

## Chapter 307 — Property Subject to Taxation; Exemptions

2001 EDITION

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GENERAL PROVISIONS

**307.010 Definition of "real property" and "land."** (1) "Real property" includes the land itself, above or under water; all buildings, structures, improvements, machinery, equipment or fixtures erected upon, above or affixed to the

same; all mines, minerals, quarries and trees in, under or upon the land; all water rights and water powers and all other rights and privileges in any wise appertaining to the land; and any estate, right, title or interest whatever in the land or real property, less than the fee simple.

(2) Where the grantor of land has, in the instrument of conveyance, reserved or conveyed:

(a) Any of the timber standing upon the land, with the right to enter upon the ground and remove the timber, the ownership of the standing timber so reserved or conveyed is an interest in real property.

(b) The right to enter upon and use any of the surface ground necessary for the purpose of exploring, prospecting for, developing or otherwise extracting any gold, silver, iron, copper, lead, coal, petroleum, gases, oils or any other metals, minerals or mineral deposits in or upon the land, such right is an interest in real property.

(3) "Land" means land in its natural state. For purposes of assessment of property subject to assessment at assessed value under ORS 308.146, land includes any site development made to the land. "Site development" includes fill, grading, leveling, underground utilities, underground utility connections and any other elements identified by rule of the Department of Revenue. [Amended by 1987 c.756 §19; 1991 c.459 §37; 1997 c.541 §98]

**307.020 Definition of "personal property"; inapplicability to certain utilities.** (1) "Intangible personal property" or "intangibles" means and includes but is not limited to:

(a) Money at interest, bonds, notes, claims, demands and all other evidences of indebtedness, secured or unsecured, including notes, bonds or certificates secured by mortgages.

(b) All shares of stock in corporations, joint stock companies or associations.

(c) Media constituting business records, computer software, files, records of accounts, title records, surveys, designs, credit references, and data contained therein. "Media" includes, but is not limited to, paper, film, punch cards, magnetic tape and disk storage.

(d) Goodwill.

(e) Customer lists.

(f) Contracts and contract rights.

(g) Patents, trademarks and copyrights.

(h) Assembled labor force.

(i) Trade secrets.

(2) Unless otherwise specifically provided, "personal property" or "personal estate," as used in the laws of this state relating to assessment and taxation of property as such, means "tangible personal property" as defined in subsection (3) of this section.

(3) "Tangible personal property" means and includes all chattels and movables, such as boats and vessels, merchandise and stock in trade, furniture and personal effects, goods, livestock, vehicles, farming implements, movable machinery, movable tools and movable equipment.

(4) The provisions of this section shall not apply to any person, company, corporation or association covered by ORS 308.505 to 308.665. [Amended by 1959 c.82 §1; 1977 c.602 §1; 1993 c.353 §1; 1997 c.154 §27]

**307.030 Property subject to assessment generally.** (1) All real property within this state and all tangible personal property situated within this state, except as otherwise provided by law, shall be subject to assessment and taxation in equal and ratable proportion.

(2) Except as provided in ORS 308.505 to 308.665, intangible personal property is not subject to assessment and taxation. [Amended by 1993 c.353 §2; 1997 c.154 §28]

**307.035 Publishing summary of certain exempt real property.** The assessor shall list and evaluate all real properties exempt from taxation under ORS 307.090, 307.120, 307.130, 307.140, 307.147, 307.150 and 307.160 and summarize the valuations of such properties in connection with the published summary of each year of assessed valuations of taxable properties of the county. [Formerly 307.310; 1993 c.777 §3; 1995 c.748 §8]

## EXEMPTIONS

(Public Properties)

**307.040 Property of the United States.** Except as provided in ORS 307.050, 307.060, 307.070 and 307.080, all property of the United States, its agencies or instrumentalities, is exempt from taxation to the extent that taxation

thereof is forbidden by law. [Amended by 1953 c.698 §7]

**307.050 Property of the United States held under contract of sale.** Whenever real and personal property of the United States or any department or agency of the United States is the subject of a contract of sale or other agreement whereby on certain payments being made the legal title is or may be acquired by any person and that person uses and possesses the property or has the right of present use and possession, then a real market value for the property shall be determined, as required under ORS 308.232, without deduction on account of any part of the purchase price or other sum due on such property remaining unpaid. The property shall have an assessed value determined under ORS 308.146 and shall be subject to tax on the assessed value so determined. The lien for the tax shall neither attach to, impair, nor be enforced against any interest of the United States in the real or personal property. This section does not apply to real or personal property held and in immediate use and occupation by this state or any county, municipal corporation or political subdivision of this state, or to standing timber, prior to severance, of the United States or any department or agency of the United States that is the subject of a contract of sale or other agreement. [Amended by 1953 c.698 §7; 1965 c.159 §1; 2001 c.509 §6]

**307.060 Property of the United States held under lease or other interest less than fee; deduction for restricted use.** Real and personal property of the United States or any department or agency of the United States held by any person under a lease or other interest or estate less than a fee simple, other than under a contract of sale, shall have a real market value determined under ORS 308.232, subject only to deduction for restricted use. The property shall have an assessed value determined under ORS 308.146 and shall be subject to tax on the assessed value so determined. The lien for the tax shall attach to and be enforced against only the leasehold, interest or estate in the real or personal property. This section does not apply to real property held or occupied primarily for agricultural purposes under the authority of a federal wildlife conservation agency or held or occupied primarily for purposes of grazing livestock. This section does not apply to real or personal property held by this state or any county, municipal corporation or political subdivision of this state that is:

- (1) In immediate use and occupation by the political body; or
- (2) Required, by the terms of the lease or agreement, to be maintained and made available to the federal government as a military installation and facility. [Amended by 1953 c.698 §7; 1959 c.298 §1; 1961 c.433 §1; 1969 c.241 §1; 1975 c.656 §1; 1981 c.405 §2; 1991 c.459 §38; 1997 c.541 §99; 2001 c.509 §7]

**307.065 Property of the United States in possession of contractor under federal defense or space contract.** Notwithstanding the provisions of ORS 307.060, there shall be exempt from ad valorem taxation all parts and materials, all work in process and all finished products, the title to which is vested in the United States pursuant to clauses in a federal defense or space contract entered into by a contractor and an Armed Forces procurement agency, which have come into the possession of a contractor under a federal defense or space contract for the assembly or manufacture of a product or products pursuant to such contract. [1965 c.298 §2]

**307.070 Settled or claimed government land; improvements thereon.** The assessor must assess all improvements on lands, the fee of which is still vested in the United States, as personal property until the settler thereon or claimant thereof has made final proof. After final proof has been made, and a certificate issued therefor, the land itself must be assessed, notwithstanding the patent has not been issued.

**307.080 Mining claims.** Except for the improvements, machinery and buildings thereon, mining claims are exempt from taxation prior to obtaining a patent therefor from the United States.

**307.090 Property of the state, counties and other municipal corporations; payments in lieu of taxes on city-owned electric utility property.** (1) Except as provided by law, all property of the state and all public or corporate property used or intended for corporate purposes of the several counties, cities, towns, school districts, irrigation districts, drainage districts, ports, water districts, housing authorities and all other public or municipal corporations in this state, is exempt from taxation.

(2) Any city may agree with any school district to make payments in lieu of taxes on all property of the city located in any such school district, and which is exempt from taxation under subsection (1) of this section when such property is outside the boundaries of the city and owned, used or operated for the production, transmission, distribution or furnishing of electric power or energy or electric service for or to the public. [Amended by 1953 c.698 §7; 1957 c.649

§1; 1975 c.568 §1; 1977 c.673 §1; 1991 c.851 §2]

**307.095 State property rented for parking subject to ad valorem taxation; computation.** (1) Any portion of state property that is used during the tax year for parking on a rental or fee basis to private individuals is subject to ad valorem taxation.

(2) The real market value of such portion shall be computed by determining that percentage which the total of receipts from private use bears to the total of receipts from all use of the property. The assessed value of such portion shall be computed as provided in ORS 308.146. However, receipts from any use by a state officer or employee in the performance of the official duties of the state officer or employee shall not be considered as receipts from private use in computing the portion subject to ad valorem taxation.

(3) This section and ORS 276.592 do not apply to state property that is used by the Oregon University System or the Oregon Health and Science University solely to provide parking for employees, students or visitors. [1969 c.706 §60; 1989 c.659 §1; 1991 c.459 §39; 1993 c.655 §1; 1995 c.162 §67a; 1995 c.748 §1; 1997 c.541 §100; 2001 c.67 §1]

**Note:** Section 3, chapter 67, Oregon Laws 2001, provides:

**Sec. 3.** The amendments to ORS 307.095 and 307.110 by sections 1 and 2 of this 2001 Act apply to tax years beginning on or after July 1, 2002. [2001 c.67 §3]

**307.100 Public property held by taxable owner under contract of purchase.** Whenever real and personal property of the state or any institution or department thereof, or any county, municipal corporation or political subdivision of the state is the subject of a contract of sale or other agreement whereby on certain payments being made the legal title is or may be acquired by any person and such person uses and possesses such property or has the right of present use and possession, then such property shall be considered, for all purposes of taxation, as the property of such person. No deed or bill of sale to such property shall be executed until all taxes and municipal charges are fully paid thereon. This section shall not apply to standing timber, prior to severance thereof, of the state or any political entity referred to above which is the subject of a contract of sale or other agreement. [Amended by 1965 c.159 §2]

**307.110 Public property leased or rented by taxable owner; exceptions.** (1) Except as provided in ORS 307.120, all real and personal property of this state or any institution or department thereof or of any county or city, town or other municipal corporation or political subdivision of this state, held under a lease or other interest or estate less than a fee simple, by any person whose real property, if any, is taxable, except employees of the state, municipality or political subdivision as an incident to such employment, shall be subject to assessment and taxation for the assessed or specially assessed value thereof uniformly with real property of nonexempt ownerships.

(2) Each leased or rented premises not exempt under ORS 307.120 and subject to assessment and taxation under this section which is located on property used as an airport and owned by and serving a municipality or port shall be separately assessed and taxed.

(3) Nothing contained in this section shall be construed as subjecting to assessment and taxation any publicly owned property described in subsection (1) of this section that is:

(a) Leased for student housing by a school or college to students attending such a school or college.

(b) Leased to or rented by persons, other than sublessees or subrenters, for agricultural or grazing purposes and for other than a cash rental or a percentage of the crop.

(c) Utilized by persons under a land use permit issued by the Department of Transportation for which the department's use restrictions are such that only an administrative processing fee is able to be charged.

(d) County fairgrounds and the buildings thereon, in a county holding annual county fairs, managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or farm machinery or equipment.

(e) The properties and grounds managed and operated by the Oregon State Fair and Exposition Center under ORS 565.015, if utilized, in addition to the purpose of holding the Oregon State Fair, for horse stalls or for storage for recreational vehicles or farm machinery or equipment.

(f) State property that is used by the Oregon University System or the Oregon Health and Science University to provide parking for employees, students or visitors.

(g) Property of a housing authority created under ORS chapter 456 which is leased or rented to persons of lower income for housing pursuant to the public and governmental purposes of the housing authority. For purposes of this paragraph, "persons of lower income" has the meaning given the phrase under ORS 456.055.

(h) Property of a health district if:

(A) The property is leased or rented for the purpose of providing facilities for health care practitioners practicing within the county; and

(B) The county is a frontier rural practice county under rules adopted by the Office of Rural Health.

(4) Property determined to be an eligible project for tax exemption under ORS 285B.383 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.377 and that is leased by this state, any institution or department thereof or any county, city, town or other municipal corporation or political subdivision of this state to an eligible applicant shall be assessed and taxed in accordance with ORS 307.123.

(5) The provisions of law for liens and the payment and collection of taxes levied against real property of nonexempt ownerships shall apply to all real property subject to the provisions of this section. Taxes remaining unpaid upon the termination of a lease or other interest or estate less than a fee simple, shall remain a lien against the real or personal property.

(6) If the state enters into a lease of property with, or grants an interest or other estate less than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days after the date of the lease, or within 30 days after the date the interest or estate less than a fee simple is created, the state shall file a copy of the lease or other instrument creating or evidencing the interest or estate with the county assessor. This section applies notwithstanding that the property may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise provided by law. [Amended by 1953 c.698 §7; 1961 c.449 §1; 1969 c.675 §18; 1971 c.352 §1; 1971 c.431 §1; 1979 c.689 §4; 1981 c.381 §1; 1987 c.487 §1; 1989 c.659 §2; 1991 c.459 §40; 1991 c.851 §3; 1993 c.655 §2; 1993 c.737 §7; 1995 c.337 §1; 1995 c.376 §3; 1995 c.698 §9; 1995 c.748 §2; 1997 c.541 §101; 1997 c.819 §12; 1999 c.760 §1; 2001 c.67 §2; 2001 c.114 §8]

**Note:** See note under 307.095.

**307.111 Property of shipyard used for ship repair, layup, conversion or construction.** (1) Property within a shipyard capable of dry-docking oceangoing vessels of 200,000 deadweight tons or more and utilized or leased by a sole contractor for the purpose of ship repair, layup, conversion or construction is exempt from ad valorem property taxation.

(2) The public shipyard owner shall notify the county assessor of the date of the lease or other possessory interest agreement with the sole shipyard contractor.

(3) Property subleased by the sole shipyard contractor, or utilized by another person pursuant to a possessory interest agreement with the sole shipyard contractor, is not exempt under this section.

(4) Persons having on January 1 of any year a lease, sublease, rent or preferential assignment or other possessory interest in property that is exempt from taxation under this section are not required to make the payments in lieu of taxes described in ORS 307.120 (2). [2001 c.114 §10]

**Note:** Section 3, chapter 337, Oregon Laws 1995, provides:

**Sec. 3.** Section 10 of this 2001 Act [307.111] applies to property tax years beginning on or after July 1, 1995, and before July 1, 2010. [1995 c.337 §3; 2001 c.114 §11]

**Note:** 307.111 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**307.112 Property held under lease or lease-purchase by institution, organization or public body other than state.** (1) Real or personal property of a taxable owner held under lease or lease-purchase agreement by an institution, organization or public body, other than the State of Oregon, granted exemption or the right to claim exemption for any of its property under ORS 307.090, 307.130, 307.136, 307.140, 307.145, 307.147 or 456.225, is exempt from taxation if:

(a) The property is used by the lessee in the manner, if any, required by law for the exemption of property owned or being purchased by it; and

(b) It is expressly agreed within the lease or lease-purchase agreement that the rent payable by the institution, organization or public body has been established to reflect the savings below market rent resulting from the exemption from taxation.

(2) The lessee shall file a claim for exemption with the county assessor, verified by the oath or affirmation of the

president or other proper officer of the institution or organization, or head official of the public body or legally authorized delegate, showing:

- (a) A complete description of the property for which exemption is claimed.
- (b) If applicable, all facts relating to the use of the property by the lessee.
- (c) A true copy of the lease or lease-purchase agreement covering the property for which exemption is claimed.
- (d) Any other information required by the claim form.

(3) If the assessor is not satisfied that the rent stated in the lease or lease-purchase agreement has been established to reflect the savings below market rent resulting from the tax exemption, before the exemption may be granted the lessor shall provide documentary proof, as specified by rule of the Department of Revenue, that the rent has been established to reflect the savings below market rent resulting from the tax exemption.

(4)(a) The claim shall be filed on or before April 1, except as follows:

(A) If the lease or lease-purchase agreement is entered into after March 1 but not later than June 30, the claim shall be filed within 30 days after the date the lease or lease-purchase agreement is entered into if exemption is claimed for that year; or

(B) Notwithstanding that no hardship grounds exist, if a late filing fee is determined, paid and distributed in the manner provided in ORS 307.162 (2), the claim shall be filed on or before December 31 of the tax year for which exemption is first claimed.

(b) The exemption first shall apply for the tax year beginning July 1 of the year for which the claim is filed. The exemption shall continue so long as the use of the property remains unchanged and during the period of the lease or lease-purchase agreement. If the use changes, a new application shall be filed as provided in this section. If the lease or lease-purchase agreement expires before July 1 of any year, the exemption shall terminate as of January 1 of the same calendar year. [1977 c.673 §2; 1987 c.756 §20; 1991 c.459 §41; 1991 c.851 §4; 1993 c.19 §3; 1993 c.777 §4; 1995 c.513 §1; 1997 c.434 §1; 1997 c.541 §102; 1999 c.579 §18]

**Note:** 307.112 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**307.115 Property of nonprofit corporations held for public parks or recreation purposes.** (1) Subject to approval by the appropriate granting authority under subsection (4) of this section, the following real or personal property owned or being purchased under contract by any nonprofit corporation meeting the requirements of subsection (2) of this section shall be exempt from taxation:

(a) The real or personal property, or proportion thereof, as is actually and exclusively occupied or used for public park or public recreation purposes.

(b) The real or personal property, or proportion thereof, as is held for public parks or public recreation purposes if the property is not used for the production of income, for investment, or for any trade or business or commercial purpose, or for the benefit or enjoyment of any private stockholder or individual, but only if the articles of incorporation of the nonprofit corporation prohibit use of property owned or otherwise held by the corporation, or of proceeds derived from the sale of that property, except for public park or public recreation purposes.

(2) Any nonprofit corporation shall meet the following requirements:

(a) The corporation shall be organized for the principal purpose of maintaining and operating a public park and public recreation facility or acquiring interest in land for development for public parks or public recreation purposes;

(b) No part of the net earnings of the corporation shall inure to the benefit of any private stockholder or individual; and

(c) Upon liquidation, the assets of the corporation shall be applied first in payment of all outstanding obligations, and the balance remaining, if any, in cash and in kind, shall be distributed to the State of Oregon or to one or more of its political subdivisions for public parks or public recreation purposes.

(3) If any property which is exempt under this section subsequently becomes disqualified for such exemption or the exemption is not renewed as provided in subsection (4) of this section, it shall be added to the next general property tax roll for assessment and taxation in the manner provided by law.

(4)(a) Real or personal property shall not be exempt under this section except upon approval of the appropriate granting authority obtained in the manner provided under this subsection.

(b) Before any property shall be exempt under this section, on or before April 1 of any year the corporation owning or purchasing such property shall file an application for exemption with the county assessor. The provisions of ORS 307.162 shall apply as to the form, time and manner of application. Within 10 days of filing in the office of the

assessor, the assessor shall refer each application for classification to the granting authority, which shall be the governing body of a county for property located outside the boundaries of a city and the governing body of the city for property located within the boundaries of the city. Within 60 days thereafter, the application shall be granted or denied and written notice given to the applicant and to the county assessor. In determining whether an application made for exemption under this section should be approved or disapproved, the granting authority shall weigh the benefits to the general welfare of granting the proposed exemption to the property which is the subject of the application against the potential loss in revenue which may result from granting the application.

(c) The granting authority shall not deny the application solely because of the potential loss in revenue if the granting authority determines that granting the exemption to the property will:

(A) Conserve or enhance natural or scenic resources;

(B) Protect air or streams or water supplies;

(C) Promote conservation of soils, wetlands, beaches or tidal marshes;

(D) Conserve landscaped areas which enhance the value of abutting or neighboring property;

(E) Enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, natural reservations, sanctuaries or other open spaces;

(F) Enhance recreation opportunities;

(G) Preserve historic sites;

(H) Promote orderly urban or suburban development;

(I) Promote the reservation of land for public parks, recreation or wildlife refuge purposes; or

(J) Affect any other factors relevant to the general welfare of preserving the current use of the property.

(d) The granting authority may approve the application for exemption with respect to only part of the property which is the subject of the application. However, if any part of the application is denied, the applicant may withdraw the entire application.

(e) The exemption shall be granted for a 10-year period and may be renewed by the granting authority for additional periods of 10 years each at the expiration of the preceding period, upon the filing of a new application by the corporation with the county assessor on or before April 1 of the year following the 10th year of exemption. The assessor shall refer the application to the governing body as provided in paragraph (b) of this subsection, and within 30 days thereafter, the governing body shall determine if renewing the exemption will continue to serve one of the purposes of paragraph (c) of this subsection. Within 30 days after referral, written notice shall be given to the applicant and to the county assessor of the determination made by the governing body.

(5) Any nonprofit corporation aggrieved by the refusal of the granting authority to grant or renew an exemption under subsection (4) of this section may, within 60 days after written notice has been sent to the corporation, appeal from the determination of the granting authority to the Oregon Tax Court. The appeal should be perfected in the manner provided in ORS 305.560. The provisions of ORS 305.405 to 305.494 shall apply to the appeals. [1971 c.584 §1; 1973 c.214 §1; 1979 c.689 §5; 1987 c.416 §1; 1995 c.79 §118; 1997 c.325 §18]

**307.118 Wastewater and sewage treatment facilities.** Upon compliance with ORS 307.162, the wastewater treatment facilities, sewage treatment facilities and all other property used for the purpose of wastewater treatment or sewage treatment, including the land underneath the facilities, shall be exempt from taxation if:

(1) Owned by a nonprofit corporation that was in existence as of January 1, 1997; and

(2) The nonprofit corporation's only activities consist of operating wastewater treatment and sewage treatment facilities that were constructed and in operation as of January 1, 1997. [1997 c.485 §2]

**Note:** 307.118 was added to and made a part of ORS chapter 307 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

**Note:** Sections 1 to 4, chapter 256, Oregon Laws 2001, provide:

**Sec. 1.** Upon compliance with section 3 of this 2001 Act, land that is used both as a golf course and for the discharge of wastewater or sewage effluent is exempt from the ad valorem property taxes of taxing districts authorizing the exemption under section 4 of this 2001 Act, if:

(1) The land is owned by a municipality and leased by a nonprofit corporation that was in existence as of January 1, 1997; and

(2) The nonprofit corporation operates the golf course. [2001 c.256 §1]

**Sec. 2.** Section 1 of this 2001 Act applies to tax years beginning on or after July 1, 1998, and before July 1, 2021.

[2001 c.256 §2]

**Sec. 3.** (1) In order for land to be exempt from ad valorem property taxes under section 1 of this 2001 Act, the nonprofit corporation described in section 1 of this 2001 Act must apply to the county assessor. The statement required under ORS 307.162 to claim an exemption listed in ORS 307.162 (1) shall serve as the application to be filed with the county assessor to claim the exemption under section 1 of this 2001 Act.

(2) The application must be filed on or before July 1, 2002. The provisions for late filing described in ORS 307.162 do not apply to an application filed under this section.

(3) The application shall serve as the applicant's claim for exemption for all tax years described in section 2 of this 2001 Act for which, as of each assessment date, the applicant and property meet the criteria set forth in section 1 of this 2001 Act.

(4) The assessor shall approve each timely filed application in which the applicant and the land meet the criteria to be exempt under section 1 of this 2001 Act.

(5) Any property taxes and interest that have been paid on behalf of property granted the exemption under section 1 of this 2001 Act for a tax year beginning before January 1, 2002, shall be refunded in the manner prescribed in subsection (6) of this section. If the taxes have not been paid, the taxes and any interest due thereon are abated.

(6) The tax collector shall notify the governing body of the county of any refund required under this section and the governing body shall cause a refund of the taxes and any interest paid to be made from the unsegregated tax collections account described in ORS 311.385. The refund under this subsection shall be made without interest. The county assessor and tax collector shall make the necessary corrections in the records of their offices. [2001 c.256 §3]

**Sec. 4.** The exemption provided in section 1 of this 2001 Act applies only to the taxes of a taxing district the governing body of which has adopted an ordinance or resolution authorizing the exemption under section 1 of this 2001 Act. [2001 c.256 §4]

**307.120 Property owned or leased by municipalities, dock commissions or ports; exception; payments in lieu of taxes to school districts.** (1) Real property owned or leased by any municipality and real and personal property owned or leased by any dock commission of any city or by any port organized under the laws of this state is exempt from taxation to the extent to which such property is:

(a) Leased, subleased, rented or preferentially assigned for the purpose of the berthing of ships, barges or other watercraft (exclusive of property leased, subleased, rented or preferentially assigned primarily for the purpose of the berthing of floating homes, as defined in ORS 830.700), the discharging, loading or handling of cargo therefrom or for storage of such cargo directly incidental to transshipment, or the cleaning or decontaminating of agricultural commodity cargo, to the extent the property does not further alter or process an agricultural commodity;

(b) Held under lease or rental agreement executed for any purpose prior to July 5, 1947, except that this exemption shall continue only during the term of the lease or rental agreement in effect on that date; or

(c) Used as an airport owned by and serving a municipality or port of less than 300,000 inhabitants as determined by the latest decennial census. Property owned or leased by the municipality or port, located within or contiguous to the airport is "used as an airport" within the meaning of this subsection if the proceeds of the lease, sublease or rental are used by the municipality or port exclusively for purposes of the maintenance and operation of the airport.

(2) Those persons having on January 1 of any year a lease, sublease, rent or preferential assignment or other possessory interest in property exempt from taxation under subsection (1)(a) of this section, except dock area property, shall make payments in lieu of taxes to any school district in which the exempt property is located as provided in subsection (3) of this section. The annual payment in lieu of taxes shall be one quarter of one percent (.0025) of the assessed value of the exempt property and the payment shall be made to the county treasurer on or before May 1 of each year.

(3)(a) On or before December 31 preceding any year for which a lease, sublease, rental or preferential assignment or other possessory interest in property is to be held, or within 30 days after acquisition of such an interest, whichever is later, any person described in subsection (2) of this section shall file with the county assessor a request for computation of the payment in lieu of tax for the exempt property in which the person has a possessory interest. The person shall also provide any information necessary to complete the computation that may be requested by the assessor. The request shall be made on a form prescribed by the Department of Revenue.

(b) On or before April 1 of each assessment year the county assessor shall compute the in lieu tax for the property subject to subsection (2) of this section for which a request for computation has been filed under paragraph (a) of this subsection and shall notify each person who has filed such a request:

(A) That the person is required to pay the amount in lieu of taxes to the county treasurer on behalf of the school

district;

(B) Of the assessed value of the property subject to the payment in lieu of taxes; and

(C) Of the amount due, the due date of the payment in lieu of taxes and of the consequences of late payment or nonpayment.

(c) On or before July 15 of each tax year the county treasurer shall distribute to the school districts the amounts received for the respective districts under subsection (2) of this section. If the exempt property is located in more than one school district, the amount received shall be apportioned to the school districts on the basis of the ratio that each school district's permanent limit on the rate of ad valorem property taxes bears to the total permanent limit on the rate of ad valorem property taxes applicable to all of the school districts in which the property is located.

(4) If a person described in subsection (2) of this section fails to request a computation or make a payment in lieu of taxes as provided in this section, the property shall not be exempt for the tax year but shall be assessed and taxed as other property similarly situated is assessed and taxed.

(5) Upon granting of a lease, sublease, rental, preferential assignment or other possessory interest in property described in subsection (1)(a) of this section, except dock area property, the municipality, dock commission or port shall provide the county assessor with the name and address of the lessee, sublessee, renter, preferential assignee or person granted the possessory interest.

(6)(a) Not later than 15 days prior to the date that a request is required to be made under subsection (3)(a) of this section, the municipality, dock commission or port granting a lease, sublease, rental, preferential assignment or other possessory interest in its exempt property for which in lieu tax payments are imposed under subsection (2) of this section, shall notify the person granted the interest:

(A) Of the obligation to file with the county assessor a request for appraisal and computation of in lieu tax no later than December 31 or within 30 days after the interest is granted, whichever is later.

(B) Of the obligation to pay the in lieu tax, in the amount of one-quarter of one percent (.0025) of the assessed value of the exempt property held, to the county treasurer before May 1 following the date of the request.

(C) That, if the request is not made within the time prescribed, or if the in lieu tax is not paid, or both, that the property shall not be exempt from taxation but shall be assessed and taxed in the same manner as other property similarly situated is assessed and taxed.

(b) Failure of a municipality, dock commission or port to give the notice as prescribed under this subsection shall not relieve any person from the requirements of this section.

(7) As used in this section:

(a) "Dock" means a structure extended from the shore or area adjacent to deep water for the purpose of permitting the mooring of ships, barges or other watercraft.

(b) "Dock area" means that part of the dock situated immediately adjacent to the mooring berth of ships, barges or other watercraft which is used primarily for the loading and unloading of waterborne cargo, but which shall not encompass any area other than that area from which cargo is hoisted or moved aboard a vessel, or to which cargo is set down when unloaded from a vessel when utilizing shipboard or dockside machinery.

(c) "Dock area property" means all real property situated in the dock area, and includes all structures, machinery or equipment affixed to that property.

(d) "School district" means a common or union high school district, but does not include a county education bond district, an education service district, a community college service district or a community college district. [Amended by 1955 c.267 §1; 1973 c.234 §1; 1977 c.615 §1; 1979 c.705 §1; 1981 c.160 §1; 1983 c.740 §86; 1987 c.583 §5; 1987 c.756 §10; 1991 c.459 §42; 1995 c.337 §2; 1997 c.271 §4; 1997 c.541 §103; 1997 c.600 §5; 1999 c.570 §1; 2001 c.114 §9]

**307.122** [1987 c.583 §§3,7; repealed by 1991 c.459 §81]

**307.123 Property of strategic investment development projects; rules.** (1) Except as provided in subsection (3) of this section, real or personal property that the Oregon Economic and Community Development Commission, acting pursuant to ORS 285B.383, has determined is eligible for the tax exemption provided in this section, shall be subject to assessment and taxation as follows:

(a) The first \$100 million in real market value, increased annually for growth at the rate of three percent, shall be taxable at its assessed value under ORS 308.146. The first \$100 million of real market value, as adjusted, shall be allocated as follows until the entire amount is assigned: first to land, second to buildings, third to real property machinery and equipment and last to personal property.

(b) The remainder of the real market value shall be exempt from taxation for a period of 15 years from the beginning of the tax year after the earliest of the following dates:

(A) The date the property is certified for occupancy or, if no certificate of occupancy is issued, the date the property is used to produce a product for sale; or

(B) The expiration of the exemption for commercial facilities under construction under ORS 307.330.

(2) If the real market value of the property falls below that set out in subsection (1)(a) of this section, the owner or lessee shall pay taxes only on the assessed value of the property.

(3) Notwithstanding subsection (1) of this section, no real or personal property that has received an exemption under ORS 285B.698 shall be assessed under this section.

(4) The Department of Revenue may adopt such rules, and prescribe such forms, as are necessary for administration of this section.

(5) The determination by the Oregon Economic and Community Development Commission that a project is an eligible project that may receive a tax exemption under this section shall be conclusive, so long as the property included in the eligible project is constructed and installed in accordance with the application approved by the commission.

(6) Notwithstanding subsection (1) of this section, if the owner or lessee of property exempt under this section fails to pay the fee required under ORS 285B.386 (4)(b) by the end of the tax year in which it is due, the exemption shall be revoked and the property shall be fully taxable for the following tax year and for each subsequent tax year for which the fee remains unpaid. If an unpaid fee is paid after the exemption is revoked, the property shall again be eligible for the exemption provided under this section, beginning with the tax year after the payment is made. Reinstatement of the exemption under this subsection shall not extend the 15-year exemption period provided for in subsection (1)(b) of this section. [1993 c.737 §5; 1995 c.698 §8; 1997 c.325 §19; 1997 c.541 §412]

**307.125 Property of forest protection agencies.** All the real and personal property of districts, organizations, associations and agencies organized for the purposes of forest protection and fire suppression under ORS chapter 477 is exempt from taxation if such property is used exclusively for such protection and suppression. [1957 c.189 §1; 1965 c.253 §138]

**307.126 Federal Communications Commission licenses.** Licenses granted by the Federal Communications Commission are exempt from ad valorem property taxation, and the value of the licenses may not be reflected in the value of real or tangible personal property. [2001 c.429 §2]

**Note:** 307.126 was added to and made a part of ORS chapter 307 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

**307.127** [1977 c.478 §1; 1979 c.689 §6; repealed by 1995 c.79 §119]

(Institutional, Religious, Fraternal, Interment Properties)

**307.130 Property of art museums, volunteer fire departments or literary, benevolent, charitable and scientific institutions.** (1) Upon compliance with ORS 307.162, the following property owned or being purchased by art museums, volunteer fire departments, or incorporated literary, benevolent, charitable and scientific institutions shall be exempt from taxation:

(a) Except as provided in ORS 748.414, only such real or personal property, or proportion thereof, as is actually and exclusively occupied or used in the literary, benevolent, charitable or scientific work carried on by such institutions.

(b) Parking lots used for parking or any other use as long as that parking or other use is permitted without charge for no fewer than 355 days during the tax year.

(c) All real or personal property of a rehabilitation facility or any retail outlet thereof, including inventory. As used in this subsection, "rehabilitation facility" means either those facilities defined in ORS 344.710 or facilities which provide physically, mentally or emotionally disabled individuals with occupational rehabilitation activities of an educational or therapeutic nature, even if remuneration is received by the individual.

(d) All real and personal property of a retail store dealing exclusively in donated inventory, where the inventory is distributed without cost as part of a welfare program or where the proceeds of the sale of any inventory sold to the

general public are used to support a welfare program. As used in this subsection, “welfare program” means the providing of food, shelter, clothing or health care, including dental service, to needy persons without charge.

(e) All real and personal property of a retail store if:

(A) The retail store deals primarily and on a regular basis in donated and consigned inventory;

(B) The individuals who operate the retail store are all individuals who work as volunteers; and

(C) The inventory is either distributed without charge as part of a welfare program, or sold to the general public and the sales proceeds used exclusively to support a welfare program. As used in this paragraph, “primarily” means at least one-half of the inventory.

(f) The real and personal property of an art museum that is used in conjunction with the public display of works of art or used to educate the public about art, but not including any portion of the art museum’s real or personal property that is used to sell, or hold out for sale, works of art, reproductions of works of art or other items to be sold to the public.

(g) All real and personal property of a volunteer fire department that is used in conjunction with services and activities for providing fire protection to all residents within a fire response area.

(2) An art museum or institution shall not be deprived of an exemption under this section solely because its primary source of funding is from one or more governmental entities.

(3) An institution shall not be deprived of an exemption under this section because its purpose or the use of its property is not limited to relieving pain, alleviating disease or removing constraints.

(4) As used in this section:

(a) “Art museum” means a nonprofit corporation organized to display works of art to the public.

(b) “Internal Revenue Code” means the federal Internal Revenue Code as amended and in effect on December 31, 2000.

(c) “Nonprofit corporation” means a corporation that:

(A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter 65; or

(B) Is organized and operated as described under section 501(c) of the Internal Revenue Code.

(d) “Volunteer fire department” means a nonprofit corporation organized to provide fire protection services in a specific response area. [Amended by 1955 c.576 §1; 1959 c.207 §1; 1969 c.342 §1; 1971 c.605 §1; 1974 c.52 §3; 1979 c.688 §1; 1987 c.391 §1; 1987 c.490 §49; 1989 c.224 §50; 1991 c.93 §4; 1993 c.655 §3; 1995 c.470 §4; 1997 c.599 §1; 1999 c.90 §31; 1999 c.773 §1; 2001 c.660 §26]

**307.134 Definition of fraternal organization.** (1) For the purposes of ORS 307.136, “fraternal organization” means a corporation:

(a) Organized as a corporation not for profit under the laws of any state or national government;

(b) Which is not solely a social club but is established under the lodge system with ritualistic form of work and representative form of government;

(c) Which regularly engages in or provides financial support for some form of benevolent or charitable activity with the purpose of doing good to others rather than for the convenience of its members;

(d) No part of the income of which is distributable to its members, directors or officers;

(e) In which no member, officer, agent or employee is paid, or directly or indirectly receives, in the form of salary or other compensation, an amount beyond that which is just and reasonable compensation commonly paid for such services rendered and which has been fixed and approved by the members, directors or other governing body of the corporation; and

(f) Which is not a college fraternity or sorority.

(2) For the purposes of ORS 307.136, “fraternal organization” includes, but is not limited to, the grand and subordinate lodges of the Masons, the grand and subordinate lodges of the Knights of Pythias, the Knights of Columbus, the Benevolent and Protective Order of Elks, the Fraternal Order of Eagles, the Loyal Order of Moose, the Independent Order of Odd Fellows, the Oregon State Grange, the American Legion and the Veterans of Foreign Wars. [1961 c.543 §§3,4]

**307.136 Property of fraternal organizations.** Upon compliance with ORS 307.162, the following property owned or being purchased by fraternal organizations shall be exempt from taxation:

(1) All the real or personal property, or portion thereof, which is actually occupied or used in fraternal or lodge work or for entertainment and recreational purposes by one or more fraternal organizations, except that property or portions of property of a fraternal organization rented or leased by it at any time to other persons for sums greater than

reasonable expenses for heat, light, water, janitorial services and supplies and facility repair and rehabilitation shall be subject to taxation.

(2) Parking lots used for parking or any other use as long as that parking or other use is permitted without charge for no fewer than 355 days during the tax year. [1961 c.543 §2; 1974 c.52 §1; 1993 c.655 §4; 1997 c.441 §1]

**307.140 Property of religious organizations.** Upon compliance with ORS 307.162, the following property owned or being purchased by religious organizations shall be exempt from taxation:

(1) All houses of public worship and other additional buildings and property used solely for administration, education, literary, benevolent, charitable, entertainment and recreational purposes by religious organizations, the lots on which they are situated, and the pews, slips and furniture therein. However, any part of any house of public worship or other additional buildings or property which is kept or used as a store or shop or for any purpose other than those stated in this section shall be assessed and taxed the same as other taxable property.

(2) Parking lots used for parking or any other use as long as that parking or other use is permitted without charge for no fewer than 355 days during the tax year.

(3) Land and the buildings thereon held or used solely for cemetery or crematory purposes, including any buildings solely used to store machinery or equipment used exclusively for maintenance of such lands. [Amended by 1955 c.258 §1; 1959 c.207 §2; 1973 c.397 §1; 1974 c.52 §2; 1987 c.756 §3; 1993 c.655 §5]

**307.145 Certain child care facilities, schools and student housing.** (1) If not otherwise exempt by law, upon compliance with ORS 307.162, the child care facilities, schools, academies and student housing accommodations, owned or being purchased by incorporated eleemosynary institutions or by incorporated religious organizations, used exclusively by such institutions or organizations for or in immediate connection with educational purposes, are exempt from taxation.

(2) Property described in subsection (1) of this section which is exclusively for or in the immediate connection with educational purposes shall continue to be exempt when leased to a political subdivision of the State of Oregon, or to another incorporated eleemosynary institution or incorporated religious organization for an amount not to exceed the cost of repairs, maintenance and upkeep.

(3)(a) As used in this section, “child care facility” means a facility certified by the Child Care Division of the Employment Department under ORS 657A.280 to provide educational child care for seven or more children.

(b) Before an exemption for a child care facility is allowed under this section, in addition to any other information required under ORS 307.162, the statement shall:

(A) Describe the property and declare or be accompanied by proof that the corporation is an eleemosynary institution or religious organization.

(B) Declare or be accompanied by proof that the division has issued the facility a certification to provide educational child care for seven or more children.

(C) Be signed by the taxpayer subject to the penalties for false swearing. [1957 c.683 §1; 1959 c.207 §3; 1971 c.670 §1; 1981 c.611 §1; 1987 c.756 §6; 1993 c.733 §10; 1995 c.278 §32; 1999 c.743 §20]

**307.147 Senior services centers.** (1) For purposes of this section:

(a) “Internal Revenue Code” means the federal Internal Revenue Code as amended and in effect on December 31, 2000.

(b) “Nonprofit corporation” means a corporation that:

(A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter 65; or

(B) Is organized and operated as described under section 501(c) of the Internal Revenue Code.

(c) “Senior services center” means property that:

(A) Is owned or being purchased by a nonprofit corporation; and

(B) Is actually and exclusively used to provide services and activities (including parking) primarily to or for persons over 50 years of age; and

(C) Is open generally to all persons over 50 years of age; and

(D) Is not used primarily for fund-raising activities; and

(E) Is not a residential or dwelling place.

(2) Upon compliance with ORS 307.162, a senior services center is exempt from ad valorem property taxation. [1993 c.777 §2; 1997 c.541 §104; 1997 c.839 §44; 1999 c.90 §32; 2001 c.660 §27]

**307.150 Burial grounds; cemeteries; property of crematory associations.** (1) Upon compliance with ORS 307.162, the following property shall be exempt from taxation:

(a) All burial grounds, tombs and rights of burial, and all lands and the buildings thereon, not exceeding 30 acres, owned and actually occupied by any crematory association incorporated under the laws of this state, used for the sole purpose of a crematory and burial place to incinerate remains.

(b) All lands used or held exclusively for cemetery purposes, not exceeding 600 acres, owned and actually occupied by any cemetery association incorporated under the laws of this state.

(c) Any burial lots or space for burial of incinerate remains in buildings or grounds sold by a cemetery or crematory association which lots or space are used or held exclusively for burial purposes.

(d) Any buildings on land described in paragraph (a) or (b) of this subsection that are used to store machinery or equipment used exclusively for maintenance of burial grounds.

(e) Any personal property owned by a cemetery or crematory association incorporated under the laws of this state and used exclusively for cemetery or crematory association purposes.

(2) The statement required under ORS 307.162 shall be filed by the cemetery or crematory association that owns or sells the property described in subsection (1) of this section.

(3) Any property exclusively occupied and used as a family burial ground is exempt from ad valorem taxation. [Amended by 1987 c.756 §4; 1999 c.398 §7]

**307.155 When property exempt under ORS 65.855, 307.140 or 307.150 taxable; lien.** (1) Land that is exempt from ad valorem property tax under ORS 65.855, 307.140 (3) or 307.150 that ceases to be used or held exclusively for cemetery or crematory purposes shall be subject to assessment and taxation uniformly with real property of nonexempt ownerships.

(2) There shall be added to the next general property tax roll, to be collected and distributed in the same manner as other real property taxes, additional taxes equal to the total amount of taxes that otherwise would have been assessed against the land had the land not been used or held for cemetery or crematory purposes for the last 10 years (or such lesser number of years, corresponding to the years after 1981 of exemption for the land) preceding the year after 1981 in which the land was exempt from taxation.

(3) The lien for the additional taxes imposed by this section, and the interest thereon, shall attach as of the date preceding the date of sale or other transfer of the land.

(4) For each year that land is exempt from taxation under ORS 65.855, 307.140 (3) or 307.150, or both, the assessor shall enter on the assessment and tax roll, with respect to the land, the notation "(cemetery land-potential additional tax)."

(5) The amount of additional taxes determined to be due under this section may be paid to the tax collector prior to the completion of the next general property tax roll, pursuant to ORS 311.370.

(6) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1981 c.572 §1; 1987 c.756 §4a; 1991 c.459 §43; 1997 c.541 §105]

**Note:** 307.155 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**307.157 Cemetery land acquired by eleemosynary or charitable institution; potential additional taxes.** (1) Notwithstanding ORS 307.155, if land was used or held exclusively for cemetery or crematory purposes for the preceding tax year and has ceased to be used or held exclusively for cemetery or crematory purposes as of the assessment date for the current tax year, the land shall remain exempt, and the additional tax that would otherwise be due under ORS 307.155 (2) shall remain a potential tax liability that is not imposed, if:

(a) As of the date the land ceases to be used or held exclusively for cemetery or crematory purposes, the land is owned or being purchased by an incorporated eleemosynary or charitable institution described in ORS 307.130 or 307.145 for use in connection with educational purposes; and

(b) The incorporated eleemosynary or charitable institution complies with ORS 307.162.

(2) The deferred additional tax described in subsection (1) of this section shall be collected as described in this subsection to the extent that land described in subsection (1) of this section ceases to be used by an incorporated eleemosynary or charitable institution in connection with educational purposes. The amount of additional tax to be collected shall be reduced by 10 percent for each 12-month period in which the land was owned or being purchased by an incorporated eleemosynary or charitable institution in connection with educational purposes.

(3) For each tax year in which the additional tax continues to be deferred, but may subsequently be imposed pursuant to this section, the county assessor shall continue to enter the notation “potential additional tax liability” on the assessment and tax roll.

(4) ORS 307.155 (3), (5) and (6) apply to any additional tax imposed under this section. [2001 c.422 §4]

**Note:** Section 5, chapter 422, Oregon Laws 2001, provides:

**Sec. 5.** Section 4 of this 2001 Act [307.157] applies to property owned or being purchased by an incorporated eleemosynary or charitable institution on or after January 1, 2001, and before January 1, 2011, and to property tax years beginning on or after July 1, 2001, and before July 1, 2021. [2001 c.422 §5]

**Note:** 307.157 was added to and made a part of ORS chapter 307 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

**307.160 Property of public libraries.** Upon compliance with ORS 307.162, all public libraries and the personal property belonging thereto and connected therewith, and the real property belonging thereto and upon which the library is situated shall be exempt from taxation.

**307.162 Necessity of filing statement to secure exemption; late application; late filing fee; notification of change to taxable use.** (1) Before any real or personal property may be exempted from taxation under ORS 307.115, 307.118, 307.130 to 307.140, 307.145, 307.147, 307.150, 307.160 or 307.580 for any tax year, the institution or organization claiming the exemption shall file with the county assessor, on or before April 1 of the assessment year, a statement verified by the oath or affirmation of the president or other proper officer of the institution or organization, listing all real or personal property claimed to be exempt and showing the purpose for which such property is used. However:

(a) If the ownership of all property included in the statement filed with the county assessor for a prior year remains unchanged, a new statement shall not be required.

(b) When the property designated in the claim for exemption is acquired after March 1 and before July 1, the claim for that year shall be filed within 30 days from the date of acquisition of the property.

(c) As used in this subsection, “ownership” means legal and equitable title.

(2) Notwithstanding subsection (1) of this section, a statement may be filed under this section on or before December 31 of the assessment year for which exemption is first desired. However, any statement filed after the time for filing the statement specified in subsection (1) of this section must be accompanied by a late filing fee of the greater of \$200, or one-tenth of one percent of the real market value of the property to which the statement pertains, as determined for the assessment year by the assessor for this purpose. If the statement is not accompanied by the late filing fee or if the late filing fee is not otherwise paid, no exemption shall be allowed for the tax year based upon a statement filed pursuant to this subsection. A statement may be filed under this section notwithstanding that there are no grounds for hardship as required for late filing under ORS 307.475. The value of the property used to determine the late filing fee under this section is appealable in the same manner as other acts of the county assessor. Any filing fee collected under this section shall be deposited to the county general fund.

(3)(a) Notwithstanding subsection (1) of this section, if an institution or organization owns property that is exempt from taxation under a provision of law listed in subsection (1) of this section and fails to make a timely application for exemption under subsection (1) of this section for additions or improvements to the exempt property, the additions or improvements may nevertheless qualify for exemption.

(b) The organization must file an application with the county assessor to have the additions or improvements to the exempt property be exempt from taxation. The application shall:

(A) Describe the additions or improvements to the exempt property;

(B) Describe the current use of the property that is the subject of the application;

(C) Identify the tax year and any preceding tax years for which the exemption is sought;

(D) Contain any other information required by the Department of Revenue; and

(E) Be accompanied by a late filing fee equal to the product of the number of tax years for which exemption is sought multiplied by the greater of \$200 or one-tenth of one percent of the real market value, as of the most recent assessment date, of the property that is the subject of the application.

(c) Upon the county assessor’s receipt of a completed application and late filing fee, the assessor shall determine if the property that is the subject of the application, for each tax year for which exemption is sought, would have

qualified for exemption had a timely statement been filed under subsection (1) of this section. Any property that would have qualified for exemption had a timely statement under subsection (1) of this section been filed shall be exempt from taxation for each tax year for which the property would have so qualified.

(d) An application for exemption under this subsection may be filed only for tax years for which the time for filing a statement under subsections (1) and (2) of this section has expired. An application filed under this subsection, however, may serve as the statement required under subsection (1) of this section for the current assessment year.

(e) For each tax year for which an exemption granted pursuant to this subsection applies:

(A) Any tax, or interest attributable thereto, that was paid with respect to the property that is declared exempt from taxation, shall be refunded. Refunds shall be made from the unsegregated tax collections account established under ORS 311.385.

(B) Any tax, or interest attributable thereto, that remains unpaid as of the date the exemption is granted, shall be abated.

(f) A late filing fee collected under this subsection shall be deposited in the county general fund.

(4) If an institution or organization owns property that is exempt from taxation under a provision of law listed in subsection (1) of this section and changes the use of the property to a use that would not entitle the property to exemption from taxation, the institution or organization shall notify the county assessor of the change to a taxable use within 30 days of the change in use. [Formerly 307.170; 1967 c.51 §1; 1967 s.s. c.9 §4; 1969 c.237 §1; 1977 c.478 §2; 1977 c.884 §33; 1985 c.613 §3; 1987 c.574 §1; 1987 c.756 §7; 1991 c.459 §44; 1993 c.18 §68; 1993 c.19 §4; 1993 c.777 §5; 1995 c.79 §120; 1995 c.513 §2; 1997 c.485 §3; 1997 c.541 §106; 1999 c.398 §9; 1999 c.579 §1]

**307.163** [1967 s.s. c.9 §3; repealed by 1977 c.884 §32]

**307.164** [1973 c.476 §2; repealed by 1977 c.884 §25 (307.166 enacted in lieu of 307.164)]

**307.165** [1961 c.598 §2,3 (renumbered 307.169)]

(Leased Public or Institutional Property)

**307.166 Exemption of property leased by exempt institution, organization or public body to another exempt institution, organization or public body.** (1) If property is owned or being purchased by an institution, organization or public body, and if the institution, organization or public body is one granted exemption or the right to claim exemption for any of its property under a provision of law contained in this chapter, and such institution, organization or public body leases or otherwise grants the use and possession of such property to another institution, organization or public body likewise granted exemption or the right to claim exemption for any of its property under a provision of law contained in this chapter, such property is exempt from taxation if used by the lessee or possessor in the manner, if any, required by law for the exemption of property owned or being purchased by the lessee or possessor and the rent payable under the lease or other grant of use and possession of the property has been established to reflect the savings below market rent resulting from the exemption from taxation. Likewise, if the property is sublet or otherwise the use and possession of the property is granted to another institution, organization or public body of the kind described in this subsection, such property is exempt if the property is used by the sublessee or possessor in the manner, if any, required by law for the exemption of property owned or being purchased by the sublessee or possessor and the rent payable under the sublease or other grant of use and possession of the property has been established to reflect the savings below market rent resulting from the exemption from taxation.

(2) The lessee or entity in possession shall file a claim for exemption with the county assessor, verified by the oath or affirmation of the president or other proper officer of the institution or organization, or head official of the public body or the legally authorized delegate of the head official, showing:

(a) A complete description of the property for which exemption is claimed.

(b) All facts relating to the ownership or purchase of the property.

(c) All facts relating to the use of the property by the lessee or entity in possession.

(d) A true copy of the lease or other agreement covering the property for which exemption is claimed.

(e) Any other information required by the claim form.

(3)(a) The claim shall be filed on or before April 1, except as follows:

(A) If the lease or other agreement is entered into after March 1 but not later than June 30, the claim shall be filed within 30 days after the date the lease or agreement is entered into if exemption is claimed for the assessment year

beginning on that January 1; or

(B) Notwithstanding that no hardship grounds exist, if a late filing fee is determined, paid and distributed in the manner provided in ORS 307.162 (2), the claim shall be filed on or before December 31 of the assessment year for which exemption is first claimed.

(b) The exemption first shall apply for the tax year beginning July 1 of the year for which the claim is filed. The exemption shall continue so long as the ownership and use of the property remain unchanged and during the period of the lease or agreement. If either the ownership or use changes, a new claim shall be filed as provided in this section. If the lease or agreement expires before July 1 of any year, the exemption shall terminate as of January 1 of the same year. [1977 c.884 §26 (enacted in lieu of 307.164); 1991 c.459 §45; 1993 c.104 §1; 1997 c.154 §1; 1997 c.541 §107; 1999 c.579 §19]

**307.168 Exemption of state land under lease.** (1) Notwithstanding ORS 307.110, all land leased by any person from the State Land Board or agency with authority over land under ORS 273.141 is exempt from taxation.

(2) As used in this section “land” means the land itself, above or under water, but does not include:

(a) Any buildings, structures, improvements, machinery, equipment or fixtures erected upon, under, above or affixed to the land; or

(b) Mines, minerals, or quarries in, under or upon the land. The term “land,” however, does include all water rights appertaining to the land. [1982 s.s.1 c.25 §2; 1995 c.589 §5]

**307.169** [Formerly 307.165; 1991 c.459 §46; 1993 c.187 §24; repealed by 1995 c.748 §9]

**307.170** [Amended by 1955 c.576 §2; 1961 c.543 §5; renumbered 307.162]

**307.171 Sports facility owned by large city.** Any sports facility owned by a city with a population of at least 500,000 is exempt from taxation, even if leased to or operated by a taxpaying entity. [2001 c.931 §2]

**Note:** 307.171 was added to and made a part of ORS chapter 307 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

(Alternative Energy Systems)

**307.175 Exemption for property equipped with alternative energy system.** (1) Property equipped with solar, geothermal, wind, water, fuel cell or methane gas energy systems for the purpose of heating, cooling or generating electrical energy shall be exempt from ad valorem taxation in an amount that equals any positive amount obtained by subtracting the real market value of the property as if it were not equipped with such systems, from the real market value of the property so equipped.

(2) This section applies to tax years beginning prior to July 1, 2012.

(3) This section does not apply to property owned or leased by any individual or legal entity whose principal business activity is directly or indirectly the production, transportation or distribution of energy, including but not limited to public utilities as defined in ORS 757.005 and people’s utility districts as defined in ORS 261.010. [1975 c.460 §§1, 2; 1977 c.196 §§9, 10; 1979 c.670 §1; 1991 c.459 §47; 1997 c.534 §1; 2001 c.584 §1]

**Note:** Section 2, chapter 584, Oregon Laws 2001, provides:

**Sec. 2.** The amendments to ORS 307.175 by section 1 of this 2001 Act apply to tax years beginning on or after July 1, 2002. [2001 c.584 §2]

**Note:** 307.175 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Indian Properties)

**307.180 Property of Indians.** The real property of all Indians residing upon Indian reservations who have not severed their tribal relations or taken lands in severalty, except lands held by them by purchase or inheritance, and situated on an Indian reservation, is exempt from taxation. However, the lands owned or held by Indians in severalty

upon any Indian reservation and the personal property of such Indians upon reservations shall be exempt from taxation only when so provided by any law of the United States. [Amended by 1953 c.698 §7]

**307.181 Land acquired by tribe within ancient tribal boundaries.** (1)(a) Land acquired by an Indian tribe by purchase, gift or without consideration is exempt from taxation if:

(A) The land is located within the ancient tribal boundaries of the tribe; and

(B) Transfer of the land to a trust administered by the United States has been requested or is in process.

(b) The exemption under this section shall continue for no more than four years after the initial year of exemption under this section. If the land is not transferred to the trust within the five-tax-year exemption period, the exemption pursuant to this subsection shall cease commencing with the first tax year beginning after the expiration of the five-tax-year period.

(2) Property may not be exempt under this section for a tax year beginning on or after July 1, 2012. [1993 c.266 §2; 1995 c.748 §3; 2001 c.753 §29]

**Note:** 307.181 was added to and made a part of ORS chapter 307 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

(Recreation Facilities and Summer Homes on Federal Land)

**307.182 Federal land used by recreation facility operators under permit.** Notwithstanding ORS 307.060, there shall be exempt from property taxation real property used and occupied by commercial recreation facility operators under permits issued pursuant to the Acts of June 4, 1897 (16 U.S.C. 551), and March 4, 1915 (16 U.S.C. 497), as amended, but the improvements thereon are subject to ad valorem taxation as provided in ORS 307.030. [1981 c.405 §1; 2001 c.114 §12]

**Note:** Section 4, chapter 405, Oregon Laws 1981, provides:

**Sec. 4.** ORS 307.182 applies to tax years beginning on or after July 1, 1981, and prior to July 1, 2012. [1981 c.405 §4; 1985 c.169 §1; 1995 c.748 §4; 2001 c.67 §4; 2001 c.114 §13; 2001 c.509 §8]

**Note:** 307.182 to 307.184 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**307.183 Summer homes on federal land occupied under permit.** Notwithstanding ORS 307.060, there shall be exempt from property taxation real property of the United States used and occupied for summer homes under a permit issued pursuant to the Act of March 4, 1915, ch. 144 (16 U.S.C. 497), as amended, but improvements thereon are subject to taxation. [1975 c.649 §1]

**Note:** Section 2, chapter 649, Oregon Laws 1975, provides:

**Sec. 2.** ORS 307.183 applies to tax years beginning on or after July 1, 1976, but prior to July 1, 2012. [1975 c.649 §2; 1979 c.422 §3; 1985 c.169 §2; 1995 c.748 §5; 2001 c.67 §5]

**Note:** See second note under 307.182.

**307.184 Summer homes on federal land occupied under lease.** Notwithstanding ORS 307.060, there shall be exempt from property taxation real property of the United States used and occupied for summer homes under a lease issued pursuant to the Act of June 1, 1938 (52 Stat. 609; 43 U.S.C. 682a), as amended, or Public Law 94-579, Title III, section 302, October 21, 1976, 90 Stat. 2762 (43 U.S.C. 1732), but improvements thereon are subject to taxation. [1979 c.422 §1]

**Note:** Section 2, chapter 422, Oregon Laws 1979, provides:

**Sec. 2.** ORS 307.184 applies to tax years beginning on or after July 1, 1980, but prior to July 1, 2012. [1979 c.422 §2; 1985 c.169 §3; 1995 c.748 §6; 2001 c.67 §6]

**Note:** See second note under 307.182.

(Personal Property)

**307.190 Tangible personal property held for personal use; inapplicability of exemption to property required to be registered, floating homes and boathouses.** (1) All items of tangible personal property held by the owner, or for delivery by a vendor to the owner, for personal use, benefit or enjoyment, are exempt from taxation.

(2) The exemption provided in subsection (1) of this section does not apply to:

(a) Any tangible personal property held by the owner, wholly or partially for use or sale in the ordinary course of a trade or business, for the production of income, or solely for investment.

(b) Any tangible personal property required to be licensed or registered under the laws of this state.

(c) Floating homes or boathouses, as defined in ORS 830.700. [Amended by 1953 c.698 §7; 1969 c.648 §1; 1977 c.615 §2; 1985 c.614 §1; 1987 c.601 §5]

**307.193** [1969 c.605 §18; repealed by 1971 c.529 §37]

**307.195 Household furnishings owned by nonprofit organization furnishing housing for students attending institutions of higher education.** All furniture, goods and furnishings owned by or situated in and used solely by a fraternity, sorority, student housing cooperative or student living organization is exempt from taxation if such fraternity, sorority, student housing cooperative or student living organization furnishes living quarters for students attending institutions of higher education and is not conducted for profit. [1957 c.631 §1]

(Public Ways)

**307.200 Public ways.** All lands within the boundary of any county road, and all dedicated streets and alleys in any incorporated or unincorporated city or town, or town plat, within this state, are exempt from assessment and taxation while used for such purposes.

(Mobile Home or Manufactured Dwelling Parks)

**307.203 Mobile home or manufactured dwelling parks financed by Housing and Community Services Department revenue bonds.** Notwithstanding any other provision of law granting an exemption from property taxation, specific works or improvements to provide mobile home or manufactured dwelling parks as defined in ORS 446.003 that are financed from the proceeds of revenue bonds issued by the Housing and Community Services Department under the amendments to ORS 456.615 by section 1, chapter 738, Oregon Laws 1991, and ORS 456.550 to 456.725 shall not be eligible for a limited assessment or exemption from property taxation unless:

(1) A city or county governing body has authorized a limited assessment under ORS 308.450 to 308.481 or an exemption under ORS 307.515 to 307.523; and

(2) The work or improvement qualifies for the limited assessment or exemption. [1991 c.738 §2; 1997 c.249 §92]

**Note:** 307.203 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Railroad Properties)

**307.205 Property of railroad temporarily used for public alternate transportation.** (1) Real property owned by a railroad and that, on January 1, is temporarily being put to a public alternate transportation use with the permission of the railroad is exempt from taxation so long as the property is put exclusively to the public alternate transportation use.

(2) On or before April 1 of each year, any railroad claiming an exemption under subsection (1) of this section shall file a written statement with the county assessor of the county in which the property is located setting out the basis of the claim and the property to which the claim is made. If the statement is not filed within the time specified, the exemption shall not be allowed for that year. However, if the property qualifies for exemption after March 1 and before July 1, the claim may be filed within 30 days after the property becomes qualified for exemption. [1977 c.626 §2; 1987 c.756 §13; 1991 c.459 §48; 1997 c.541 §108]

(Water Associations)

**307.210 Property of nonprofit mutual or cooperative water associations; disqualification; application. (1)**

After the county assessor has approved an application for exemption filed under this section, all property consisting of land, improvements, fixtures, equipment or supplies, including dams and dikes, owned by any association of persons, wholly mutual or cooperative in character, whether incorporated or unincorporated, used primarily in storing, conveying and distributing water to the members of such association for domestic use or irrigation, where such association has no other business or purpose and its operations are conducted without profit in money, is exempt from taxation.

(2) The property described in subsection (1) of this section shall not be exempt if either of the following conditions existed in the 12-month period prior to the January 1 assessment date:

(a) More than 15 percent of the members of the association were a commercial establishment or establishments which used any of the water for commercial purposes.

(b) More than 25 percent of the total annual volume of water furnished by the association was used by a commercial establishment or establishments for commercial purposes.

(3) For the purpose of this section service to the government of this state, the government of the United States, or any subdivision, agency or instrumentality, corporate or otherwise, of either of them, shall not be construed as a commercial purpose.

(4) An association seeking to claim an exemption under this section shall file an application with the county assessor on or before April 1 preceding the tax year for which the exemption is being claimed.

(5) The application shall be on such form and shall contain such information as the Department of Revenue shall prescribe.

(6) The county assessor shall approve or disapprove an application filed under this section and shall notify the applicant of the assessor's determination. [Amended by 1953 c.709 §2; 1955 c.207 §1; 1957 c.274 §1; 1971 c.258 §1; 1971 c.759 §1; 1991 c.459 §49; 1997 c.113 §4; 1997 c.541 §109]

**307.215** [1981 c.533 §21; renumbered 305.823 in 2001]

(Telephone Services)

**307.220 Property of nonprofit mutual or cooperative telephone associations.** After the Department of Revenue has taken the action required by ORS 307.240, all property consisting of improvements, fixtures, equipment and supplies, owned by any association of persons, wholly mutual or cooperative in character, whether incorporated or unincorporated, used exclusively in the construction, maintenance and operation of a telephonic communication system for the benefit of the members of such association, where such association has no other business or purpose and the operation of such system is conducted without intent to produce profit in money and without the ownership, operation or lease of telephonic switchboard exchange facilities, or direct or indirect ownership of stock in any telephonic switchboard association, partnership or corporation, shall be exempt from taxation. This exemption shall not apply to any parcel of land or building owned by any such association, which land or building shall be assessed and apportioned by the Department of Revenue in accordance with existing law. This exemption shall not apply to any system having a real market value in excess of \$2,500. [Amended by 1997 c.325 §20]

**307.230 Telephonic properties of persons not engaged in public telephone service.** After the Department of Revenue has taken the action required by ORS 307.240, all property consisting of improvements, fixtures, equipment and supplies, owned by any person not engaged in public service operation, used exclusively in the construction, maintenance and operation of a telephone communication system serving exclusively property owned or operated by such person, shall be exempt from taxation. This exemption shall not apply to any such system having a real market value in excess of \$1,500. [Amended by 1997 c.325 §21]

**307.240 Department of Revenue action required for telephone association and telephonic property exemptions.** Exemptions under ORS 307.220 or 307.230 shall be granted only upon formal action by the Department of Revenue. The department shall have authority to prepare forms of petitions for exemption and supply the same to applicants therefor, and shall prescribe such rules, not inconsistent with ORS 307.220 and 307.230, as may appear

necessary to the orderly filing and consideration of such petitions and the continuation of such exemptions. [Amended by 1971 c.258 §2; 1997 c.113 §5]

(Nonprofit Corporation Housing for Elderly Persons)

**307.241 Policy.** The purpose of ORS 307.241 to 307.245 is to assist private nonprofit corporations to provide permanent housing, recreational and social facilities, and care to elderly persons. The Legislative Assembly finds that the housing and related facilities furnished by private nonprofit corporations provide inherent benefits that justify the funded property tax exemption provided by ORS 307.242 to 307.245. [1977 c.411 §1]

**307.242 Property of nonprofit corporation providing housing to elderly persons; necessity of filing claim to secure exemption.** (1) Upon compliance with this section, whenever a corporation, as defined in ORS 307.375, is receiving or has received any federal or state financial assistance, such as a loan, mortgage insurance, aid to construction, rent supplement or otherwise, under the following federal or state laws, the property owned or being purchased by that corporation in actual use for corporate purposes or in the process of construction for use for corporate purposes on January 1 of the assessment year is exempt from ad valorem taxation:

(a) Section 202 of Title II of the National Housing Act (12 U.S.C. 1701q).

(b) Section 236 of the National Housing Act (12 U.S.C. 1715z-1).

(c) Section 231 of Title II of the National Housing Act (12 U.S.C. 1715v).

(d) Section 101 of Title I of the National Housing Act (12 U.S.C. 1701s) or section 8 of Title II of the National Housing Act (42 U.S.C. 1437f), providing rent supplement or housing assistance payments.

(e) ORS 456.515 to 456.725 and 458.505 to 458.515.

(2) A corporation claiming the exemption under subsection (1) of this section shall file with the county assessor, on forms prescribed by the Department of Revenue and supplied by the assessor, a written claim therefor in duplicate on or before April 1 of each assessment year for which the exemption is claimed. If the claim for any year is not filed within the time specified, the exemption may not be allowed on the assessment roll for that year. In addition to any other matters prescribed by the Department of Revenue to be contained in or accompany the claim, the claim shall:

(a) Declare or be accompanied by a declaration that the corporation meets the requirements of ORS 307.375 and that the property meets the requirements of ORS 307.243 (1);

(b) Describe or be accompanied by a description of the federal financial assistance the corporation is receiving or has received;

(c) Contain or be accompanied by a statement showing in detail the sources and amounts of all income received by the corporation and the basis for rental amounts charged for occupancy of the facilities; and

(d) Be signed by the taxpayer subject to the penalties for false swearing.

(3) Notwithstanding subsection (2) of this section:

(a) If the property qualifies for exemption on or after March 1 and before July 1, the claim may be filed within 30 days after the date of qualification.

(b) A statement may be filed under this section at any time prior to September 15 of the assessment year for which exemption is first desired. However, any statement filed after the time for filing the statement specified in subsection (2) of this section, unless filed under paragraph (a) of this subsection, must be accompanied by a late filing fee of the greater of \$200 or one-tenth of one percent of the real market value of the property to which the statement pertains, as determined as of January 1 of the assessment year by the assessor for this purpose. If the statement is not accompanied by the late filing fee or if the late filing fee is not otherwise paid, no exemption shall be allowed for the year based upon a statement filed pursuant to this subsection. A statement may be filed under this section notwithstanding that there are no grounds for hardship as required for late filing under ORS 307.475. The value of the property used to determine the late filing fee under this section is appealable in the same manner as other acts of the county assessor. Any filing fee collected under this section shall be deposited to the county general fund to be made available for county general governmental expenses.

(4) The assessor shall act upon the claim and shall approve or reject it, noting the action of the assessor upon both the original and the duplicate copies. The duplicate copy therefor shall be returned to the claimant.

(5) The Department of Revenue shall furnish to a county assessor, upon the request of the county assessor, a statement certifying the qualification or nonqualification of a corporation under ORS 307.375 and this section based upon the corporation's claim under this section.

(6) Residents of a facility of a corporation exempt from taxation under this section may not be entitled to the tax

benefits of ORS 307.370 to 307.385. [1977 c.411 §2; 1987 c.372 §1; 1987 c.756 §18; 1989 c.803 §13; 1991 c.459 §50; 1995 c.300 §2; 1997 c.170 §21; 1997 c.541 §110; 1999 c.579 §2; 2001 c.114 §14; 2001 c.753 §22]

**307.243 Property to which exemption applies.** (1)(a) Except as provided under paragraph (b) of this subsection, the exemption allowed by ORS 307.242 shall apply only to property, consisting of land and improvements, where the process of construction of the improvements on the land is commenced after January 1, 1977, or to property acquired after January 1, 1977.

(b) The exemption allowed by ORS 307.242 (1)(e) shall apply only to property, consisting of land and improvements, meeting the requirements of ORS 307.241 to 307.245 (including paragraph (a) of this subsection) that on January 1, 1990, is actually being occupied and used, wholly or partially, to furnish permanent residential, recreational and social facilities primarily for elderly persons. Construction, reconstruction, renovation, maintenance, repair or other improvement (including addition of square footage to the existing buildings and structures and the construction or addition of buildings and structures within the initial land area) made to property that is in actual use on January 1, 1990, wholly or partially, to furnish permanent residential, recreational and social facilities primarily for elderly persons shall not disqualify the property for exemption under ORS 307.242 if, during the process of improvement, the property continues to be in actual use, in whole or in part, to furnish permanent residential, recreational and social facilities primarily for elderly persons. The property, as improved, may qualify for exemption. However, land area and the improvements thereon, contiguous or noncontiguous to the initial land area and improvements in use, in whole or in part, for the corporate purposes of the corporation on January 1, 1990, and first placed in service for the corporate purposes of the corporation after January 1, 1990, shall not qualify for exemption under ORS 307.242 (1)(e).

(2) The exemption allowed by ORS 307.242 shall not apply to the property of any corporation that requires any payment in excess of one month's rent, including a deposit or founder's fee, to be paid, in addition to rent paid for occupancy of the facility, as a condition for occupancy.

(3) The exemption allowed by ORS 307.242 shall not apply in any year in which delinquencies exist for taxes or other amounts charged against the property on the tax roll. [1977 c.411 §3; 1989 c.803 §14; 1993 c.19 §5]

**307.244 Funded exemption; computation of rate of levy by county assessor; payments to county by department; proration.** (1) The assessor shall compute and list the value and compute and list the amount of tax which would have been charged on each property receiving an exemption under ORS 307.242 had the property not received an exemption. On or before October 15, the county assessor shall certify the total amounts so computed for each county to the Department of Revenue and to the county treasurer.

(2) Not later than November 15, the Department of Revenue shall pay to each county treasurer the amount certified under subsection (1) of this section, less any discount provided in ORS 311.505. The payments made by the department under this section shall be made from the suspense account referred to in ORS 310.692. If necessary, the payments may be prorated as provided in ORS 310.692.

(3) Payments made by the department to the various county treasurers under this section shall be distributed to the taxing units of the county in accordance with the schedule of percentages computed under ORS 311.390. [1977 c.411 §4; 1977 c.761 §6; 1985 c.761 §29; 1991 c.459 §51; 2001 c.753 §23]

**307.245 Denial of exemption for failure of corporation to reflect exemption by rent reduction.** The funded property tax exemption granted under ORS 307.241 to 307.244 shall not be granted in any year following a year for which the corporation has failed to satisfy the county assessor or the Department of Revenue that the exemption granted in the previous year has been reflected by a reduction in the amount of rent that would otherwise be paid for occupancy of the facility by its residents. [1977 c.411 §5]

(War Veterans, Surviving Spouses and Dependent Children)

**307.250 Property of war veterans or surviving spouses.** (1) Upon compliance with ORS 307.260, there shall be exempt from taxation not to exceed \$8,750 of the assessed value of the homestead or personal property of any of the following residents of this state other than those described in subsection (2) of this section:

(a) Any war veteran who is officially certified by the United States Department of Veterans Affairs or any branch of the Armed Forces of the United States as having disabilities of 40 percent or more.

(b) Any war veteran having served with the United States Armed Forces who, as certified by one duly licensed

physician, is rated as having disabilities of 40 percent or more. However, a veteran shall be entitled to the exemption granted under this paragraph only if the veteran during the calendar year immediately preceding the assessment year for which the exemption is claimed had total gross income, including pensions, disability compensation or retirement pay, or any combination of such payments from the United States Government on account of such service, of not more than:

(A) \$8,778 if the veteran was without a spouse or dependent child;

(B) \$11,497 if the veteran had either a spouse or a dependent child; or

(C) The amount specified in subparagraph (B) of this paragraph plus \$1,496 for each dependent child, if the veteran had a spouse and dependent child or children, or if the veteran had only dependent children, the amount specified in subparagraph (B) of this paragraph plus \$1,496 for each additional dependent child after the first.

(c) The surviving spouse remaining unmarried of a war veteran, but the exemption shall apply only to the period preceding the date of the first remarriage of the surviving spouse.

(2) Upon compliance with ORS 307.260, there shall be exempt from taxation not to exceed \$11,670 of the assessed value of the homestead or personal property of any of the following residents of this state:

(a) Any war veteran who is officially certified by the United States Department of Veterans Affairs or any branch of the Armed Forces of the United States as having service-connected disabilities of 40 percent or more.

(b) The surviving spouse remaining unmarried of a war veteran, if the war veteran died as a result of service-connected injury or illness or if the war veteran received at least one year of the maximum exemption from taxation allowed under paragraph (a) of this subsection after 1981 for a veteran certified as having service-connected disabilities of 40 percent or more.

(3) For each tax year beginning on or after July 1, 2000, the amount of the exemption allowed under subsection (1) or (2) of this section shall equal 103 percent of the amount of the exemption for the prior tax year. [Amended by 1953 c.63 §3; 1955 c.248 §1; 1961 c.410 §5; 1969 c.605 §55; 1971 c.338 §1; 1973 c.402 §7; 1981 c.530 §3; 1981 c.682 §1; 1982 s.s.1 c.33 §2; 1991 c.67 §77; 1991 c.459 §52; 1995 c.610 §2; 1997 c.541 §111; 1999 c.221 §1]

**307.260 Necessity of filing claim to secure exemption; contents of claim; alternative claim procedure for surviving spouse.** (1)(a) Each veteran or surviving spouse qualifying for the exemption under ORS 307.250 shall file with the county assessor, on forms supplied by the assessor, a claim therefor in writing on or before April 1 of the assessment year for which the exemption is claimed, except that when the property designated is acquired after March 1 but prior to July 1 the claim for that year shall be filed within 30 days after the date of acquisition.

(b) Not later than April 10 in each year, the county assessor shall notify each veteran or surviving spouse of a veteran in the county who secured an exemption under ORS 307.250 in the preceding year but who did not make application therefor on or before April 1 of the current year. Such notice may be given on an unsealed postal card. Any veteran or surviving spouse so notified may secure such exemption, if still qualified, by making application therefor to the county assessor not later than May 1 of the current year, accompanied by a late-filing fee of \$10 which shall be deposited in the general fund of the county for general governmental expenses. If the claim for any year is not filed within the time specified, the exemption shall not be allowed on the assessment roll of that year.

(2) The claim shall set out the basis of the claim and designate the property to which the exemption may apply. Except as provided in subsection (3) of this section, claims for exemptions under ORS 307.250 (1)(a) and (2)(a) shall have annexed thereto the certificate last issued by United States Department of Veterans Affairs or the branch of the Armed Forces of the United States, as the case may be, but dated within three years prior to the date of the claim for exemption, certifying the rate of disability of the claimant. Claims for exemption under ORS 307.250 (1)(b) shall, except as provided in subsection (3) of this section, have annexed thereto, in addition to any certificate prescribed, a statement by the claimant under oath or affirmation setting forth the total gross income received by the claimant from all sources during the last calendar year. There shall be annexed to each claim the affidavit or affirmation of the claimant that the statements contained therein are true.

(3) The provisions of subsection (2) of this section which require a veteran to annex to the claim certificates of either the United States Department of Veterans Affairs, any branch of the Armed Forces of the United States or a duly licensed physician, shall not apply to a veteran who has filed the required certificate after attaining the age of 65 years or to a veteran who has filed, on or after September 27, 1987, a certificate certifying a disability rating that, under federal law, is permanent and cannot be changed.

(4)(a) Notwithstanding subsection (1) of this section, a surviving spouse may file a claim for the exemption under ORS 307.250 at any time during the tax year if the veteran died during the previous or current tax year.

(b) The claim shall be allowed by the county assessor if the surviving spouse meets all of the qualifications for an

exemption under ORS 307.250 other than the timely filing of a claim under subsection (1) of this section.

(c) If taxes on the exempt value have been paid, the taxes shall be refunded in the manner prescribed in paragraph (d) of this subsection. If taxes on the exempt value have not been paid, the taxes and any interest thereon shall be abated.

(d) The tax collector shall notify the governing body of the county of any refund required under this section and the governing body shall cause a refund of the taxes and any interest paid to be made from the unsegregated tax collections account described in ORS 311.385. The refund under this subsection shall be made without interest. The county assessor and tax collector shall make the necessary corrections in the records of their offices. [Amended by 1961 c.235 §1; 1969 c.562 §1; 1979 c.689 §7; 1981 c.530 §4; 1981 c.682 §2; 1982 s.s.1 c.33 §3; 1987 c.363 §1; 1991 c.67 §78; 1991 c.459 §53; 1995 c.610 §3; 1997 c.541 §113; 2001 c.351 §1]

**307.262 Tax years for which exemption may be claimed upon receipt of federal certification of disability;**

**procedure; refund.** (1) Notwithstanding ORS 307.260, if a war veteran receives notice of certification from the United States Department of Veterans Affairs or any branch of the Armed Forces of the United States that the war veteran has disabilities of 40 percent or more as of a date set forth in the certification, the war veteran may obtain the exemption set forth in ORS 307.250 for each tax year following the date of certified disability.

(2) A war veteran seeking to obtain an exemption under ORS 307.250 pursuant to this section must file a claim for exemption with the county assessor within six months of the date the federal government agency notifies the war veteran of the certified disability.

(3) Notwithstanding subsection (1) of this section, a war veteran may not receive an exemption under ORS 307.250 for a tax year that is more than three tax years prior to the tax year in which a claim is filed under this section.

(4) If the county assessor determines that a war veteran who has filed a claim under this section meets the requirements of ORS 307.250 for a tax year prior to the current tax year, property taxes collected on the exempt amount for the prior tax year, together with interest at the rate set forth in ORS 311.812, shall be refunded to the war veteran. Refunds shall be made from the refund reserve account established under ORS 311.807. [2001 c.199 §2]

**Note:** Section 3, chapter 199, Oregon Laws 2001, provides:

**Sec. 3.** If a war veteran received notice of certification as set forth in section 2 of this 2001 Act [307.262] from the United States Department of Veterans Affairs or any branch of the Armed Forces of the United States prior to the effective date of this 2001 Act [October 6, 2001], the war veteran may file a claim for exemption under ORS 307.250 by the later of a date that is 90 days after the effective date of this 2001 Act or the date set forth in section 2 (2) of this 2001 Act [307.262 (2)]. [2001 c.199 §3]

**307.270 Property to which exemption of ORS 307.250 applies.** (1) The exemption under ORS 307.250 shall apply to property any such veteran or surviving spouse may own, or have in possession under a recorded contract of purchase, on January 1 of the year in which the exemption is claimed. The exemption shall first apply to the homestead of the veteran or surviving spouse and then to the personal property of the veteran or surviving spouse. Property of the spouse of any such veteran where they are living together and occupying the same as their homestead shall be deemed the homestead of the veteran. When any such veteran or surviving spouse applies for exemption on properties in two or more counties, the total amount of the exemption allowed in all such counties shall not exceed \$8,750 or \$11,670, whichever is applicable.

(2) For each qualified veteran or surviving spouse only one valid and allowable claim for an exemption on a homestead shall be permitted in any one assessment year. [Amended by 1955 c.248 §2; 1977 c.113 §1; 1981 c.530 §5; 1981 c.682 §3; 1982 s.s.1 c.33 §4; 1991 c.459 §54; 1995 c.610 §4; 1997 c.541 §115; 1999 c.221 §2]

**307.280 Effect of allowance of exemption under ORS 307.250 on prior tax levied.** Allowance of the exemption, under ORS 307.250, in any year shall not have the effect of canceling or permitting the cancellation of any tax levied in any prior year.

**307.285** [1981 c.530 §2; 1982 s.s.1 c.33 §5; repealed by 1991 c.459 §81]

**307.290** [Repealed by 1977 c.113 §2]

**307.300 Homesteads of unmarried surviving spouses of veterans of Civil War or Spanish War.** The surviving

spouse remaining unmarried of any honorably discharged veteran of the Civil War or the Spanish War, who is pensioned and actually resides in a homestead, is entitled to an exemption of \$2,000 of the taxable value of such homestead, in addition to the exemption from taxes on real property otherwise provided by law for such surviving spouse. [Amended by 1967 c.293 §31; 1981 c.530 §6]

**307.310** [Renumbered 307.035]

(Deciduous Plants; Agricultural Products)

**307.315 Nursery stock.** Nursery stock, as defined in ORS 571.005 (5), whether bare root, or whether balled or heeled or growing in containers in or upon the ground, is exempt from ad valorem taxation in the hands of the grower or wholesalers. [1971 c.285 §2; 1979 c.692 §1]

**307.320 Deciduous trees, shrubs, plants, crops, cultivated Christmas trees or hardwood on agricultural land.** The value of any deciduous trees, shrubs, plants or crops, whether annual or perennial, and any cultured Christmas trees, as defined in ORS 215.203, or timber described under ORS 321.267 (1)(e) or 321.415 (5), growing upon agricultural land devoted to agricultural purposes, shall be exempt from assessment and taxation and shall not be deemed real property under the provisions of ORS 307.010. [1957 c.615 §1; 1983 c.657 §4; 1985 c.565 §53; 1989 c.887 §6; 1991 c.714 §5]

**307.325 Agricultural products in possession of farmer.** (1) The items of personal property described in subsection (2) of this section which, on the assessment date, are owned and in the actual or constructive possession of the farmer who produced them or who has procured them for use or consumption in the farm operations of the farmer, shall be exempt from taxation.

(2) The items referred to in subsection (1) of this section are as follows:

- (a) Grain.
- (b) Seed.
- (c) Hay.
- (d) Fruit.
- (e) Vegetables.
- (f) Nuts.
- (g) Hops.
- (h) Wool.
- (i) Fish.
- (j) Poultry.
- (k) Butter, cheese and evaporated, condensed or concentrated milk.
- (L) Mint.
- (m) Bivalve mollusks.
- (n) Livestock.
- (o) Fur-bearing animals.
- (p) Bees. [1965 c.429 §2; 1979 c.692 §2; 1987 c.691 §1; 2001 c.753 §11]

(Commercial Facilities Under Construction)

**307.330 Commercial facilities under construction.** (1) Except for property centrally assessed by the Department of Revenue, each new building or structure or addition to an existing building or structure is exempt from taxation for each assessment year of not more than two consecutive years if the building, structure or addition:

- (a) Is in the process of construction on January 1;
- (b) Is not in use or occupancy on January 1;
- (c) Has not been in use or occupancy at any time prior to such January 1 date;
- (d) Is being constructed in furtherance of the production of income; and
- (e) Is, in the case of nonmanufacturing facilities, to be first used or occupied not less than one year from the time construction commences. Construction shall not be deemed to have commenced until after demolition, if any, is completed.

(2) If the property otherwise qualifies for exemption under this section and ORS 307.340, the exemption shall likewise apply to any machinery or equipment located at the construction site which is or will be installed in or affixed to such building, structure or addition. [1959 c.246 §1; 1961 c.552 §1; 1971 c.284 §1; 1991 c.459 §55; 1997 c.541 §117]

**307.340 Necessity of filing proof to secure exemption under ORS 307.330; abatement.** (1) The property described in ORS 307.330 shall be listed for ad valorem property taxation, but the assessor shall cancel the assessment for any assessment year upon receipt of sufficient documentary proof that the property meets all of the conditions contained in ORS 307.330. Such proof shall be filed with the assessor on or before April 1 of such year. No cancellation of assessment shall be made unless the required proof is filed within the time prescribed by this section. Any cancellation of assessment will be abated as to any nonmanufacturing property that is used or occupied within one year from the time construction commences and the assessor shall proceed to correct the assessment and tax roll or rolls from which the property was omitted from taxation, in the manner provided in ORS 311.216 to 311.232.

(2) If the proof required by subsection (1) of this section relates to principal or secondary industrial property as defined by ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the proof shall be deemed timely filed with the assessor. [1959 c.246 §2; 1967 c.51 §2; 1971 c.284 §2; 1991 c.459 §56; 1993 c.270 §77; 1997 c.541 §118]

**307.345** [1965 c.615 §19; 1969 c.493 §78; repealed by 1971 c.747 §21]

**307.347** [1965 c.615 §16; repealed by 1971 c.747 §21]

**307.350** [1963 c.569 §3; 1963 s.s. c.4 §2; 1965 c.615 §22; 1969 c.578 §1; repealed by 1971 c.747 §21]

**307.355** [1963 c.569 §2; 1963 s.s. c.4 §1; repealed by 1965 c.615 §27]

**307.356** [1965 c.615 §17; repealed by 1971 c.747 §21]

**307.360** [1963 c.569 §4; 1965 c.615 §23; 1969 c.562 §2; repealed by 1971 c.747 §21]

**307.362** [1965 c.615 §18; repealed by 1971 c.747 §21]

**307.365** [1963 c.569 §5; repealed by 1971 c.747 §21]

**307.366** [1969 c.562 §3; repealed by 1971 c.747 §21]

(Nonprofit Homes for Elderly Persons)

**307.370 Property of nonprofit homes for elderly persons; limitation on lessee.** (1) In aid of veterans tax exemptions, subject to the conditions prescribed in ORS 307.370 to 307.385 and 308.490, there shall be exempt from taxation the personal property and a portion of the real property computed as provided in ORS 307.380, owned or being purchased under a contract by a corporation described in ORS 307.375 which is actually and exclusively occupied and used in the operation of a nonprofit home for elderly persons.

(2) For the purposes of subsection (1) of this section, a corporation which is described in ORS 307.375 which has only a leasehold interest in a nonprofit home for elderly persons operated by it is deemed to be a purchaser of the property if the operating lessee is specifically obligated by its contract of lease to pay the ad valorem taxes on the real and personal property used in the operation of the home. [1969 c.587 §2; 1974 c.54 §1; 1975 c.780 §17]

**307.375 Type of corporation to which exemption under ORS 307.370 applicable.** The exemption provided in ORS 307.370 may be permitted only as to a corporation organized and operated only for the purpose of furnishing permanent residential, recreational and social facilities primarily for elderly persons, that:

(1) Is organized not for profit, pursuant to ORS chapter 65 or any statute repealed by chapter 580, Oregon Laws 1959;

(2) Receives not less than 95 percent of its operating gross income, excluding any investment income, solely from

payments for living, medical, recreational and social services and facilities, paid by or on behalf of elderly persons using the facilities of such corporation;

(3) Permits no part of its net earnings to inure to the benefit of any private stockholder or individual; and

(4) Provides in its articles or other governing instrument that, upon dissolution, the assets remaining after satisfying all lawful debts and liabilities shall be distributed to one or more corporations exempt from taxation under this chapter as corporations organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, or to the State of Oregon. [1969 c.587 §3]

**307.380 Necessity of filing claim to secure exemption under ORS 307.370.** (1) Each corporation described in ORS 307.375, claiming the personal property tax exemption pursuant to ORS 307.370, shall file with the county assessor, on forms supplied by the assessor, a written claim therefor in duplicate on or before April 1 of each year in which the exemption is claimed, except that when the property designated is acquired after March 1 and before July 1, the claim for that year shall be filed within 30 days after the date of acquisition. If the claim for any year is not filed within the time specified, the exemption shall not be allowed on the assessment roll for that year. The claim shall be signed by the taxpayer subject to the penalties for false swearing.

(2)(a) Each corporation annually shall aid residents, who could qualify for property tax exemptions pursuant to ORS 307.250 to 307.300, if the living unit of such elderly person were the homestead of the person and owned in fee simple, to prepare applications in duplicate for property tax exemptions on behalf of the corporation, for the benefit of the elderly person as provided by ORS 307.370 to 307.385 and 308.490. The duplicate forms shall be completed and signed by the resident-applicant and filed with the assessor on or before the date required by law.

(b) The corporation shall determine the amount of assessed value that each resident of a nonprofit home who would have qualified for an exemption under ORS 307.250 to 307.300 would have had exempted if the living unit of such elderly person was the homestead of the person and owned in fee simple. The amount of the property tax exemption provided for in ORS 307.370 to 307.385 and 308.490 and attributable to the veteran or surviving spouse of the veteran shall be the lesser of:

(A) The maximum amount of exemption that the veteran or surviving spouse of a veteran would have qualified for under ORS 307.250 or 307.300, whichever is applicable; or

(B) The assessed value of the living unit of the veteran or the surviving spouse.

(c) The assessor shall process each such application in the manner otherwise required under ORS 307.250 to 307.300, except for the requirement of owning or purchasing a homestead. The total of such exempt amounts in each facility, together with the exemption on personal property, shall constitute the exemption allowed the corporation.

(3) The assessor shall act upon the claim and shall approve it or reject it, noting the action upon both the original and the duplicate copies. The duplicate copy thereupon shall be returned to the claimant.

(4) The Department of Revenue shall furnish to a county assessor, upon request, a statement certifying the qualification or nonqualification of a corporation under ORS 307.375. [1969 c.587 §4; 1971 c.747 §15; 1975 c.780 §1; 1981 c.530 §7; 1981 c.682 §4; 1987 c.293 §65; 1987 c.756 §16; 1997 c.113 §7]

**307.385 Corporation to credit resident's account with share of tax exemption; assessor required to deny exemption if credit not given.** Not later than December 15 of each year, a corporation, which has received a real property exemption for the current year under ORS 307.370 to 307.380, shall credit the account of each resident of a facility whose living unit was taken into account in determining the real property exemption in an amount equal to the amount of real property taxes which would have been assessed and collected against the corporation for that portion of the assessed value of such living unit included in computing the corporation's exemption. The county assessor shall furnish the corporation with such information as is necessary for the corporation to make such computation. Prior to the following February 1, the corporation shall satisfy the assessor that credit has been given each applicable resident as required by this section. If the corporation fails to satisfy the assessor that the applicable resident has received the credit, the assessor must deny it any property tax exemption under ORS 307.370 to 307.385 or 308.490 in the next assessment year, beginning January 1. [1969 c.587 §6; 1975 c.780 §2; 1991 c.459 §57; 1997 c.541 §119]

(Agricultural Equipment and Facilities)

**307.390 Mobile field incinerators.** Mobile field incinerators owned by farmers or by groups of farmers that are exclusively used for sanitizing grass seed fields by means other than open field burning shall be exempt from taxation if they are purchased within five years after they are certified as a feasible alternative to open field burnings by the

Department of Environmental Quality pursuant to ORS 468A.555 to 468A.620 and 468A.992. [1971 c.678 §2; 1977 c.650 §12]

**307.391 Field burning smoke management equipment.** Radio communications equipment, meteorological equipment or other tangible personal property used in connection with the operation of the field burning smoke management program established under ORS 468A.555 to 468A.620 and 468A.992 is exempt from ad valorem property taxation. [2001 c.753 §18]

**Note:** Section 19, chapter 753, Oregon Laws 2001, provides:

**Sec. 19.** Sections 15 to 18 of this 2001 Act [307.391 to 307.398] and the amendments to ORS 307.325 and 307.400 by sections 11 and 12 of this 2001 Act apply to property tax years beginning on or after July 1, 2002. [2001 c.753 §19]

**Note:** 307.391 to 307.398 were added to and made a part of ORS chapter 307 by legislative action but were not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

**307.394 Farm machinery and equipment; personal property used in farm operations; limitation.** (1) The following tangible personal property is exempt from ad valorem property taxation:

(a) Farm machinery and equipment used primarily in the preparation of land, planting, raising, cultivating, irrigating, harvesting or placing in storage of farm crops;

(b) Farm machinery and equipment used primarily for the purpose of feeding, breeding, management and sale of, or the produce of, livestock, poultry, fur-bearing animals or bees or for dairying and the sale of dairy products; or

(c) Farm machinery and equipment used primarily in any other agricultural or horticultural use or animal husbandry or any combination of these activities.

(2)(a) Items of tangible personal property, including but not limited to tools, machinery and equipment that are used predominantly in the construction, reconstruction, maintenance, repair, support or operation of farm machinery, and equipment and other real or personal farm improvements that are used primarily in animal husbandry, agricultural or horticultural activities, or any combination of these activities, are exempt from ad valorem property taxation.

(b) An item of tangible personal property described in paragraph (a) of this subsection is exempt from ad valorem property taxation only if the person that owns, possesses or controls the item also:

(A) Owns, possesses or controls the farm machinery, equipment and other real and personal farm improvements for which the item is used; and

(B) Carries on the animal husbandry, agricultural or horticultural activity, or combination of activities, in which the farm machinery, equipment or other real and personal farm improvements are used. [2001 c.753 §15]

**Note:** See notes under 307.391.

**307.395** [1971 c.141 §§1,2; 1983 c.740 §87; repealed by 1991 c.459 §81]

**307.397 Certain machinery and equipment used in agricultural, aquacultural or fresh shell egg industry operations.** The following items of real property machinery and equipment or tangible personal property are exempt from ad valorem property taxation:

(1) Frost control systems used in agricultural or horticultural activities carried on by the farmer;

(2) Trellises used for hops, beans or fruit or for other agricultural or horticultural purposes;

(3) Hop harvesting equipment, including but not limited to hop pickers;

(4) Oyster racks, trays, stakes and other in-water structures used to raise bivalve mollusks; or

(5) Equipment used for the fresh shell egg industry that is directly related and reasonably necessary to produce, prepare, package and ship fresh shell eggs from the place of origin to market, whether bolted to the floor, wired or plumbed to interconnected equipment, including but not limited to grain bins, conveyors for transporting grain, grain grinding machinery, feed storage hoppers, cages, egg collection conveyors and equipment for washing, drying, candling, grading, packaging and shipping fresh shell eggs. [2001 c.753 §16]

**Note:** See notes under 307.391.

**307.398 Irrigation equipment.** (1) Center pivots, wheel lines or movable set lines are exempt from ad valorem property taxation.

(2) As used in this section:

(a) “Center pivot” means a piece of self-propelled machinery that rotates around a riser for the purpose of sprinkling a circular tract of land. “Center pivot” includes all of the component parts of the center pivot irrigation system that are ordinarily located above the ground on the land to be irrigated and that can be disconnected from the riser and moved to another point. A center pivot constitutes personal property.

(b) “Center pivot irrigation system” means an irrigation system that uses pumping stations and pipelines to convey water from its source to a riser to which a center pivot may be connected and used for sprinkling.

(c) “Riser” means a pipe located in the field to be irrigated that rises vertically through the surface of the ground. [2001 c.753 §17]

**Note:** See notes under 307.391.

(Inventory)

**307.400 Inventory.** Items of tangible personal property consisting of inventory, including but not limited to materials, supplies, containers, goods in process, finished goods and other personal property owned by or in possession of the taxpayer, that are or will become part of the stock in trade of the taxpayer held for sale in the ordinary course of business, are exempt from ad valorem property taxation. [Formerly 310.608; 1983 c.600 §2; 1987 c.691 §2; part renumbered 307.402 in 1991; 1995 c.379 §1; 1997 c.325 §22; 2001 c.753 §12]

(Beverage Containers)

**307.402 Beverage containers.** Any beverage container having a refund value as required under ORS 459A.700 to 459A.740 is exempt from ad valorem taxation. [Formerly 310.608; 1983 c.600 §2; 1987 c.691 §2; formerly part of 307.400]

(Pollution Control Facilities)

**307.405 Pollution control facilities; qualifications; expiration; revocation; limitations.** (1) A pollution control facility or facilities which have been constructed in accordance with the requirements of ORS 468.165 (1), and have been certified by the Environmental Quality Commission pursuant to ORS 468.170 are exempt to the extent of the highest percentage figure certified by the Environmental Quality Commission as the portion of the actual cost properly allocable to the prevention, control or reduction of pollution. The exemption shall be allowed only if the taxpayer is a corporation organized under ORS chapter 62 or 65, or any predecessor to ORS chapter 62 relating to incorporation of cooperative associations, or is a subsequent transferee of such a corporation. If the subsequent transferee is organized under other than ORS chapter 62 or 65, the exemption shall only be allowed if the transfer occurs after the expiration of five years from the date of original certification by the commission.

(2) To qualify for the ad valorem tax relief:

(a) The pollution control facility must be erected, constructed or installed in connection with the trade or business conducted by the taxpayer on Oregon property owned or leased by said taxpayer.

(b) The taxpayer must be the owner of the trade or business that utilizes Oregon property requiring a pollution control facility to prevent or minimize pollution or a person who, as a lessee under a written lease or pursuant to a written agreement, conducts the trade or business that operates or utilizes such property and who by the terms of such lease or agreement is obliged to pay the ad valorem taxes on such property. As used in this subsection, “owner” includes a contract purchaser.

(3) The ad valorem exemption of a facility shall expire, in any event, 20 years from the date of its first certification for any owner or lessee by the Environmental Quality Commission.

(4) Upon any sale, exchange, or other disposition of a facility, notice thereof shall be given to the Environmental Quality Commission who shall revoke the certification covering such facility as of the date of such disposition. The transferee may apply for a new certificate under ORS 468.170, but the number of years of ad valorem tax exemption that may be claimed by the transferee is the remainder of the exemption period specified in subsection (3) of this section.

(5) If the facility also functions to prevent pollution from operations conducted on other property owned or leased by the taxpayer the Environmental Quality Commission shall state in its certification of the facility the percentage of the facility used to prevent pollution from such qualifying trade or business conducted on such qualifying property. The exemption from ad valorem taxes under this section shall be limited to such percentage of the value of the facility. [1967 c.592 §13; 1969 c.340 §1; 1971 c.678 §1; 1973 c.831 §7; 1977 c.795 §9; 1987 c.596 §1; 1989 c.802 §1]

**307.420 Necessity of filing claim and certificate to secure exemption; annual statements of ownership.** (1)

Before any exemption from taxation is allowed under ORS 307.405, the person claiming the exemption shall file with the county assessor a written claim for such exemption prepared on a form prescribed by the Department of Revenue and furnished by the assessor, and shall file with the assessor with the first claim for exemption the certificate issued by the Environmental Quality Commission under ORS 468.170 covering the property for which exemption is sought. The claim shall be filed not later than April 1 of the assessment year for which the exemption is claimed; except that if the person receives a certificate after April 1 but before July 1, the person may file a claim on or before July 15 of that year. The county clerk shall record the certificate in the county record of deeds, upon presentation by the assessor. Each year thereafter to continue such exemption, the taxpayer must file not later than April 1 a statement with the county assessor, on a form prescribed by the Department of Revenue and furnished by the assessor, stating that the ownership of all property included in the certificate and its use remain unchanged.

(2) If a claim required by subsection (1) of this section relates to principal or secondary industrial property as defined by ORS 306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the claim shall be deemed timely filed with the assessor. [1967 c.592 §14; 1973 c.831 §10; 1983 c.637 §5; 1991 c.459 §58; 1993 c.270 §79; 1997 c.541 §120]

**307.430 Correction of assessment and tax rolls; termination of exemption.** (1) Upon receipt of notice of the revocation of a certification of a pollution control facility pursuant to ORS 468.185 (1)(a), the county assessor shall proceed to correct the assessment and tax roll or rolls from which the facility was omitted from taxation, in the manner provided in ORS 311.216 to 311.232, and in all cases shall add interest in the manner provided in ORS 311.229. The five-year limitation provided for in ORS 311.205 shall not apply to such corrections.

(2) Upon receipt of notice of the revocation of a certification of a pollution control facility pursuant to ORS 468.185 (1)(b), if the final revocation occurs before September 15 of any assessment year, the exemption otherwise allowable shall terminate and not be allowed beginning with the assessment and tax rolls prepared as of January 1 of the assessment year. [1967 c.592 §15; 1991 c.459 §59; 1997 c.541 §121]

(Beach Lands)

**307.450 Certain beach lands.** The land, but not the improvements to the land, within the area described by ORS 390.770 is exempt from taxation. [1969 c.601 §15; 1999 c.21 §14]

(Student Housing)

**307.460 Student housing exempt from school district taxes; application procedure; disqualification.** (1)(a) Upon compliance with subsection (2) of this section, student housing shall be exempt from all ad valorem property taxes levied by a school district, a county education bond district, an education service district, a community college service district or a community college district.

(b) As used in this subsection, “student housing” means housing that is:

(A) Rented exclusively to students of any educational institution, public or private, that offers at least a two-year program acceptable for full credit towards a baccalaureate degree;

(B) Rented upon a nondiscriminatory basis, without regard to race, creed, color or national origin;

(C) Owned by a nonprofit corporation having articles of incorporation that provide that on dissolution or liquidation, the right, title and interest of the corporation in and to all accommodations and facilities with respect to which exemption is sought will be conveyed to the educational institution or institutions whose students are served by the housing, and all its other remaining assets will be conveyed to one or more organizations exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code;

(D) Owned by a nonprofit corporation that has made legally enforceable arrangements to convey its interest in any property with respect to which exemption is claimed to the educational institution or institutions whose students are

served by the housing upon final payment of the mortgage indebtedness incurred in connection with the construction or acquisition of the housing; and

(E) Regulated by federal or state law in regard to rents, charges, development costs and methods of operation. The renting of the property for safekeeping purposes during the summer months shall not disqualify the property from the exemption granted by this section.

(2)(a) Except as provided in paragraph (b) of this subsection, the nonprofit corporation shall apply to the assessor for the exemption on or before April 1 of the assessment year for which the exemption is claimed on forms prescribed by the Department of Revenue. The exemption claim shall include a certification by the university, college or community college attended by a majority of the student occupants that the property is being used for student housing during the current school year. Once an exemption has been granted, the exemption shall continue in effect, without reapplication, until the property fails to meet the qualifications of subsection (1) of this section as exempt student housing.

(b) If the property designated in the claim for exemption under paragraph (a) of this subsection is acquired after March 1 and before July 1, or if there is a change in use of the property qualifying the property for exemption under this section after March 1 and before July 1, the initial claim for exemption shall be filed within 30 days from the date of acquisition or change of use of the property.

(3) When, for any reason, the property or any portion thereof ceases to meet the qualifications of subsection (1) of this section, the owner at the time of the change shall notify the assessor of such change prior to the next January 1, or within 60 days after the date of disqualification, whichever is the earlier.

(4) When property that has received special exemption as student housing under subsection (1) of this section thereafter becomes disqualified for such exemption, and the notice required by subsection (3) of this section is not given, the assessor shall determine the date that the notice should have been given, shall notify the owner thereof and notwithstanding ORS 311.235, there shall be added to the tax extended against the property on the next general property tax roll, to be collected and distributed in the same manner as the remainder of the real property tax, an amount equal to the sum of the following:

(a) The total amount by which taxes assessed against the property would have been increased if it had been subject to tax without regard to subsection (1) of this section during the tax year for which the notice should have been given and each tax year thereafter together with the interest which would have accrued had the taxes been properly assessed and the exemption not been granted in the applicable years; and

(b) A penalty equal to 20 percent of the amount specified in paragraph (a) of this subsection, however, no penalty shall be imposed on any amount attributable to interest.

(5) A fraternity, sorority or cooperative housing organization, or an associated alumni nonprofit corporation organized exclusively for the purpose of owning property housing the fraternity, sorority or cooperative housing organization and providing related financial and operational support, may qualify for the exemption provided by subsection (1) of this section if the requirements of subsection (1)(b)(A) and (B) of this section are met, provided that any of its housing accommodations not occupied by members of the organization shall be open to occupancy by students who are not members of or affiliated with the organization, on a nondiscriminatory basis, without regard to race, creed, color or national origin, under rules or conditions set by the school.

(6) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1973 c.822 §1; 1979 c.105 §1; 1983 c.634 §1; 1987 c.756 §17; 1991 c.459 §60; 1995 c.650 §75; 1997 c.170 §§22,23; 1997 c.271 §§5,6; 1997 c.325 §§23,24; 1997 c.541 §§122,123; 1997 c.600 §§6,7; 1999 c.21 §15]

**307.470** [1973 c.486 §1; repealed by 1979 c.692 §13]

(Hardship Situations)

**307.475 Relief when failure to file for exemption or cancellation of taxes was for good cause.** (1) Any taxpayer may apply to the Director of the Department of Revenue for a recommendation that the value of certain property be stricken from the assessment roll and that any taxes assessed against such property be stricken from the tax roll on the grounds of hardship.

(2) As used in this section, "hardship" means a situation where property is subject to taxation but would have been exempt had there been a timely filing of a valid claim for exemption or cancellation of assessment, and where the failure to make timely application for the exemption or cancellation was by reason of good and sufficient cause.

(3) An application to the director for a recommendation of tax relief on the grounds of hardship must be made not later than December 15 of the year in which the failure to claim the exemption or cancellation of assessment occurred.

(4) If the director, in the discretion of the director, finds that tax relief should be granted on the grounds of hardship, the director shall send the written recommendation of the director to the assessor of the county in which the property is located. If the assessor agrees with the recommendation, the assessor shall note approval thereon. The person in charge of the roll shall:

(a) Strike all or a portion of the assessment;

(b) Strike all or a portion of taxes on the tax roll; or

(c) Issue a refund of taxes already paid. A refund of taxes paid shall be treated as any refund granted under ORS 311.806. [1973 c.218 §1; 1979 c.689 §8; 1999 c.398 §3]

(Farm Labor Camps; Child Care Facilities)

**307.480 Definitions for ORS 307.480 to 307.510.** As used in ORS 307.480 to 307.510 unless the context requires otherwise:

(1) “Eligible child care facility” means a child care facility certified under ORS 657A.030 and 657A.250 to 657A.450 and owned or operated by a nonprofit corporation as a nonprofit facility which is operated in conjunction or cooperation with an eligible farm labor camp.

(2) “Eligible farm labor camp” means a farm labor camp owned or operated by a nonprofit corporation as a nonprofit facility which complies with the health code for farm labor camps adopted under the Oregon Safe Employment Act.

(3) “Farm labor camp” means any place, area or piece of land where housing, sleeping places or camping grounds are owned or maintained:

(a) By a person engaged in the business of providing housing, sleeping places or camping grounds for employees or prospective employees of another person and the immediate families of the employees or prospective employees if the employees or prospective employees are or will be engaged in agricultural work. Eligible farm labor camps may provide housing to workers not currently engaged in agricultural work if agricultural work is not available and employees or prospective employees are required to either engage in agricultural work or leave the farm labor camp once agricultural work becomes available in the area.

(b) In connection with any work or place where agricultural work is being performed, whether the housing, sleeping places or camping grounds are owned or maintained by the employer or by another person.

(4) “Owned or operated” by a nonprofit corporation as a nonprofit facility includes, but is not limited to:

(a) The possession or operation of child care facility or farm labor camp property by nonprofit corporation pursuant to a written lease or lease-purchase agreement if:

(A) The nonprofit corporation is obligated under the terms of the lease or lease-purchase agreement to pay the ad valorem taxes on the property used in operating the farm labor camp or child care facility; or

(B) The rent payable by the nonprofit corporation has been established to reflect the savings resulting from the exemption from taxation.

(b) The possession or operation of the property by a partnership of which the nonprofit corporation is:

(A) Either a general partner or the general manager; and

(B) Responsible for the day-to-day operation of the property.

(5) “Rental” means the net amount of income from the eligible child care facility or from the eligible farm labor camp after deduction of costs paid or incurred in the operation of the facility or camp including, but not limited to, salaries or other compensation, insurance, utilities, garbage disposal, supplies, repairs and maintenance, interest and capital costs (whether capitalized and depreciated or amortized or deducted currently) but not including the in lieu taxes imposed under ORS 307.490. [1973 c.382 §1; 1991 c.232 §1; 1993 c.168 §1; 1995 c.278 §33]

**307.485 Farm labor camp and child care facility property exempt.** Subject to ORS 307.490 and 307.495, there shall be exempt from taxation the assessed value of all real and personal property of an eligible farm labor camp, or an eligible child care facility. [1973 c.382 §2; 1991 c.459 §61; 1995 c.278 §34; 1997 c.541 §125]

**307.490 Payments in lieu of taxes; disposition of moneys received.** (1) In lieu of real and personal property taxes, each nonprofit corporation eligible for a tax exemption under ORS 307.485 shall pay to the treasurer of the county on or before November 15 an amount equal to 10 percent of the rentals for the period ending the preceding

October 15, submitting with the remittance a form supplied by the Department of Revenue stating the rental and certifying compliance with the requirements of the State Fire Marshal, local health officer or Child Care Division, as applicable.

(2) The treasurer shall, with the assistance of the assessor, allocate the money received by the treasurer under subsection (1) of this section, to the districts in which the exempt property is located in the same proportion that the tax rate for the current tax year for each district bears to the total tax rate for all districts.

(3) The moneys received by the district shall be considered as a budget resource for the next ensuing fiscal year. [1973 c.382 §3; 1997 c.325 §26]

**307.495 Filing claim with assessor; contents of claim.** (1) Each nonprofit corporation claiming exemption under ORS 307.485 shall file with the county assessor a written claim therefor in five copies on or before April 1 of each assessment year for which the exemption is claimed, except that when the property designated is acquired after March 1 and before July 1, the claim shall be filed within 30 days after acquisition.

(2) The claim shall designate the property to which the exemption may apply, shall state the facts which make the property eligible within the definitions of ORS 307.480, and shall certify that the eligible farm labor camp or eligible child care facility is, to the best of taxpayer's knowledge, in compliance with the requirements of the State Fire Marshal, the health code for farm labor camps or is a certified child care facility.

(3) No exemption shall be allowed for any year subsequent to the first unless the corporation submits to the assessor details as to the rentals for the prior year and proof that the payments required by ORS 307.490 have been made. [1973 c.382 §4; 1991 c.459 §62; 1995 c.278 §35; 1997 c.541 §126]

**307.500 Assessor transmitting claim to department and other agencies; health code compliance required.** (1) Immediately upon receipt of the claim or any subsequent rental statement, the county assessor shall promptly transmit one copy of the claim to the Department of Revenue. The rent subsequently reported for the eligible child care facility or eligible farm labor camp for which the claim is made is subject to verification and modification by the Department of Revenue.

(2) The county assessor shall promptly transmit one copy of each claim or statement for exemption to the State Fire Marshal for verification of compliance with applicable laws and rules and regulations relating to safety from fire. If the State Fire Marshal refuses such verification, the county assessor shall deny the claim and cause the nonprofit corporation to be billed for the real and personal property taxes it would otherwise be liable to pay.

(3) The county assessor shall promptly transmit one copy of each claim or statement for exemption of an eligible farm labor camp to the appropriate authority under the Oregon Safe Employment Act for verification of compliance with the health code for farm labor camps. That authority shall refuse to verify compliance if the farm labor camp does not comply with the health code applicable to it or if access to the camp for inspection has been denied the county assessor or the authorized representative of the county assessor. If verification is refused, the county assessor shall deny the claim and cause the nonprofit corporation to be billed for the real and personal property taxes it would otherwise be liable to pay.

(4) If the claim or statement or any part thereof applies to property used for an eligible child care facility, the county assessor shall promptly transmit a copy to the Child Care Division for verification of certification. If the division refuses such verification, the county assessor shall deny the claim and cause the nonprofit corporation to be billed for the real and personal property taxes it would otherwise be liable to pay. [1973 c.382 §5; 1995 c.278 §36]

**307.505 Inspection of farm labor camps; effect of failure to comply with health code.** The appropriate authority under the Oregon Safe Employment Act shall cause an inspection to be made of any farm labor camp that has filed for an exemption at any time prior to August 15. If the conditions of the camp would not justify verification of compliance with the health code for farm labor camps, even though verification has been made under ORS 307.500, the appropriate authority shall notify the county assessor who shall cancel the exemption and cause the owner to be billed for the real and personal property taxes the owner would otherwise be liable to pay. [1973 c.382 §6]

**307.510 Appeal to tax court by taxpayer.** Any taxpayer aggrieved by any decision under ORS 307.480 to 307.510 may appeal to the tax court within the time provided and in the manner specified by ORS 305.404 to 305.560. [1973 c.382 §7; 1995 c.650 §76]

(Low Income Rental Housing)

**307.515 Definitions for ORS 307.515 to 307.523.** As used in ORS 307.515 to 307.523:

(1) "Governing body" means the city or county legislative body having jurisdiction over the property for which an exemption may be applied for under ORS 307.515 to 307.523.

(2) "Lender" means the provider of a loan secured by the recorded deed of trust or recorded mortgage made to finance the purchase, construction or rehabilitation of a property used for low income housing under the criteria listed in ORS 307.517 or 307.518.

(3) "Low income" means income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development. [1989 c.803 §1; 1991 c.930 §3; 1993 c.168 §3]

**Note:** 307.515 to 307.537 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**307.517 Criteria for tax exemption.** (1) Property or a portion of the property that meets the following criteria shall be exempt from taxation as provided in ORS 307.517 to 307.523:

(a) The property:

(A) Is offered for rent; or

(B) Is held for the purpose of developing low income rental housing.

(b) The property, if occupied, is occupied solely by low income persons.

(c) The required rent payment reflects the full value of the property tax exemption.

(d) The exemption has been approved as provided in ORS 307.523.

(e) The housing units on the property were constructed after the local governing body adopted the provisions of ORS 307.515 to 307.523.

(2) For the purposes of subsection (1) of this section, a person that has only a leasehold interest in property is deemed to be a purchaser of that property if:

(a) The person is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property; or

(b) The rent payable has been established to reflect the savings resulting from the exemption from taxation. [1989 c.803 §2; 1997 c.752 §5]

**Note:** See note under 307.515.

**307.518 Alternative criteria for tax exemption.** (1) Property or a portion of property that meets all of the following criteria shall be exempt from taxation as provided under ORS 307.519 to 307.523:

(a) If unoccupied, the property:

(A) Is offered for rental solely as a residence for low income persons; or

(B) Is held for the purpose of developing low income rental housing.

(b) If occupied, the property is occupied solely as a residence for low income persons.

(c) An exemption for the property has been approved as provided under ORS 307.523, pursuant to an application filed before January 1, 2010.

(d) The property is owned or being purchased by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation, as described under ORS 65.001 (37) or for a religious corporation, as described under ORS 65.001 (39).

(e) The property is owned or being purchased by a nonprofit corporation that expends no more than 10 percent of its annual income from residential rentals for purposes other than the acquisition, maintenance or repair of residential rental property for low income persons or for the provision of on-site child care services for the residents of the rental property.

(2) For the purposes of this section, a nonprofit corporation that has only a leasehold interest in property is considered to be a purchaser of that property if:

(a) The nonprofit corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in the rental activity on that property; or

(b) The rent payable has been established to reflect the savings resulting from the exemption from taxation.

- (3) A partnership shall be considered a nonprofit corporation for purposes of this section if:
- (a) A nonprofit corporation is a general partner of the partnership; and
  - (b) The nonprofit corporation is responsible for the day-to-day operation of the property that is the subject of the exemption under ORS 307.519 to 307.523. [1991 c.930 §2; 1993 c.168 §4; 1995 c.79 §121; 1995 c.702 §1; 1997 c.541 §127; 1997 c.752 §6; 1999 c.487 §1; 2001 c.315 §55]

**Note:** See note under 307.515.

**307.519 Exemption limited to tax levy of governing body that adopts ORS 307.515 to 307.523; exception.** (1) Except as provided in subsection (2) of this section, the exemptions provided by ORS 307.515 to 307.523 only apply to the tax levy of a governing body that adopts the provisions of ORS 307.515 to 307.523.

(2) The exemptions provided by ORS 307.515 to 307.523 shall apply to the tax levy of all taxing districts in which property certified for exemption is located when, upon request of a governing body that has adopted the provisions of ORS 307.515 to 307.523, the rates of taxation of such taxing districts whose governing boards agree to the policy of exemption under ORS 307.515 to 307.523, when combined with the rate of taxation of the governing body that adopts the provisions of ORS 307.515 to 307.523, equal 51 percent or more of the total combined rate of taxation on the property certified for exemption. [1989 c.803 §3; 1991 c.930 §4]

**Note:** See note under 307.515.

**307.521 Application for exemption; contents; policies for approving application.** (1) To qualify for an exemption provided by ORS 307.515 to 307.523, the person shall file an application for exemption with the governing body. The exemption shall be for a period of 20 years. The application shall be filed as set forth in ORS 307.523. The application shall include the following information, if applicable:

- (a) A description of the property or a portion of the property for which the exemption is requested;
- (b) A description of the purpose of the project and whether all or a portion of the property is being used for that purpose;
- (c) A certification of income levels of low income occupants;
- (d) A description of how the tax exemption will benefit project residents;
- (e) If the exemption is an exemption described under ORS 307.518, evidence satisfactory to the governing body that the corporation is nonprofit and meets the criteria for a public benefit corporation or a religious corporation; and
- (f) A description of the plans for development of the property if the property is being held for future low income rental housing development.

(2) The applicant shall verify the information in the application by oath or affirmation.

(3) Prior to accepting an application under ORS 307.515 to 307.523, a local jurisdiction shall adopt standards and guidelines to be utilized in considering applications and making determinations required by ORS 307.515 to 307.537. The standards and guidelines shall establish policy governing basic requirements for approving an application. Policies considered may include, but are not limited to:

(a) Rent regulatory agreements or other enforcement mechanisms to demonstrate that the required rent payment reflects the full value of the property tax exemption.

(b) Enforcement mechanisms to insure that housing receiving exemptions under ORS 307.515 to 307.537 are maintained in decent, safe and sanitary conditions for the occupants.

(c) Methodology and timing for submitting evidence of use of rentals received from low income persons. [1989 c.803 §4; 1991 c.459 §63; 1991 c.930 §5; 1997 c.752 §7]

**Note:** See note under 307.515.

**307.523 Time for filing application; certification of exemption.** (1) Application shall be made on or before December 1 of the calendar year immediately preceding the first assessment year for which exemption is requested, and shall be accompanied by the application fee required under ORS 307.527. However, if the property is acquired after November 1, the application shall be made within 30 days after the date of acquisition.

(2) Within 60 days of the filing of an application under ORS 307.521, the governing body shall take final action upon the application as provided under ORS 307.527, and certify the results of the action to the county assessor.

(3) Upon receipt of certification under subsection (2) of this section, the county assessor shall exempt the property

from taxation to the extent certified by the governing body. [1989 c.803 §5; 1991 c.459 §64; 1991 c.930 §6; 1997 c.541 §128]

**Note:** See note under 307.515.

**307.525 Action against landlord for failure to reduce rent.** In addition to any other provision of law, if a landlord violates ORS 307.517 (1)(c), a tenant may recover damages in an amount triple the actual damages sustained as a result of the violation. The court may award reasonable attorney fees to the prevailing party in an action under this section. [1989 c.803 §6; 1995 c.618 §62]

**Note:** See note under 307.515.

**307.527 Ordinance approving or disapproving application; application fee.** (1) Final action upon an application by the governing body shall be in the form of an ordinance or resolution that shall contain the owner's name and address, a description of the housing unit, either the legal description of the property or the county assessor's property account number, any specific conditions upon which the approval of the application is based and if only a portion of the property is approved, a description of the portion that is approved.

(2) On or before April 1 following approval, the governing body shall file with the county assessor and send to the applicant a copy of the ordinance or resolution approving or disapproving the application. The copy shall contain or be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period or thereafter, and the effects of termination. In addition, the governing body shall file with the county assessor on or before April 1 a document listing the same information otherwise required to be in an ordinance or resolution under subsection (1) of this section, as to each application deemed approved under this section.

(3) If the application is denied, the governing body shall state in writing the reasons for denial and send the notice of denial to the applicant within 10 days after the denial. The notice shall inform the applicant of the right to appeal under ORS 307.533.

(4) The governing body, after consultation with the county assessor, shall establish an application fee in an amount sufficient to cover the cost to be incurred by the governing body and the county assessor in administering ORS 307.515 to 307.523. The application fee shall be paid to the governing body at the time the application for exemption is filed. If the application is approved, the governing body shall pay the application fee to the county assessor for deposit in the county general fund, after first deducting that portion of the fee attributable to its own administrative costs in processing the application. If the application is denied, the governing body shall retain that portion of the application fee attributable to its own administrative costs and shall refund the balance to the applicant. [1989 c.803 §7; 1995 c.79 §122]

**Note:** See note under 307.515.

**307.529 Notice of proposed termination of exemption; grounds; ordinance terminating exemption.** (1) Except as provided in ORS 307.531, if, after an application for exemption under ORS 307.517 has been approved under ORS 307.527, the governing body finds that construction or development of the exempt property differs from the construction or development described in the application for exemption, or is not completed on or before January 1, 2010, or that any provision of ORS 307.515 to 307.523 is not being complied with, or any provision required by the governing body pursuant to ORS 307.515 to 307.523 is not being complied with, the governing body shall give notice of the proposed termination of the exemption to the owner, by mailing the notice to the last-known address of the owner, and to every known lender, by mailing the notice to the last-known address of every known lender. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the exemption should not be terminated.

(2) If the owner fails to appear and show cause why the exemption should not be terminated, the governing body shall notify every known lender, and shall allow any lender not less than 30 days after the date the notice of the failure to appear and show cause is mailed to cure any noncompliance or to provide assurance adequate to the governing body that all noncompliance shall be remedied.

(3) If the owner fails to appear and show cause why the exemption should not be terminated, and the lender fails to cure or give adequate assurance of the cure of any noncompliance, the governing body shall adopt an ordinance or resolution stating its findings terminating the exemption. A copy of the ordinance or resolution shall be filed with the

county assessor, and a copy shall be sent to the owner at the owner's last-known address and to the lender at the last-known address of the lender within 10 days after its adoption. [1989 c.803 §8; 1991 c.459 §65; 1991 c.930 §7; 1993 c.168 §5; 1997 c.541 §129; 1997 c.752 §8; 1999 c.487 §2]

**Note:** See note under 307.515.

**307.530 Termination if property held for future development or other purpose.** An exemption granted under ORS 307.515 to 307.523 shall be immediately terminated and additional taxes imposed as provided in ORS 307.531 if the exempt property:

- (1) Is being held for future development of low income rental housing; and
- (2) Is used for any purpose other than the provision of low income rental housing. [1997 c.752 §10]

**Note:** See note under 307.515.

**307.531 Termination of exemption without notice; grounds; additional taxes after termination.** (1) If, after application has been approved under ORS 307.527, a declaration as defined in ORS 100.005 with respect to the property is presented to the county assessor or tax collector for approval under ORS 100.110, or if the governing body should file its termination findings with the county assessor pursuant to ORS 307.529:

(a) The exemption granted the housing unit or portion under ORS 307.515 to 307.523 shall terminate immediately, without right of notice or appeal;

(b) The property or a portion of the property shall be assessed and taxed as other property similarly situated is assessed and taxed; and

(c) Notwithstanding ORS 311.235, there shall be added to the general property tax roll for the tax year next following the presentation or discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the difference between the taxes assessed against the property and the taxes that would have been assessed against the property had it not been exempt under ORS 307.515 to 307.523 for each of the years, not to exceed the last 10 years, during which the property was exempt from taxation under ORS 307.515 to 307.523.

(2) If, at the time of presentation or discovery, the property is no longer exempt, additional taxes shall be collected as provided in this section, but the number of years for which the additional taxes shall be collected shall be reduced by one year for each year that has elapsed since the year the property was last granted exemption beginning with the oldest year for which additional taxes are due.

(3) The assessment and tax rolls shall show potential additional tax liability for each property granted exemption under ORS 307.515 to 307.523.

(4) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1989 c.803 §9; 1991 c.459 §66; 1991 c.930 §8]

**Note:** See note under 307.515.

**307.533 Review; correction of tax rolls; when tax payable after exemption terminates.** (1) Review of a denial of an application under ORS 307.527, or of the termination of an exemption under ORS 307.529, shall be as provided by ORS 34.010 to 34.100.

(2) If no review of the termination of an exemption as provided in subsection (1) of this section is effected, or upon final adjudication, the county officials having possession of the assessment and tax rolls shall correct the rolls in the manner provided for omitted property under ORS 311.216 to 311.232 to provide for the assessment and taxation of any property for which exemption was terminated by the governing body or by a court, in accordance with the finding of the governing body or the court as to the assessment year in which the exemption is first to be terminated. The county assessor shall make such valuation of the property as shall be necessary to permit such correction of the rolls. The owner may appeal any such valuation in the same manner as provided for appeals under ORS 311.216 to 311.232.

(3) Where there has been a failure to comply with ORS 307.529, the property shall become taxable beginning January 1 of the first assessment year following the date on which the noncompliance first occurred. Any additional taxes becoming due shall be payable without interest if paid in the period prior to the 16th day of the month next following the month of correction. If not paid within such period, the additional taxes shall be delinquent on the date they would normally have become delinquent if timely extended on the roll or rolls in the year or years for which the correction was made. [1989 c.803 §10; 1991 c.459 §67; 1991 c.930 §9; 1997 c.541 §131]

**Note:** See note under 307.515.

**307.535 Extension of deadline for completion; exception to imposition of additional taxes.** Notwithstanding any provision of ORS 307.515 to 307.523:

(1) If the governing body finds that construction of the housing unit otherwise entitled to exemption under ORS 307.517 was not completed by January 1, 2010, due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the governing body may extend the deadline for completion of construction for a period not to exceed 12 consecutive months.

(2) If property granted exemption under ORS 307.515 to 307.523 is destroyed by fire or act of God, or is otherwise no longer capable of owner-occupancy due to circumstances beyond the control of the owner, the exemption shall cease but no additional taxes shall be imposed upon the property under ORS 307.531 or 307.533. [1989 c.803 §11; 1991 c.459 §68; 1991 c.930 §10; 1997 c.541 §132; 1999 c.487 §3]

**Note:** See note under 307.515.

**307.537 Application.** The amendments to ORS 307.521 (1) by section 5, chapter 930, Oregon Laws 1991, changing the period of the exemption provided under ORS 307.515 to 307.523 from 10 to 20 years, apply to property granted exemption pursuant to applications filed on or after September 29, 1991. [1989 c.803 §12; 1991 c.459 §69; 1991 c.930 §11; 1997 c.752 §16; 2001 c.114 §15]

**Note:** See note under 307.515.

(Nonprofit Corporation Low Income Housing)

**307.540 Definitions for ORS 307.541 to 307.547.** As used in ORS 307.541 to 307.547:

(1) "Governing body" means the city or county legislative body having jurisdiction over the property for which an exemption may be applied for under ORS 307.541 to 307.547.

(2) "Low income" means income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development. [1985 c.660 §1; 1993 c.168 §7]

**Note:** Section 6, chapter 660, Oregon Laws 1985, provides:

**Sec. 6.** ORS 307.540 to 307.548 apply to assessment years beginning on or after January 1, 1985, and before July 1, 2004. [1985 c.660 §6; 1993 c.108 §1]

**Note:** 307.540 to 307.548 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**307.541 Nonprofit corporation low income housing; exemption; criteria.** (1) Property that meets all of the following criteria shall be exempt from taxation as provided in ORS 307.541 to 307.547:

(a) The property is owned or being purchased by a corporation that is exempt from income taxes under section 501(c) (3) or (4) of the Internal Revenue Code, as amended before December 1, 1984.

(b) Upon liquidation, the assets of the corporation are required to be applied first in payment of all outstanding obligations, and the balance remaining, in cash and in kind, to be distributed to corporations exempt from taxation and operated exclusively for religious, charitable, scientific, literary or educational purposes or to the State of Oregon.

(c) The property is:

(A) Occupied by low income persons; or

(B) Held for future development as low income housing.

(d) The property or portion of the property receiving the exemption, if occupied, is actually and exclusively used for the purposes described in section 501(c) (3) or (4) of the Internal Revenue Code, as amended before December 1, 1984.

(e) The exemption has been approved as provided in ORS 307.547.

(2) For the purposes of subsection (1) of this section, a corporation that has only a leasehold interest in property is deemed to be a purchaser of that property if:

(a) The corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property; or

(b) The rent payable by the corporation has been established to reflect the savings resulting from the exemption from taxation.

(3) A partnership shall be treated the same as a corporation to which this section applies if the corporation is:

(a) A general partner of the partnership; and

(b) Responsible for the day-to-day operation of the property that is the subject of the exemption under ORS 307.541 to 307.547. [1985 c.660 §2; 1995 c.702 §2; 1997 c.752 §11]

**Note:** See notes under 307.540.

**307.543 Exemption limited to levy of governing body adopting ORS 307.540 to 307.548; exception.** (1) Except as provided in subsection (2) of this section, the exemption provided by ORS 307.541 only applies to the tax levy of a governing body that adopts the provisions of ORS 307.540 to 307.548.

(2) The exemption provided by ORS 307.541 shall apply to the tax levy of all taxing districts in which property certified for exemption is located when, upon request of a governing body that has adopted the provisions of ORS 307.540 to 307.548, the rates of taxation of such taxing districts whose governing boards agree to the policy of exemption under ORS 307.540 to 307.548, when combined with the rate of taxation of the governing body that adopts the provisions of ORS 307.540 to 307.548, equal 51 percent or more of the total combined rate of taxation on the property certified for limited assessment. [1985 c.660 §3]

**Note:** See notes under 307.540.

**307.545 Application for exemption.** (1) To qualify for the exemption provided by ORS 307.541, the corporation shall file an application for exemption with the governing body for each assessment year the corporation wants the exemption. The application shall be filed on or before April 1 of the assessment year for which the exemption is sought, except that when the property designated is acquired after April 1 and before July 1, the claim for that year shall be filed within 30 days after the date of acquisition. The application shall include the following information, if applicable:

(a) A description of the property for which the exemption is requested;

(b) A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose;

(c) A certification of income levels of low income occupants;

(d) A description of how the tax exemption will benefit project residents;

(e) A description of the development of the property if the property is being held for future low income housing development; and

(f) A declaration that the corporation has been granted an exemption from income taxes under section 501(c) (3) or (4) of the Internal Revenue Code, as amended before December 1, 1984.

(2) The applicant shall verify the information in the application by oath or affirmation. [1985 c.660 §4; 1987 c.756 §15; 1993 c.108 §2; 1993 c.270 §25; 1997 c.541 §§133,133a]

**Note:** See notes under 307.540.

**307.547 Determination of eligibility for exemption; notice to county assessor.** (1) Within 30 days of the filing of an application under ORS 307.545, the governing body shall determine whether the applicant qualifies for the exemption under ORS 307.541. If the governing body determines the applicant qualifies, the governing body shall certify to the assessor of the county where the real property is located that all or a portion of the property shall be exempt from taxation under the levy of the certifying governing body.

(2) Upon receipt of certification under subsection (1) of this section, the county assessor shall exempt the property from taxation to the extent certified by the governing body. [1985 c.660 §5]

**Note:** See notes under 307.540.

**307.548 Termination of exemption.** (1) If the governing body that has granted an exemption under ORS 307.540 to 307.548 to property in anticipation of future development of low income housing in connection with the exempt property finds that the property is being used for any purpose other than the provision of low income housing, or that any provision of ORS 307.540 to 307.548 is not being complied with, the governing body shall give notice of the proposed termination of the exemption to the owner, by mailing the notice to the last-known address of the owner, and to every known lender, by mailing the notice to the last-known address of every known lender. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the exemption should not be terminated.

(2) If the owner fails to appear and show cause why the exemption should not be terminated, the governing body shall notify every known lender, and shall allow any lender not less than 30 days after the date the notice of the failure to appear and show cause is mailed to cure any noncompliance or to provide assurance adequate to the governing body that all noncompliance shall be remedied.

(3) If the owner fails to appear and show cause why the exemption should not be terminated, and the lender fails to cure or give adequate assurance of the cure of any noncompliance, the governing body shall adopt an ordinance or resolution stating its findings that terminate the exemption. A copy of the ordinance or resolution shall be filed within 10 days after its adoption with the county assessor, and a copy shall be sent to the owner at the owner's last-known address and to the lender at the last-known address of the lender within 10 days after its adoption.

(4) Upon the county assessor's receipt of the governing body's termination findings:

(a) The exemption granted the housing unit or portion under ORS 307.540 to 307.548 shall terminate immediately, without right of notice or appeal;

(b) The property shall be assessed and taxed as other property similarly situated is assessed and taxed; and

(c) Notwithstanding ORS 311.235, there shall be added to the general property tax roll for the tax year next following the presentation or discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the difference between the taxes assessed against the property and the taxes that would have been assessed against the property had it not been exempt under ORS 307.540 to 307.548 for each of the years, not to exceed the last 10 years, during which the property was exempt from taxation under ORS 307.540 to 307.548.

(5) The assessment and tax rolls shall show potential additional tax liability for each property granted exemption under ORS 307.540 to 307.548 because the property is being held for future development of low income housing.

(6) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1997 c.752 §14]

**Note:** See notes under 307.540.

**307.550** [1983 c.786 §10; 1991 c.459 §70; 1997 c.541 §134; repealed by 2001 c.114 §16]

**307.560** [1983 c.786 §11; 1991 c.459 §71; 1999 c.314 §63; repealed by 2001 c.114 §16]

(Property of Industry Apprenticeship or Training Trust)

**307.580 Property of industry apprenticeship or training trust.** (1) If not otherwise exempt by law and upon compliance with ORS 307.162, all real and personal property or proportion thereof owned or being purchased by an industry apprenticeship or training trust is exempt from property taxation if:

(a) The trust is organized pursuant to a trust instrument solely for the purpose of aiding or assisting in the implementation or operation of one or more apprenticeship or training programs that conform to and are conducted under ORS chapter 660;

(b) The property or proportion thereof that is the subject of the exemption is actually and exclusively occupied and used in the implementation or operation of an apprenticeship or training program or programs that are established under, conform to and are conducted under ORS chapter 660; and

(c) The trust is considered an organization exempt from federal income taxes under the federal Internal Revenue Code or other laws of the United States relating to federal income taxes.

(2) If property described under subsection (1) of this section would be exempt from taxation except that it is held under lease or lease-purchase agreement by the trust rather than owned or being purchased by it, the property shall be exempt from taxation upon compliance with and subject to ORS 307.112.

(3) No exemption shall be allowed under subsection (1) or (2) of this section if the property is used in the implementation or operation of an apprenticeship or training program that discriminates with respect to its participants on the basis of age, race, religion, sex or national origin. [1983 c.619 §2]

(Multiple-Unit Housing)

**307.600 Legislative findings.** (1) The Legislative Assembly finds that it is in the public interest to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon’s urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

(2) The Legislative Assembly further finds that it is in the public interest to promote private investment in transit supportive multiple-unit housing in light rail station areas and transit oriented areas in order to maximize Oregon’s transit investment to the fullest extent possible and that the cities and counties of this state should be enabled to establish and design programs to attract new development of multiple-unit housing, and commercial and retail property, in areas located within a light rail station area or transit oriented area.

(3) The Legislative Assembly further finds that the cities and counties of this state should be enabled to establish and design programs to attract new development of multiple-unit housing in light rail station areas, in transit oriented areas or in city core areas by means of the local property tax exemption authorized under ORS 307.600 to 307.691. The programs shall emphasize the following:

(a) The development of vacant or underutilized sites in light rail station areas, transit oriented areas or core areas, rather than sites where sound or rehabilitable multiple-unit housing exists.

(b) The development of multiple-unit housing, with or without parking, in structures that may include ground level commercial space.

(c) The development of multiple-unit housing, with or without parking, on sites with existing single-story commercial structures.

(d) The development of multiple-unit housing, with or without parking, on existing surface parking lots.

(4) The Legislative Assembly further finds that it is in the public interest to preserve existing publicly assisted housing that is affordable to low income persons by providing the incentives authorized in ORS 307.600 to 307.691 to existing multiple-unit housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States.

(5) The programs shall result in the preservation, construction, addition or conversion of units at rental rates or sale prices accessible to a broad range of the general public. [1975 c.428 §2; 1995 c.596 §1; 1999 c.808 §1]

**307.605 Definitions for ORS 307.600 to 307.691.** As used in ORS 307.600 to 307.691:

(1) “Lender” means any person who makes a loan, secured by a recorded mortgage or trust deed, to finance the acquisition, construction, addition or conversion of multiple-unit housing.

(2) “Light rail station area” means an area defined in regional or local transportation plans to be within a one-half mile radius of an existing or planned light rail station.

(3) “Low income housing assistance contract” means an agreement between a public agency and a property owner that results in the production, rehabilitation or preservation of housing affordable to those with a defined level of household income.

(4) “Multiple-unit housing” means:

(a) Housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States; or

(b) Newly constructed structures, stories or other additions to existing structures and structures converted in whole or in part from other use to dwelling units that meet the following criteria:

(A) The structure must have a minimum number of dwelling units as specified by the city or county pursuant to ORS 307.610 (4).

(B) The structure must not be designed or used as transient accommodations, including but not limited to hotels and motels.

(C) The structure must have those design elements benefiting the general public as specified by the city or county pursuant to ORS 307.650.

(D) If in a light rail station area or transit oriented area, the structure must:

(i) Be physically or functionally related to a light rail line or mass transportation system; and

(ii) Enhance the effectiveness of a light rail line or mass transportation system.

(5) "Transit oriented area" means an area defined in regional or local transportation plans to be within one-quarter mile of a fixed route transit service. [1975 c.428 §1; 1979 c.425 §1; 1989 c.1051 §1; 1995 c.596 §2; 1999 c.808 §2]

**307.610 Applicability of ORS 307.600 to 307.691 generally; city or county to designate areas; public hearings; standards and guidelines for considering applications.** (1) ORS 307.600 to 307.691 apply to multiple-unit housing preserved, constructed, added to or converted in cities or counties that adopt, after a public hearing and determination pursuant to subsection (3) of this section, by resolution or ordinance, the provisions of ORS 307.600 to 307.691. The tax exemption provided by ORS 307.600 to 307.691 only applies to the tax levy of a city or county that adopts the provisions of ORS 307.600 to 307.691, except that the tax exemption shall apply to the ad valorem property taxes of all taxing districts when upon request of the city or county that has adopted the provisions of ORS 307.600 to 307.691, the rates of ad valorem taxation of taxing districts whose governing boards agree by resolution to the policy of providing tax exemptions for multiple-unit housing as provided in ORS 307.600 to 307.691, when combined with the rate of taxation of the city or county that adopts the provisions of ORS 307.600 to 307.691, equal 51 percent or more of the total combined rate of taxation levied on the property which is tax exempt under ORS 307.600 to 307.691.

(2) The city or county shall designate an area within which it proposes to allow exemptions provided for under the provisions of ORS 307.600 to 307.691. Core areas, light rail station areas or transit oriented areas may be designated by a city. A city may designate the entire city as the area in which the city proposes to allow exemptions under ORS 307.600 to 307.691 for housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States. A county may designate areas as light rail station areas or transit oriented areas but may not designate areas as core areas. A county may designate the entire county as the area in which the county proposes to allow exemptions under ORS 307.600 to 307.691 for housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States. A city or county from time to time may, by amending its resolution or ordinance, add or withdraw territory from the area originally designated as a light rail station area or a transit oriented area, but any area added must be within the boundaries of the area as limited by ORS 307.605 (2) or (5).

(3) The city or county shall, prior to passage of a resolution or ordinance electing to utilize the provisions of ORS 307.600 to 307.691, hold a public hearing in order to determine whether multiple-unit housing meeting the qualifications of subsection (4) of this section would not otherwise be built in the designated area or preserved without the benefits provided by ORS 307.600 to 307.691.

(4) Prior to accepting project applications under ORS 307.600 to 307.691, cities or counties shall promulgate standards and guidelines to be utilized in considering applications and making the determinations required by ORS 307.650. The standards and guidelines shall establish policy governing basic requirements for an application, including but not limited to:

(a) Existing utilization of proposed project site, including justification of the elimination of any existing sound or rehabilitable housing.

(b) Design elements.

(c) Rental rates or sales prices.

(d) Extensions of public benefits from the project beyond the period of the exemption.

(e) Minimum number of units.

(f) For housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States, a demonstration that the exemption is necessary for the preservation of the low income units. [1975 c.428 §3; 1979 c.425 §2; 1983 c.493 §1; 1989 c.1051 §2; 1991 c.459 §72; 1995 c.596 §3; 1997 c.325 §27; 1999 c.808 §3]

**307.620 Applicability of ORS 307.600 to 307.691 in cities and certain counties.** In any city, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, constructed, added to or converted on land within an area designated under ORS 307.610 (2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. [1975 c.428 §4; 1989 c.1051 §3; 1995 c.596 §4; 1999 c.808 §4]

**307.630 Duration of exemption; exclusions from exemption.** (1) Except as provided under subsection (2) of this section, multiple-unit housing that qualifies for exemption under ORS 307.600 to 307.691 shall be exempt from ad valorem taxation for no more than 10 successive years. The first year of exemption shall be the assessment year

beginning January 1 immediately following the calendar year in which construction, addition or conversion is completed, determined by that stage in the construction process when, pursuant to ORS 307.330, the improvement would have gone on the tax rolls in the absence of the exemption provided for in ORS 307.600 to 307.691. However:

(a) The exemption shall not include the land or any improvements not a part of the multiple-unit housing, but may include parking constructed as part of the multiple-unit housing construction, addition or conversion.

(b) In the case of a structure to which stories or other improvements are added or a structure that is converted in whole or in part from other use to dwelling units, only the increase in value attributable to the addition or conversion shall be exempt from taxation.

(2) If the multiple-unit housing is subject to a low income housing assistance contract with an agency or subdivision of this state or the United States, the city or county may extend the exemption provided by ORS 307.600 to 307.691 through June 30 of the tax year during which the termination date of the contract falls.

(3)(a) The exemption provided by ORS 307.600 to 307.691 shall be in addition to any other exemption provided by law. However, nothing in ORS 307.600 to 307.691 shall be construed to exempt any property beyond 100 percent of its real market value.

(b) If property is located within a core area and within a light rail station area or a transit oriented area, or both, and application for exemption under more than one program is made, only the exemption for which application is first made and approved shall be granted. If property is granted exemption under ORS 307.600 to 307.691 pursuant to an ordinance or resolution adopted by a city, the property shall not be granted exemption pursuant to an ordinance or resolution adopted by a county. If property is granted exemption under ORS 307.600 to 307.691 pursuant to an ordinance or resolution adopted by a county, the property shall not be granted exemption pursuant to an ordinance or resolution adopted by a city. Property shall be granted exemption under ORS 307.600 to 307.691 only once. [1975 c.428 §5; 1979 c.425 §3; 1989 c.1051 §3a; 1991 c.459 §73; 1995 c.596 §5; 1997 c.541 §136; 1999 c.808 §5]

**307.640 City or county to provide application forms; contents of application form; filing deadline; revision of application.** An owner desiring an exemption under ORS 307.600 to 307.691 shall first apply to the city or county, whichever is appropriate, on forms supplied by the city or county. The application shall describe the property for which an exemption is requested, set forth the grounds supporting the requested exemption and be verified by oath or affirmation of the applicant. Application shall be made on or before February 1 immediately preceding the first assessment year for which exemption is requested, and shall be accompanied by the application fee required by ORS 307.660. The city or county may permit the applicant to revise an application prior to final action by the city or county. [1975 c.428 §6; 1991 c.459 §74; 1995 c.596 §6; 1997 c.541 §138]

**307.650 City or county findings required for exemption approval.** The city or county may approve the application if it finds that:

(1) In the case of the construction, addition or conversion of multiple-unit housing:

(a) The owner has agreed to include in the construction, addition or conversion as a part of the multiple-unit housing one or more design elements benefiting the general public as specified by the city or the county, including but not limited to open spaces, parks and recreational facilities, common meeting rooms, child care facilities, transit amenities and transit or pedestrian design elements.

(b) The proposed construction, addition or conversion project is or will be, at the time of completion, in conformance with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197, 215 and 227, that are applicable at the time the application is approved.

(2) In the case of housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States, it is important to the community to preserve the housing as low income housing and it is probable that the housing would not be produced as or remain low income housing without the exemption being granted.

(3) The owner has complied with all standards and guidelines adopted by cities or counties pursuant to ORS 307.610 (4). [1975 c.428 §7; 1995 c.278 §37; 1995 c.596 §7; 1999 c.808 §6]

**307.660 Approval or denial of applications; city or county to state in writing reasons for denial of exemption; application fees.** (1) The city or county shall approve or deny an application filed under ORS 307.650 within 180 days after receipt of the application. An application not acted upon within 180 days shall be deemed approved.

(2) Final action upon an application by the city or county shall be in the form of an ordinance or resolution that shall contain the owner's name and address, a description of the subject multiple-unit housing, either the legal description of the property or the assessor's property account number, and the specific conditions upon which the approval of the application is based. On or before April 1 following approval, the city or county shall file with the county assessor and send to the owner at the last-known address of the owner a copy of the ordinance or resolution approving or disapproving the application. In addition, the city or county shall file with the county assessor on or before April 1 a document listing the same information otherwise required to be in an ordinance or resolution under this subsection, as to each application deemed approved under subsection (1) of this section.

(3) If the application is denied, the city or county shall state in writing the reasons for denial and send notice of denial to the applicant at the last-known address of the applicant within 10 days after the denial.

(4) The city or county, after consultation with the county assessor, shall establish an application fee in an amount sufficient to cover the cost to be incurred by the city or county and the assessor in administering ORS 307.600 to 307.691. The application fee shall be paid to the city or county at the time the application for exemption is filed. If the application is approved, the city or county shall pay the application fee to the county assessor for deposit in the county general fund, after first deducting that portion of the fee attributable to its own administrative costs in processing the application. If the application is denied, the city or county shall retain that portion of the application fee attributable to its own administrative costs and shall refund the balance to the applicant. [1975 c.428 §8; 1995 c.596 §8]

**307.670 Termination of exemption for failure to complete construction or noncompliance; notice.** (1) Except as provided in ORS 307.675, if the city or county finds that construction of multiple-unit housing was not completed on or before the date specified in ORS 307.691, or that any provision of ORS 307.600 to 307.691 is not being complied with, or any provision required by the city or county pursuant to ORS 307.600 to 307.691 is not being complied with, the city or county shall give notice to the owner, mailed to the owner's last-known address, and to any known lender, mailed to the lender's last-known address, of the proposed termination of the exemption. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the exemption should not be terminated.

(2) If the owner fails to appear and show cause why the exemption should not be terminated, the city or county shall further notify every known lender and shall allow the lender a period of not less than 30 days, beginning with the date that the notice of failure to appear and show cause is mailed to the lender, to cure any noncompliance or to provide assurance that is adequate, as determined by the governing body, to assure the governing body that the noncompliance will be remedied.

(3) If the owner fails to appear and show cause why the exemption should not be terminated, and a lender fails to cure or give adequate assurance that any noncompliance will be cured, the city or county shall adopt an ordinance or resolution stating its findings terminating the exemption. A copy of the ordinance or resolution shall be filed with the county assessor and a copy sent to the owner at the owner's last-known address, and to any lender at the lender's last-known address, within 10 days after its adoption. [1975 c.428 §9; 1979 c.425 §4; 1981 c.697 §6; 1983 c.493 §2; 1989 c.1051 §4; 1991 c.459 §75; 1995 c.596 §9]

**307.675 Termination of exemption; effect.** (1) If, after application has been approved under ORS 307.600 to 307.691, a declaration defined in ORS 100.005 with respect to the property is presented to the county assessor or tax collector for approval under ORS 100.110, or if the county assessor discovers that the multiple-unit housing or a portion of the multiple-unit housing is changed to a use that is other than residential or housing, or if the exemption was granted for housing subject to a low income housing assistance contract with an agency or subdivision of this state or the United States and the housing is no longer housing subject to a low income housing assistance contract:

(a) The exemption granted the multiple-unit housing or portion under ORS 307.600 to 307.691 shall terminate immediately, without right of notice or appeal;

(b) The property or portion shall be assessed and taxed as other property similarly situated is assessed and taxed; and

(c)(A) Notwithstanding ORS 311.235, there shall be added to the general property tax roll for the tax year next following the presentation or discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the difference between the amount of tax that would have been due on the property or portion had it not been exempt under ORS 307.600 to 307.691 for each of the years, not to exceed the last 10 years, during which the property was exempt from taxation under ORS 307.600 to 307.691.

(B) In the case of multiple-unit housing described in ORS 307.605 (4)(a), this paragraph applies only if the low

income housing assistance contract to which the housing was subject was breached or terminated prematurely.

(2) If, at the time of presentation or discovery, the property is no longer exempt, additional taxes shall be imposed as provided in this section, but the number of years that would otherwise be used to compute the additional taxes shall be reduced one year for each year that has elapsed since the year the property was last granted exemption beginning with the oldest year for which additional taxes are due.

(3) The assessment and tax rolls shall show "potential additional tax liability" for each property granted exemption under ORS 307.600 to 307.691.

(4) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1981 c.697 §5; 1987 c.158 §45; 1987 c.459 §33; 1991 c.459 §76; 1999 c.808 §7]

**307.680 Review of denial of application or termination of exemption; correction of assessment and tax rolls; owner's appeal of valuation; effective date of termination of exemption.** (1) Review of a denial of an application under ORS 307.660, or of the termination of an exemption under ORS 307.670, shall be as provided by ORS 34.010 to 34.100.

(2) If no review of the termination of an exemption as provided in subsection (1) of this section is affected, or upon final adjudication, the county officials having possession of the assessment and tax rolls shall correct the rolls in the manner provided for omitted property under ORS 311.216 to 311.232, to provide for the assessment and taxation of any property for which exemption was terminated by the city or county, or by a court, in accordance with the finding of the city, county or the court as to the tax year in which the exemption is first to be terminated. The county assessor shall make such valuation of the property as shall be necessary to permit such correction of the rolls. The owner may appeal any such valuation in the same manner as provided for appeals under ORS 311.216 to 311.232. Where there has been a failure to comply with ORS 307.670, the property shall become taxable beginning January 1 of the assessment year following the assessment year in which the noncompliance first occurred. Any additional taxes becoming due shall be payable without interest if paid in the period prior to the 16th of the month next following the month of correction. If not paid within such period, the additional taxes shall be delinquent on the date they would normally have become delinquent if timely extended on the roll or rolls in the year or years for which the correction was made. [1975 c.428 §10; 1991 c.459 §77; 1995 c.596 §10; 1997 c.541 §141]

**307.690 Extension of deadline for completion of construction, addition or conversion.** Notwithstanding any provision of ORS 307.670, if the city or county finds that construction, addition or conversion of the multiple-unit housing was not completed by the date specified in ORS 307.691, due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the city or county may extend the deadline for completion of construction, addition or conversion for a period not to exceed 12 consecutive months. [1975 c.428 §11; 1979 c.425 §5; 1983 c.493 §3; 1989 c.1051 §5; 1991 c.459 §78; 1995 c.596 §11; 1997 c.325 §29]

**307.691 Actions required by January 1, 2006, for exemption to be granted.** An exemption for multiple-unit housing shall not be granted under ORS 307.600 to 307.691 unless:

(1) In the case of multiple-unit housing described in ORS 307.605 (4)(a), the application for exemption is made to the city or county on or before January 1, 2006.

(2) In the case of multiple-unit housing described in ORS 307.605 (4)(b), the construction, addition or conversion is completed on or before January 1, 2006. [1995 c.596 §13; 1997 c.541 §143; 1999 c.808 §8]

**307.700** [1979 c.561 §1; repealed by 1993 c.475 §3]

(Ethanol Production Facilities)

**307.701 Ethanol production facilities.** (1) As used in this section "ethanol" has the meaning given the term under ORS 646.905.

(2) Upon compliance with subsection (4) of this section, the real and personal property of an ethanol production facility that meets the requirements of subsection (3) of this section is exempt from taxation. The exemption shall be 50 percent of the assessed value of the property determined under ORS 308.146. The exemption under this section may be claimed for five assessment years.

(3) An ethanol production facility may qualify for exemption from taxation under this section if the facility:

- (a) Is first in the process of construction, erection or installation as a new facility after July 1, 1993;
- (b) Is or will be placed in service to produce ethanol within four years after January 1 of the first assessment year for which the exemption under this section is claimed; and
- (c) Within four years after January 1 of the first assessment year for which the exemption under this section is claimed, is or will be certified by the State Department of Agriculture as a facility that produces ethanol capable of blending or mixing with gasoline. The blend or mixture shall meet the specifications or registration requirements established by the United States Environmental Protection Agency pursuant to section 211 of the Clean Air Act, 42 U.S.C. 7545 and 40 C.F.R. Part 79.

(4)(a) In order to claim an exemption from taxation under this section for any assessment year, the owner of an ethanol production facility shall file with the county assessor, on or before April 1 of the year for which exemption is claimed, a statement verified by the oath or affirmation of the owner listing all real and personal property claimed to be exempt and showing the purpose for which the property will be or is used.

(b) If the ownership and use of the property included in the statement filed for a prior year remain the same, a new statement shall not be required. However, if the ownership or use changes, or if the facility property is added to or retired, a new statement is required and the property shall not be exempt under this section if the statement is not filed. The new statement shall be filed no later than December 31 of the year to which the statement pertains.

(5) If the facility property is not placed in service within the time required under subsection (3) of this section, or if the certification required under subsection (3) of this section is not obtained within the required time, then the facility property shall not be exempt for any year under this section. For any year for which the property has been granted exemption under this section, the county assessor shall add the property to the assessment and tax roll as omitted property in the manner provided under ORS 311.216 to 311.232. [1993 c.475 §2; 1997 c.541 §144]

**Note:** Section 4, chapter 475, Oregon Laws 1993, provides:

**Sec. 4.** (1) An ad valorem property tax exemption provided by section 2 of this Act [307.701] is first applicable to the tax year beginning July 1, 1994.

(2) Section 2 of this Act is repealed on July 1, 2008. The repeal applies to tax years beginning on or after July 1, 2008. Notwithstanding that an ethanol production facility has not received five years of exemption under section 2 of this Act, no exemption for the facility shall be granted under section 2 of this Act for a tax year beginning on or after July 1, 2008. [1993 c.475 §4]

**307.705** [1979 c.561 §2; 1991 c.459 §79; repealed by 1993 c.475 §3]

(Rural Health Care Facilities)

**307.804 Rural health care facilities; claim procedures; duration of exemption.** (1) As used in this section and ORS 307.806, "rural health care facility" means a health care facility that:

(a) Is located in a rural health service area with an average travel time of more than 30 minutes from a population center of 30,000 or more, as determined by the Office of Rural Health; and

(b) Is used exclusively to provide medical care.

(2) Real and personal property of a rural health care facility is exempt from the ad valorem property taxes of the county in which the facility is located, and from the ad valorem property taxes of each other local taxing district in which the facility is located that authorizes the exemption under ORS 307.806, if all of the following apply:

(a) The property constitutes new construction, new additions, new modifications or new installations of property as of the first assessment date for which the facility is in service. Land and other property that was in existence at the location of the facility prior to the date work began on the construction, addition, modification or installation of property at the facility is not exempt under this section.

(b) The exemption has been authorized by the governing body of the county in which the facility is located in the manner set forth in ORS 307.806.

(3) To receive the exemption provided under this section, the rural health care facility must annually file its intention to take the exemption. The filing must be with the county assessor of the county that authorized the exemption under ORS 307.806 and must be made by April 1 preceding the tax year for which the exemption is being claimed.

(4) A rural health care facility described in this section shall be exempt from the taxes to which the exemption applies for the tax year in which the facility is first in service as of the assessment date and for the next two

succeeding tax years. [2001 c.642 §2]

**Note:** Section 4, chapter 642, Oregon Laws 2001, provides:

**Sec. 4.** Sections 2 and 3 of this 2001 Act [307.804 and 307.806] apply to tax years beginning on or after July 1, 2002. [2001 c.642 §4]

**307.806 Exemption limited to taxes of district adopting ORS 307.804; procedures.** (1) In order for a rural health care facility to be exempt from tax under ORS 307.804, prior to the construction, addition, modification or installation of the facility the governing body of the county in which the facility is to be located must, by ordinance or resolution, authorize the exemption provided under ORS 307.804.

(2) Within 10 days following adoption of the ordinance or resolution that authorizes the exemption provided under ORS 307.804, the county governing body must give written notice of the authorization of the exemption to:

(a) Each taxing district located in the county; and

(b) The county assessor.

(3) The notice must state that:

(a) The county has authorized the exemption provided under ORS 307.804; and

(b) The exemption will apply to the taxes of the local taxing district receiving the notice if that district elects to authorize the exemption under subsection (4) of this section.

(4)(a) A local taxing district that receives a notice described in this section may elect to authorize the exemption within 180 days of the date of the notice.

(b) The governing body of a taxing district makes an election by passing an ordinance or resolution stating that the taxing district is authorizing the exemption.

(c) A taxing district making an election shall mail copies of the ordinance or resolution in which the election is made to the county governing body and to the county assessor within 10 days of the date the election is made.

(5) A county that has authorized exemptions provided under ORS 307.804 may revoke authorization by repealing the ordinance or resolution described in subsection (1) of this section. Authorization revocation under this subsection does not affect the continued exemption of any rural health care facility that has already qualified for the exemption, but a rural health care facility that has not qualified for an exemption as of the date of revocation may not qualify for an exemption after the date of revocation. [2001 c.642 §3]

**Note:** See note under 307.804.

(Long Term Care Facilities)

**307.808 Findings and declarations.** The Legislative Assembly finds that owners of long term care facilities who devote substantial proportions of those facilities to providing long term care to residents eligible for medical services under Medicaid provide an essential community service. The Legislative Assembly declares that a property tax exemption will enable these essential community provider long term care facilities to increase the quality of care provided to facility residents. The Legislative Assembly further declares that the quality of care is increased most efficiently when the full value of the exemption is applied to increasing direct caregiver wages, physical plant improvements and other expenditures that directly benefit the facility residents and staff. [1999 c.476 §1]

**307.810** [1959 c.659 §1; repealed by 1979 c.692 §13]

**307.811 Essential community provider long term care facilities.** (1) Real and personal property that is used solely in the operations of a long term care facility that has been certified for the tax year as an essential community provider long term care facility under ORS 443.888 shall be exempt from ad valorem property taxation.

(2)(a) In order for the long term care facility to be exempt from taxation under this section, the owner of the facility shall file with the county assessor a copy of a certificate issued by the Department of Human Services under ORS 443.888, certifying the facility as an essential community provider long term care facility.

(b) The certificate must be filed with the assessor on or before April 1 preceding the tax year for which the exemption is being claimed.

(c) Notwithstanding paragraph (b) of this subsection, a certificate may be filed with the assessor on or before December 31 of the tax year if accompanied by a late filing fee of the greater of \$200 or one-tenth of one percent of

the real market value of the property to which the certificate applies.

(3) As used in this section and ORS 307.808, "long term care facility" means a nursing facility, assisted living facility, residential care facility or adult foster home as defined in ORS 443.705. [1999 c.476 §2]

**307.815 Exemption limited to taxes of district adopting ORS 307.811.** The exemption provided in ORS 307.811 applies only to the taxes of a taxing district the governing body of which has adopted, by ordinance or resolution, the provisions of ORS 307.811. [1999 c.476 §2a]

(Public Beach Access Sites)

**307.818 Beach access sites; claim procedures.** (1) Upon compliance with subsection (2) of this section, the portion of real property owned by a private individual or organization that is subject to an easement for public beach access shall be exempt from taxation if:

(a) The property is designated as a beach access site for free and open use by the public and the easement contains or is accompanied by a description of the property that conforms with the requirements of ORS 93.600 and allows the county assessor to locate the boundaries of and otherwise identify the property;

(b) The easement and legal description are recorded in the records of the county recording officer and a copy of the recorded easement and the property description is filed in the office of the county assessor; and

(c) The beach access site is free and open to the public permanently and continually throughout the year and is of sufficient size to accommodate parking for at least three automobiles.

(2) On or before April 1 preceding the first tax year for which exemption under subsection (1) of this section is desired, the owner shall file a claim for exemption with the county assessor, except that if the property becomes qualified for the exemption after March 1 but before July 1, the claim shall be filed within 30 days after the property qualified for the exemption. [1999 c.872 §4]

**307.820** [1959 c.659 §2; 1965 c.395 §1; repealed by 1979 c.692 §13]

**307.821 Disqualification; additional taxes.** (1) If, after an exemption under ORS 307.818 is granted, the county assessor determines that the property or a portion of the property is not managed, operated or maintained in a manner consistent with ORS 307.818:

(a) The exemption granted under ORS 307.818 may be terminated;

(b) For the first tax year following the date of termination and each succeeding tax year, the property or portion shall be assessed and taxed as other property similarly situated is assessed and taxed; and

(c) Notwithstanding ORS 311.235, there shall be added to the general property tax roll for the tax year next following the determination, to be collected and distributed in the same manner as other real property tax, an amount equal to the amount of tax that would have been due on the property had it not been exempt under ORS 307.818 for each of the years during which the property was exempt from taxation under ORS 307.818, not to exceed 15 tax years.

(2) The assessment and tax rolls shall show "potential additional tax liability" for each property granted exemption under ORS 307.818.

(3) No additional taxes shall be imposed under subsection (2) of this section if the property becomes disqualified for exemption under ORS 307.818 because the property is destroyed by fire, act of God or other natural disaster.

(4) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate.

(5) A property that has lost eligibility for exemption under ORS 307.818 may requalify for exemption beginning with the tax year following payment of any additional taxes. [1999 c.872 §5]

(Environmentally Sensitive Logging Equipment)

**307.824 Findings and declarations.** The Legislative Assembly finds and declares that:

(1) The public policy of this state is to facilitate the transition of older logging equipment to newer equipment designed and manufactured to be as environmentally sensitive as current technology can provide, consistent with the need to match the equipment to the specifics of the site being harvested.

(2) Personal property taxes paid on logging equipment act as a disincentive to a transition to environmentally sensitive technology, because older equipment has a lower assessed value and therefore generates a correspondingly

reduced property tax liability. In contrast, newer equipment, the use of which benefits the environment more than the use of older equipment, has a higher assessed value and a correspondingly higher property tax liability.

(3) A property tax incentive is a means of facilitating the transition to newer, environmentally sensitive equipment and accomplishing the declared public policy. [1999 c.957 §2]

**307.827 Environmentally sensitive logging equipment.** (1) Environmentally sensitive logging equipment is exempt from ad valorem property taxation.

(2) As used in this section:

(a) “Environmentally sensitive logging equipment” means logging equipment that was originally manufactured not more than eight years preceding the assessment date for the tax year for which exemption under this section is claimed.

(b) “Logging equipment” means machinery and equipment:

(A) Used in logging or forest management operations involving timber harvest, including the felling, bucking, yarding, loading or utilization of timber, logs or wood fiber in the forest, or used in reforestation, forest vegetation restoration, site preparation, vegetation control, stand and tree improvement or thinning;

(B) That is specifically designed for activities related to water quality or fish and wildlife habitat protection in the forest; or

(C) Consisting of excavators used in logging road construction, maintenance, reconstruction or improvements, including the closing or obliterating of existing forest roads.

(c) “Logging equipment” does not include:

(A) Equipment used in nonforest applications for more than 20 percent of the tax year, as measured by the operating hours of the equipment.

(B) Equipment used in the manufacturing or milling of forest products.

(C) Power saws, hand tools, blocks or pulleys that are not a part of the equipment, rigging, shop equipment or support equipment.

(D) Logging equipment that is exempt from tax under ORS 307.831. [1999 c.957 §3]

**Note:** Sections 4 and 5, chapter 957, Oregon Laws 1999, provide:

**Sec. 4.** Section 3 of this 1999 Act [307.827] applies to tax years beginning on or after July 1, 2000, and before July 1, 2008. [1999 c.957 §4]

**Sec. 5.** (1) Notwithstanding section 3 of this 1999 Act [307.827], environmentally sensitive logging equipment that qualifies for the exemption under section 3 of this 1999 Act for any tax year beginning on or after July 1, 2000, and before July 1, 2006, shall qualify for the exemption for at least five tax years if the equipment continues to meet the definition of logging equipment under section 3 of this 1999 Act during that period.

(2) This section does not apply to tax years beginning on or after July 1, 2008. [1999 c.957 §5]

**307.830** [1959 c.659 §3; repealed by 1979 c.692 §13]

**307.831 Skyline and swing yarders.** Logging equipment consisting of a skyline yarder and carriage in the form of a mobile tower or swing yarder that is capable of full log suspension during inhaul is exempt from ad valorem property taxation. [1999 c.957 §6]

**Note:** Section 7, chapter 957, Oregon Laws 1999, provides:

**Sec. 7.** Section 6 of this 1999 Act [307.831] applies to tax years beginning on or after July 1, 2000, and before July 1, 2008. [1999 c.957 §7]

**307.840** [1959 c.659 §4; repealed by 1979 c.692 §13]

**307.850** [1965 c.278 §1; 1993 c.70 §1; 1997 c.499 §1; renumbered 285A.325 in 1997]

(Cargo Containers)

**Note:** Sections 1 and 2, chapter 783, Oregon Laws 1979, provide:

**Sec. 1.** All cargo containers principally used for the transportation of cargo by vessels in trade and ocean commerce shall be exempt from taxation. The term “cargo container” means a receptacle:

- (1) Of a permanent character and accordingly strong enough to be suitable for repeated use;
  - (2) Specially designed to facilitate the carriage of goods, by one or more modes of transport, one of which shall be by vessels, without intermediate reloading; and
  - (3) Fitted with devices permitting its ready handling, particularly its transfer from one mode of transport to another.
- [1979 c.783 §1]

**Sec. 2.** (1) Cargo containers, as defined in section 1, chapter 783, Oregon Laws 1979, are exempt from taxation for tax years beginning on or after July 1, 1974, but prior to July 1, 2002.

(2) Any assessment of property that is exempt under chapter 783, Oregon Laws 1979, is invalid and the assessment and tax shall be deemed canceled, regardless of whether the assessment predated the effective date of chapter 783, Oregon Laws 1979. Assessments of cargo containers which predate December 31, 1978, which are exempt under section 1, chapter 783, Oregon Laws 1979, and which were not on appeal on December 31, 1978, are not invalid and deemed canceled. [1979 c.783 §2; 1987 c.583 §1; 1995 c.748 §7]

## PENALTIES

**307.990 Penalties.** If any person shall willfully deliver any statement to the officer charged with assessment of property for tax purposes in the county of the person containing a false statement of a material fact, whether it be an owner, shipper, the agent of the person, or a storageman or warehouseman of the agent of the person, the person shall be guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than \$500 or by imprisonment in the county jail for not more than six months. [1959 c.659 §5]