rate permitted for the category.

(c) The denominator of the reduction ratio shall be the pre-compression consolidated category rate as modified under subsection (1) of this section or following further adjustment under subsection (4) of this section, if applicable.

(d) The assessor shall multiply the reduction ratio determined under this subsection by each taxing district item of ad valorem property tax that is a component of the consolidated category rate for the code area. The sum of the rates so reduced within the category shall be the consolidated rate for the category for the property. After reduction, the assessor shall recompute:

(A) The rates per \$1,000 of assessed value for the property;

(B) The total amount of local option taxes to be raised in the code area; and

(C) The total amount of taxes in each category to be raised in the code area. [1997 c.541 §35]

310.244 Adjustment of city's post-compression tax rate under certain circumstances. (1) This section applies to a city with a Measure 5 tax estimate that was reduced by compression.

(2) Notwithstanding ORS 310.200 to 310.242, the combination of the constitutional and the statutory reductions determined under ORS 310.222 shall not cause a city's Measure 50 post-reduction taxes prior to additions made in ORS 310.236 (2)(a) and (b), to be less than the lesser of:

(a) The city's Measure 47 comparison taxes; or

(b) The city's Measure 50 pre-reduction taxes.

(3) Notwithstanding ORS 310.200 to 310.242, in the case of a city whose voters approved a local option tax in March 1997 of less than \$100,000 per year and whose Measure 47 comparison taxes plus the local option taxes exceed the city's Measure 50 pre-reduction taxes plus local option taxes, the city's post-reduction Measure 50 taxes shall not be less than \$228,000.

(4) The Department of Revenue shall increase a city's post-reduction tax rate by the amount necessary to meet the requirements of subsections (2) and (3) of this section.

(5) The department shall also adjust the post-reduction tax rates of each taxing district, other than a school district, taxing the same property as a city affected by subsections (2) and (3) of this section to ensure that the district's tax revenue is not reduced by more than one-quarter of one percent by the operation of this section.

(6) The calculations in this section shall be based on department estimates and shall include the effects of code area compression, but shall not include the effect of property-by-property compression.

(7) If the statewide constitutional reduction percentage determined under ORS 310.222 no longer equals 17 percent after the department makes the determinations described in this section, the department shall recalculate the constitutional reduction percentages as described in ORS 310.222 until the statewide reduction percentage equals 17 percent. [1997 c.541 §37]

310.246 Department of Revenue may adjust permanent rate limit to correct mistakes; corrections to be made by June 30, 1998. (1) The Department of Revenue may adjust the permanent rate limits for operating taxes established under ORS 310.200 to 310.242 to correct for mistakes. All adjustments by the department must be made by June 30, 1998.

(2) No change to the assessment and tax roll shall be made as the result of an adjustment under this section. [1997 c.541 §38]

310.310 [Amended by 1953 c.311 §7; 1995 c.79 §138; repealed by 1997 c.541 §268]

310.315 [1987 c.183 §2; 1991 c.459 §225; 1995 c.79 §139; repealed by 1997 c.541 §268]

310.320 [Repealed by 1953 c.311 §7]

310.330 [Amended by 1953 c.311 §7; 1967 c.105 §9; 1977 c.301 §14; 1979 c.316 §15; 1981 c.173 §46; 1981 c.391 §5a; 1983 c.350 §137; repealed by 1997 c.541 §268]

310.340 [Amended by 1953 c.311 §7; 1967 c.105 §10; 1979 c.316 §18; 1981 c.391 §6; repealed by 1981 c.173 §56]

310.350 [Amended by 1979 c.316 §16; repealed by 1981 c.391 §13]

310.360 [Amended by 1953 c.584 §2; 1965 c.100 §125; 1971 c.646 §2; 1975 c.770 §2; repealed by 1981 c.391 §13]

310.370 [Repealed by 1971 c.647 §149]

310.380 [Amended by 1953 c.311 §7; 1979 c.316 §17; repealed by 1981 c.391 §13]

310.385 [1971 c.646 §1; repealed by 1981 c.391 §13]

310.390 [Amended by 1953 c.311 §7; 1981 c.391 §7; 1987 c.732 §1; 1991 c.459 §226; 1995 c.79 §140; 1995 c.534 §7; repealed by 1997 c.541 §268]

310.395 [1967 c.293 §2; 1971 c.646 §4; 1973 c.105 §1; 1977 c.730 §3; 1979 c.241 §28; 1981 c.391 §8; 1981 c.790 §1; 1983 c.514 §18; 1983 c.740 §89; 1983 s.s. c.5 §20; 1987 c.183 §3; 1993 c.18 §72; 1993 c.270 §51; 1995 c.333 §16; 1995 c.534 §8; 1997 c.541 §315; renumbered 280.075 in 1997]

310.396 [1993 c.97 §22; 1995 c.79 §141; repealed by 1999 c.21 §26]

310.400 [1953 c.133 §1; repealed by 1971 c.646 §6]

310.402 [1973 c.339 §2; 1977 c.884 §15; 1981 c.173 §47; 1981 c.391 §9; 1987 c.16 §6; 1995 c.712 §103; repealed by 1997 c.541 §268]

310.404 [Formerly 310.135; 1993 c.45 §291; repealed by 1997 c.541 §268]

310.410 [1957 c.426 §1; repealed by 1967 c.293 §37]

310.575 [1983 s.s. c.5 §1; repealed by 1987 c.89 §1]

TAX REDUCTION PROGRAMS

(Generally)

310.585 Distribution of certain property tax relief moneys to counties. Property tax relief money paid to the county treasurer pursuant to law, such as but not limited to senior citizens' property tax relief, inventory property tax relief, local property tax relief and such other property tax relief as may be hereafter enacted by the State of Oregon which do not require that the amounts be offset against a particular type of district's levy, shall be distributed by the county treasurer with the assistance of the tax collector to the taxing districts of the county in accordance with the schedule of percentages computed under ORS 311.390. [1969 c.595 §2]

310.595 Determination of apportionment to counties. To carry out the legislative intent of those statutes contained in Oregon Revised Statutes requiring the county assessor, county treasurer or county tax collector to distribute moneys in the proportion that the rate percent of levy for each taxing unit bears to the total rate percent of levy of all units as shown on the tax roll for the fiscal year, the rates to be used for such apportionment shall be those specified in ORS 310.090 which are the computed rates necessary to raise the amounts required by ORS 311.105 (1)(c) for each district shown in the certificate filed with the tax collector under ORS 311.115 for such year. [1969 c.595 §3; 1997 c.541 §316]

310.600 [Formerly part of 310.710; 1969 c.612 §4; repealed by 1971 c.544 §7]

310.605 [1965 c.604 §§1,12; repealed by 1969 c.612 §5]

310.608 [1969 c.612 §§1,2; 1973 c.670 §1; 1977 c.819 §1; 1979 c.692 §5; 1981 c.374 §19; renumbered 307.400]

310.610 [1965 c.604 §§5,6; repealed by 1969 c.612 §5]

310.611 [1977 c.819 §2; repealed by 1979 c.692 §13]

310.615 [1965 c.604 §§4,7,8; 1967 c.521 §3; repealed by 1969 c.612 §5]

310.620 [1965 c.604 §9; repealed by 1969 c.612 §5]

(Manufactured Structures)

310.622 Manufactured structures eligible as homesteads under tax laws of state. A manufactured structure assessed under the ad valorem tax laws of this state shall be eligible to be a homestead for the purposes of all tax laws of this state giving a right or privilege to a homestead. For those manufactured structures assessed as real property, the manufactured structure homestead includes land and improvements to the same extent that a homestead would be recognized if the manufactured structure were a conventional home. [1971 c.529 §11; 1977 c.884 §16]

(Floating Homes)

310.623 Floating home eligible as homestead. A floating home, as defined in ORS 830.700, assessed under the property tax laws of this state shall be eligible to be a homestead for the purposes of all tax laws of this state giving a right or privilege to a homestead. [1977 c.615 §6]

310.625 [1965 c.604 §10; 1969 c.595 §4; repealed by 1969 c.612 §5]

(Elderly Rental Assistance)

310.630 Definitions for ORS 310.630 to 310.706. As used in ORS 310.630 to 310.706:

(1) "Contract rent" means rental paid to the landlord for the right to occupy a homestead, including the right to use the personal property located therein. "Contract rent" does not include rental paid for the right to occupy a homestead that is exempt from taxation, unless payments in lieu of taxes of 10 percent or more of the rental exclusive of fuel and utilities are made on behalf of the homestead. "Contract rent" does not include advanced rental payments for another period and rental deposits, whether or not expressly set out in the rental agreement, or payments made to a nonprofit home for the elderly described in ORS 307.375. If a landlord and tenant have not dealt with each other at arm's length, and the Department of Revenue is satisfied that the contract rent charged was excessive, it may adjust the contract rent to a reasonable amount for purposes of ORS 310.630 to 310.706.

(2) "Department" means the Department of Revenue.

(3) "Fuel and utility payments" includes payments for heat, lights, water, sewer and garbage made solely to secure those commodities or services for the homestead of the

taxpayer. "Fuel and utility payments" does not include telephone service.

(4) "Gross rent" means contract rent paid plus the fuel and utility payments made for the homestead in addition to the contract rent, during the calendar year for which the claim is filed.

(5) "Homestead" means the taxable principal dwelling located in Oregon, either real or personal property, rented by the taxpayer, and the taxable land area of the tax lot upon which it is built.

(6) "Household" means the taxpayer, the spouse of the taxpayer and all other persons residing in the homestead during any part of the calendar year for which a claim is filed.

(7) "Household income" means the aggregate income of the taxpayer and the spouse of the taxpayer who reside in the household, that was received during the calendar year for which the claim is filed. "Household income" includes payments received by the taxpayer or the spouse of the taxpayer under the federal Social Security Act for the benefit of a minor child or minor children who are members of the household.

(8) "Income" means "adjusted gross income" as defined in the federal Internal Revenue Code, as amended and in effect on December 31, 2002, even when the amendments take effect or become operative after that date, relating to the measurement of taxable income of individuals, estates and trusts, with the following modifications:

(a) There shall be added to adjusted gross income the following items of otherwise exempt income:

(A) The gross amount of any otherwise exempt pension less return of investment, if any.

(B) Child support received by the taxpayer.

(C) Inheritances.

(D) Gifts and grants, the sum of which are in excess of \$500 per year.

(E) Amounts received by a taxpayer or spouse of a taxpayer for support from a parent who is not a member of the taxpayer's household.

(F) Life insurance proceeds.

(G) Accident and health insurance proceeds, except reimbursement of incurred medical expenses.

(H) Personal injury damages.

(I) Sick pay which is not included in federal adjusted gross income.

(J) Strike benefits excluded from federal gross income.

(K) Worker's compensation, except for reimbursement of medical expense.

(L) Military pay and benefits.

(M) Veteran's benefits.

(N) Payments received under the federal Social Security Act which are excluded from federal gross income.

(O) Welfare payments, except as follows:

(i) Payments for medical care, drugs and medical supplies, if the payments are not made directly to the welfare recipient;

(ii) In-home services authorized and approved by the Department of Human Services; and

(iii) Direct or indirect reimbursement of expenses paid or incurred for participation in work or training programs.

(P) Nontaxable dividends.

(Q) Nontaxable interest not included in federal adjusted gross income.

(R) Rental allowance paid to a minister that is excluded from federal gross income.

(S) Income from sources without the United States that is excluded from federal gross income.

(b) Adjusted gross income shall be increased due to the disallowance of the following deductions:

(A) The amount of the net loss, in excess of \$1,000, from all dispositions of tangible or intangible properties.

(B) The amount of the net loss, in excess of \$1,000, from the operation of a farm or farms.

(C) The amount of the net loss, in excess of \$1,000, from all operations of a trade or business, profession or other activity entered into for the production or collection of income.

(D) The amount of the net loss, in excess of \$1,000, from tangible or intangible property held for the production of rents, royalties or other income.

(E) The amount of any net operating loss carryovers or carrybacks included in federal adjusted gross income.

(F) The amount, in excess of \$5,000, of the combined deductions or other allowances for depreciation, amortization or depletion.

(G) The amount added or subtracted, as required within the context of this section, for adjustments made under ORS 316.680(2)(d) and 316.707 to 316.737.

(c) "Income" does not include any of the following:

(A) Any governmental grant which must be used by the taxpayer for rehabilitation of the homestead of the taxpayer.

(B) The amount of any payments made pursuant to ORS 310.630 to 310.706.

(C) Any refund of Oregon personal income taxes that were imposed under ORS chapter 316.

(9) "Payments for heat" means those payments made to secure the commodities or services to be used as the principal source of heat for the homestead of the taxpayer and includes payments for natural gas, oil, firewood, coal, sawdust, electricity, steam or other materials that are capable of use as a primary source of heat for the homestead.

(10) "Statement of gross rent" means a declaration by the applicant, under penalties of false swearing, that the amount of contract rent and fuel and utility payments designated is the actual amount both incurred and paid during the year for which elderly rental assistance is claimed.

(11) "Taxpayer" means an individual who is a resident of this state on December 31 of the year for which elderly rental assistance is claimed and whose homestead, as of the same December 31 and during all or a portion of the year ending on the same December 31, is rented and while rented is the subject, directly or indirectly, of property tax levied by this state or a political subdivision or of payments made in lieu of taxes. [1971 c.747 §2; 1973 c.752 §1; 1975 c.616 §1; 1977 c.90 §3; 1977 c.841 §1; 1979 c.693 §1; 1979 c.780 §11; 1981 c.624 §1; 1982 s.s.1 c.18 §1; 1983 c.162 §62; 1983 c.634 §2; 1985 c.214 §1; 1985 c.802 §37; 1987 c.293 §66; 1989 c.625 §76; 1989 c.797 §1; 1991 c.457 §23; 1995 c.556 §33; 1997 c.170 §1; 1997 c.839 §45; 1999 c.90 §34; 2001 c.114 §25; 2001 c.660 §29; 2001 c.900 §53; 2003 c.77 §7]

310.631 [1977 c.90 §2; 1979 c.241 §14c; 1981 c.624 §4; 1985 c.784 §3; repealed by 1997 c.170 §31]

310.632 [1975 c.672 §16; repealed by 1997 c.170 §31]

310.635 Eligibility; amount; processing claims; treatment of payments. (1) A taxpayer who is eligible for elderly rental assistance shall be granted the rental assistance either in the amount determined under subsection (2) of this section or by using the schedule for renters set forth in subsection (3) of this section, whichever is greater. A taxpayer is eligible for elderly rental assistance under this section if:

(a) The taxpayer is 58 years of age or older before the close of the calendar year immediately preceding the year in which the rental assistance is claimed;

(b) The household income of the taxpayer is less than \$10,000;

(c) The gross rent of the taxpayer is in excess of 20 percent of household income; and

(d) The taxpayer files a claim with the Department of Revenue as required by ORS 310.657.

(2) A taxpayer eligible for elderly rental assistance under this section shall be paid by the Department of Revenue an amount equal to the positive difference between the taxpayer's gross rent, not to exceed \$2,100, and 20 percent of household income.

(3) The schedule for renters referred to in subsection (1) of this section is:

Household Income	Maximum Refundable Rent Constituting Property Tax
\$ 0 - 499	\$ 250
500 - 999	245
1,000 - 1,499	238
1,500 - 1,999	228
2,000 - 2,499	217
2,500 - 2,999	205
3,000 - 3,499	192
3,500 - 3,999	179
4,000 - 4,499	165
4,500 - 4,999	151
5,000 - 5,499	136
5,500 - 5,999	121
6,000 - 6,499	106
6,500 - 6,999	91
7,000 - 7,499	77
7,500 - 7,999	63
8,000 - 8,499	50
8,500 - 8,999	38
9,000 - 9,499	27
9,500 - 9,999	18

(4) The elderly rental assistance payments required by subsection (2) of this section shall be made by the Department of Revenue during the month of October.

(5) The elderly rental assistance granted under this section applies to gross rent paid in the calendar year for which the claim is filed.

(6) The Department of Revenue may not grant elderly rental assistance under this section:

(a) To a person who is, as of December 31 of the year for which elderly rental assistance is claimed, a tenant-stockholder of a cooperative housing corporation or a resident of a nonprofit home for the elderly owned or being purchased by a corporation described in ORS 307.375.

(b) For less than \$1, after offsets for all amounts owed to the state.

(c) For any period during which the taxpayer's needs were included in a payment made by the Department of Human Services pursuant to ORS 418.172. However, if it is determined that the taxpayer's needs were included in a payment made by the Department of Human Services under ORS 418.172

and the taxpayer is eligible for the period for elderly rental assistance in an amount greater than the payment, the Department of Revenue shall grant elderly rental assistance in the amount of the difference.

(7) Elderly rental assistance allowed pursuant to this section is not subject to garnishment under ORS 18.600 to 18.850, except by a government entity. [1975 c.672 §18; 1977 c.841 §2; 1981 c.624 §5; 1991 c.823 §7; 1997 c.170 §2; 2001 c.249 §77; 2001 c.290 §1; 2003 c.46 §26]

310.637 [1987 c.399 §3; repealed by 1997 c.170 §31]

310.638 [1975 c.672 §19; repealed by 1977 c.841 §13]

310.639 [1991 c.786 §2; repealed by 1997 c.170 §31]

310.640 [1971 c.747 §3; 1973 c.752 §2; 1975 c.734 §1; 1977 c.841 §3; 1979 c.241 §14; 1979 c.780 §4; 1981 c.624 §2; 1985 c.784 §4; 1991 c.786 §3; 1993 c.726 §9; repealed by 1997 c.170 §31]

310.641 [1979 c.241 §16; 1981 c.624 §3; 1981 c.789 §2; 1982 s.s.3 c.4 §1; repealed by 1985 c.784 §10]

310.642 [1977 c.615 §5; 1979 c.241 §14a; 1981 c.624 §6; 1985 c.784 §5; repealed by 1997 c.170 §31]

310.645 [1971 c.747 §4; 1973 c.752 §5; 1977 c.841 §6; 1979 c.780 §8; 1985 c.299 §1; repealed by 1997 c.170 §31]

310.650 [1971 c.747 §5; repealed by 1973 c.752 §12]

310.651 Definitions for household asset limitation on eligibility. For purposes of ORS 310.652:

(1) "Evidence of debt" means all bonds, notes, demands, claims, deposits or investments however evidenced and whether secured by mortgage, deed of trust, judgment or otherwise or not so secured, and includes but is not limited to:

(a) Personal and business notes receivable.

(b) Mortgage notes receivable.

(c) Commercial paper.

(d) Conditional sales contracts (written agreements whereby title to the property remains with the seller until the goods are paid for).

(e) Notes and other receivables, evidenced by written agreement, due from affiliated companies.

(f) Participation certificates.

(g) Bonds and debentures of both domestic and foreign corporations.

(h) Bonds and evidence of debt of other states and their political subdivisions.

(i) Bonds, debentures and capital notes (not certificates of deposit) issued by banks and other organizations in direct competition with banks.

(j) Cashiers' checks, treasurers' checks, certified checks, purchase drafts and similar instruments drawn for the benefit or convenience of any party or parties other than banks.

(k) Investment contracts and accumulation plans issued by investment syndicates, investment brokers and other similar companies.

(L) Loans, advances, demands, claims and other receivables which are evidenced by written agreement.

(2) "Funds on deposit" means all funds accrued or accruing by virtue of the death of the insured or the original maturity of a policy contract where the party or parties entitled to receive such funds might withdraw same at their option upon stipulated notice.

(3) "Money on deposit" means money, whether actually within or without this state, having a business, commercial or taxable situs in this state, without deduction for any indebtedness or liabilities of the taxpayer, and includes but is not limited to:

(a) Amounts in checking and savings accounts.

(b) Certificates of deposit.

(c) Payroll and escrow accounts.

(d) Deposits as of any one or more of the four quarterly valuation dates.

(e) Deposits of trustees, executors, administrators and other fiduciaries.

(f) Social Security and withholding tax accounts.

(g) Accommodation loan accounts.

(h) Deposits of savings and loan or building and loan associations.

(i) Deposits of insurance companies.

(4) "Money on hand" includes but is not limited to:

(a) Currency and bills of exchange.

(b) Money in cash registers.

(c) Petty cash.

(d) Deposits in transit.

(e) Money in safe deposit boxes.

(5) "Shares of stock" includes but is not limited to:

(a) Capital stock, common stock and preferred stock of both domestic and foreign corporations.

(b) Shares of stock held in brokerage accounts, including shares purchased on margin.

(c) Unregistered stock, restricted stock, letter stock and stocks owned in "closed" corporations.

(d) Shares in mutual funds and investment trusts.

(e) Shares of stock in banks (including national banks).

(f) Shares of stock in holding companies, including financial holding companies, bank holding companies and insurance holding companies.

(g) Stocks held by trustees or guardians which should be reported under the names of the beneficiary.

(h) Stocks held by executors or administrators of estates which should be reported in the name of the estate.

(i) Stocks owned by minor children which should be reported under the minor's name, in care of the parent or guardian.

(j) Stocks owned by investment clubs which should be reported in the name of the investment club.

(k) Stocks acquired by purchase, gift, inheritance or any other means, even if the stock certificates have not been received and are not in the taxpayer's possession as of the asset determination date.

(L) Shares of stock owned by or registered to residents of this state even though the stock certificates may be physically located in another state. [1989 c.797 §4; 2001 c.377 §55]

310.652 Limitation on eligibility for refund based on household assets. (1) A taxpayer who is under 65 years of age on December 31 of the year for which a claim for elderly rental assistance is filed under ORS 310.635 and 310.657 or 310.706 and who has household assets that in combination exceed \$25,000 in value as of that same December 31 shall not be eligible to receive the rental assistance for that year.

(2) For purposes of determining if the assets of the taxpayer exceed the amount permitted under subsection (1) of this section, the values of the following household assets and no other household assets shall be added together:

(a) Real property, but excluding the value of the homestead.

(b) Tangible personal property used in a trade or business in which the taxpayer has an ownership interest, but excluding under this paragraph the value of any assets described under paragraph (c) of this subsection.

(c) Intangible personal property, including but not limited to shares of stock, evidence of debt, funds on deposit, money on hand and money on deposit, all as defined under ORS 310.651 and excluding the value of any benefits or contributions made to a retirement or deferred compensation plan by or on behalf of the taxpayer.

(3) Any claim filed under ORS 310.657 or 310.706 shall be accompanied by a statement, signed by the taxpayer or representative and

verified upon oath or affirmation of the taxpayer or representative, stating that the assets of the taxpayer, as of the December 31 of the year for which the claim is filed, do not in combination exceed \$25,000.

(4) As used in this section, "household assets" means the sum of the assets of the taxpayer and the spouse of the taxpayer that have been added together as described under subsection (2) of this section. [1989 c.797 §3; 1997 c.170 §3]

310.655 [1965 c.615 §24; 1969 c.587 §5; 1971 c.374 §1; repealed by 1971 c.747 §21]

310.657 Submission of claim; treatment of late claim; determination of amount of claim by department; notification of denial. (1) On or before July 1 following the year for which the claim is filed, a taxpayer claiming the elderly rental assistance provided under ORS 310.635 shall submit a claim to the Department of Revenue, together with a copy of the statement of gross rent. The claim shall be submitted on a form prescribed and furnished by the department. The department shall prepare blank forms for the claims and shall distribute them throughout the state. The department may require from the taxpayer any proof it considers necessary to determine if the taxpayer is eligible for elderly rental assistance pursuant to ORS 310.635. If the taxpayer is unable to submit the claim of the taxpayer, the claim shall be submitted by a duly authorized agent or by a guardian or other person charged with the care of the person or property of such taxpayer.

(2) A claim for elderly rental assistance that is filed after July 1 shall be paid by the department at the time and to the extent that payments for timely filed claims made in the next succeeding year are made by the department.

(3) The department shall audit or examine the claim and, if it appears that the taxpayer is eligible for rental assistance, shall determine the amount to which the taxpayer is entitled under ORS 310.635.

(4) If the department denies the claim in whole or in part, the department shall notify the taxpayer. If the claim is allowed in whole or in part, the entire elderly rental assistance shall be paid on or before November 15 of the year in which the claim is filed. The department shall make the payments required by this section from the suspense account referred to in ORS 310.692. If necessary, the department may prorate the payments as provided in ORS 310.692. [1971 c.747 §6; 1973 c.752 §3; 1977 c.761 §1; 1977 c.841 §18; 1979 c.241 §18; 1981 c.624 §7; 1981 c.789 §1; 1985 c.299 §2; 1985 c.761 §30; 1985 c.784 §6; 1997 c.170 §4; 2001 c.290 §2]

310.660 [1965 c.615 §21; 1967 c.521 §4; repealed by 1971 c.747 §21]

310.662 [1971 c.747 §7; repealed by 1973 c.752 §12]

310.665 [1965 c.615 §25; 1967 c.521 §5; repealed by 1971 c.747 §21]

310.667 [1971 c.747 §8; repealed by 1973 c.752 §12]

310.670 [1965 c.615 §26; repealed by 1969 c.595 §17]

310.672 [1971 c.747 §9; repealed by 1997 c.170 §31]

310.675 [1965 c.615 §20; repealed by 1967 c.521 §8]

310.677 [1971 c.747 §10; 1973 c.752 §6; 1979 c.241 §14b; 1981 c.624 §8; 1985 c.784 §7; repealed by 1997 c.170 §31]

310.679 [1977 c.778 §2; repealed by 1985 c.761 §27]

310.680 [1971 c.747 §11; repealed by 1973 c.752 §12]

310.681 [1977 c.716 §2; repealed by 1985 c.761 §27]

310.682 [1973 c.752 §2b; repealed by 1977 c.90 §4a; 1977 c.841 §13]

310.685 [1971 c.747 §12; repealed by 1973 c.752 §12]

310.690 Department of Revenue rule-making authority; forms. The Department of Revenue shall adopt the rules and prescribe the forms necessary to administer the elderly rental assistance program established under ORS 310.635. [1971 c.747 §13; 1973 c.752 §4; 1977 c.841 §8; 1997 c.170 §5]

310.692 Suspense account; fiscal year allocation; proration of payments. (1) Amounts necessary to make the payments authorized by ORS 307.244 and 310.635 shall be transferred to a suspense account established under ORS 293.445 from the appropriation made by the Legislative Assembly to fund the elderly rental assistance program. Moneys in the suspense account are continuously appropriated to the Department of Revenue to carry out the purposes of the elderly rental assistance program.

(2) If any portion of the tax liability for which the refund payments described in subsection (1) of this section are authorized are offset against the refund, the Department of Revenue shall transfer from the suspense account referred to in subsection (1) of this section to the General Fund an amount equal to the income tax liability.

(3) Of the total amount transferred to the suspense account referred to in subsection (1) of this section for the biennium, the department shall allocate a portion to each fiscal year. The allocation shall be the department's best estimate of the most efficient use of the moneys in the suspense account so as to minimize any reductions in the payments required under ORS 307.244 and 310.635 for each fiscal year.

(4) On or before November 1 of each fiscal year of each biennium, the Department of Revenue shall determine the amount of money needed to make the payments under ORS 307.244 and 310.635 for that fiscal year. If the sum of the obligations is greater than the amounts credited to the suspense account referred to in subsection (1) of this section and allocated to that fiscal year for those obligations under subsection (3) of this

section, the payments required under ORS 307.244 and 310.635 shall be proportionally reduced so that the state does not accrue a debt in excess of the amount credited. A claim for payment may not accrue to a taxpayer under ORS 310.635 or to a county under ORS 307.244 in excess of the amount determined under this subsection.

(5) If the amount allocated to the first fiscal year of a biennium under subsection (3) of this section exceeds the amount of actual payments made under ORS 307.244 or 310.635, the excess amount shall be available for payments under ORS 307.244 or 310.635 in the second fiscal year of the biennium. [1977 c.761 §3; 1979 c.241 §10; 1981 c.624 §13; 1981 c.790 §9; 1981 c.904 §1; 1985 c.761 §10; 1985 c.784 §8; 1997 c.170 §7; 2001 c.716 §26; 2001 c.753 §20]

310.695 Construction. Any references in ORS 307.380, 308.215, 310.630 to 310.706, 311.696 and 311.990 to the laws of the United States relating to income taxes or the Internal Revenue Code means the laws of the United States relating to income taxes or the Internal Revenue Code as they may be in effect for the taxable year of the taxpayer except where the Legislative Assembly has specifically provided otherwise. [1971 c.747 §20; 1991 c.459 §227; 1997 c.170 §8]

310.700 [1973 c.752 §8; repealed by 1975 c.616 §2]

310.705 [1965 c.615 §1; 1971 c.544 §2; repealed by 1973 c.752 §12]

310.706 Applicability of ORS chapters 305 and 314; no interest on payments; claims must be filed in three years. (1) Unless the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit and examination of reports and returns, determination of deficiencies, assessments, claims for refund, conferences and appeals to the Oregon Tax Court, and procedures relating thereto, shall apply to ORS 310.630 to 310.706.

(2) No interest shall be allowed on elderly rental assistance payments to be made by the Department of Revenue under ORS 310.635.

(3) No elderly rental assistance payment shall be made under ORS 310.635 to a taxpayer who fails to file a claim under ORS 310.657 within three years after the due date of the claim. [1973 c.752 §9; 1977 c.841 §9; 1977 c.870 §62; 1981 c.624 §9; 1995 c.650 §113; 1997 c.170 §§9,10]

310.710 [1965 c.615 §11; 1967 c.293 §12; part renumbered 310.600; 1971 c.544 §3; repealed by 1973 c.752 §12]

310.712 [1973 c.752 §10; repealed by 1977 c.841 §13]

310.715 [1965 c.615 §2; 1967 c.293 §13; 1969 c.305 §1; repealed by 1971 c.544 §7]

310.720 [1965 c.615 §2a; repealed by 1971 c.544 §7]

310.725 [1965 c.615 §§3,14; 1969 c.457 §3; repealed by 1971 c.544 §7]

310.730 [1965 c.615 §4; 1967 c.293 §14; repealed by 1971 c.544 §7]

310.735 [1965 c.615 §§5,6; 1967 c.293 §15; 1971 c.353 §1; repealed by 1971 c.544 §7]

310.740 [1965 c.615 §7; 1969 c.305 §2; repealed by 1971 c.544 §7]

310.745 [1965 c.615 §8; repealed by 1967 c.293 §16 (310.746 enacted in lieu of 310.745)]

310.746 [1967 c.293 §17 (enacted in lieu of 310.745); repealed by 1969 c.595 §17]

310.750 [1965 c.615 §9; repealed by 1967 c.293 §18 (310.751 enacted in lieu of 310.750)]

310.751 [1967 c.293 §19 (enacted in lieu of 310.750); repealed by 1969 c.595 §17]

310.755 [1965 c.615 §10; 1967 c.293 §20; 1969 c.305 §5; repealed by 1969 c.595 §17]

310.760 [1969 c.305 §4; repealed by 1971 c.544 §7]

(Property Tax Work-Off Programs)

310.800 Property tax work-off programs. (1) As used in this section:

(a) "Authorized representative" means a senior citizen who is authorized by a tax-exempt entity to perform charitable or public service on behalf of a senior citizen who has entered into a contract under subsection (2) of this section.

(b) "Homestead" means an owner-occupied principal residence.

(c) "Senior citizen" means a person who is 60 years of age or older.

(d) "Tax-exempt entity" means an entity that is exempt from federal income taxes under section 501 (c) of the Internal Revenue Code, as amended and in effect on December 31, 2002.

(e) "Taxing unit" means any county, city or common or union high school district, community college service district or community college district within this state with authority to impose ad valorem property taxes.

(2) A tax-exempt entity may establish a property tax work-off program pursuant to which a senior citizen may contract to perform charitable or public service in consideration of payment of property taxes extended against the homestead of the senior

citizen and billed to the senior citizen. For purposes of ORS chapters 316 and 656, and notwithstanding ORS 314.013 or 670.600 or other law, a senior citizen who enters into a contract under this subsection shall be considered an independent contractor and not a worker or employee with respect to the services performed pursuant to the contract. Nothing in this section precludes a taxing unit from being considered an employer, for purposes of unemployment compensation under ORS chapter 657, of a senior citizen who enters into a contract under this section.

(3) A taxing unit may enter into an agreement with a tax-exempt entity that has established a property tax work-off program. Pursuant to the agreement the taxing unit may accept, as volunteer and public service, the services of a senior citizen who has entered into a contract described in subsection (2) of this section or an authorized representative.

(4) A taxing unit may provide funds or make grants to any tax-exempt entity that has established a property tax work-off program for use to carry out the program. [1993 c.777 §9; 1997 c.271 §8; 1997 c.839 §46; 1999 c.90 §35; 2001 c.660 §30; 2003 c.77 §8; 2003 c.704 §8]

310.810 [1979 c.241 §1; 1981 c.790 §1; repealed by 1985 c.784 §10]

310.820 [1979 c.241 §2; 1981 c.790 §2; 1982 s.s.1 c.33 §7; 1982 s.s.3 c.4 §2; repealed by 1985 c.784 §10]

310.830 [1979 c.241 §3; 1981 c.790 §3; repealed by 1985 c.784 §10]

310.840 [1979 c.241 §4; 1981 c.790 §4; repealed by 1985 c.784 §10]

310.850 [1979 c.241 §5; 1981 c.790 §5; repealed by 1985 c.784 §10]

310.860 [1979 c.241 §6; 1981 c.678 §7; 1981 c.790 §6; repealed by 1985 c.784 §§10,20]

310.870 [1979 c.241 §7; 1981 c.790 §7; repealed by 1985 c.784 §10]

310.880 [1979 c.241 §8; 1981 c.790 §8; repealed by 1985 c.784 §§10,20]

310.890 [1981 c.624 §11; 1982 s.s.3 c.4 §3; repealed by 1985 c.784 §§10,20]

