

CHAPTER 193

AN ACT

HB 2227

Relating to exemption from property taxation; creating new provisions; amending ORS 307.092, 307.162, 307.166, 307.495, 307.500, 307.523, 307.527, 307.545, 307.547, 307.548, 307.621, 307.674, 307.864, 308.459 and 308.466 and section 4, chapter 656, Oregon Laws 2011; repealing ORS 263.290, 307.065, 307.205, 307.220, 307.230, 307.240 and 308.559; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 263.290, 307.065, 307.205, 307.220, 307.230, 307.240 and 308.559 are repealed.

SECTION 2. The repeal of ORS 263.290, 307.065, 307.205, 307.220, 307.230, 307.240 and 308.559 by section 1 of this 2013 Act applies to tax years beginning on or after July 1, 2017.

SECTION 3. The repeal of ORS 263.290, 307.065, 307.205, 307.220, 307.230, 307.240 and 308.559 by section 1 of this 2013 Act becomes operative on July 1, 2017.

SECTION 4. Notice of approval of an application for exemption or special assessment, and any additional information required, under ORS 307.515 to 307.537, 307.540 to 307.548, 307.600 to 307.637, 307.651 to 307.687, 307.841 to 307.867 or 308.450 to 308.481 must be filed with the assessor by the entity issuing the notice of approval on or before April 1 immediately preceding the first property tax year for which the exemption or special assessment is requested.

SECTION 5. ORS 307.523 is amended to read:

307.523. (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, **as set forth in section 4 of this 2013 Act.**

(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.

SECTION 6. ORS 307.527 is amended to read:

307.527. (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.

SECTION 7. ORS 307.545 is amended to read:

307.545. (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*] **March 1** of the assessment year for which the exemption is sought, except that when the property designated is acquired after [*April 1*] **March 1** and before July 1, the [*claim*] **application** for that year shall be filed within 30 days after the date of acquisition. The application shall include the following information, [*if*] **as** 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)] **501(c)(3) or 501(c)(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.

SECTION 8. ORS 307.547 is amended to read:

307.547. (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.

(2)(a) If the governing body determines **that** the applicant qualifies, the governing body shall certify to the assessor of the county where the real property is located, **as set forth in section 4 of this 2013 Act**, that all or a portion of the property [shall be] is exempt from taxation under the levy of the certifying governing body.

(b) **Notwithstanding paragraph (a) of this subsection, the governing body may send the certification required under this subsection on or before the deadline specified in section 4 of this 2013 Act, or as promptly as practicable after making the determination under subsection (1) of this section, whichever is later.**

[2] (3) Upon receipt of certification [under subsection (1)] **sent pursuant to subsection (2)** of this section, the county assessor shall exempt the property from taxation to the extent certified by the governing body.

SECTION 9. ORS 307.621 is amended to read:

307.621. (1) The city or county shall approve or deny an application filed under ORS [307.618] **307.615** 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 **and on or before the deadline set forth in section 4 of this 2013 Act**, 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 applica-

tion 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 307.637. 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.

SECTION 10. ORS 307.674 is amended to read:

307.674. (1) The city shall approve or deny an application filed under ORS 307.667 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 shall be in the form of an ordinance or resolution that shall contain the owner's name and address, a description of the structure that is the subject of the application that includes 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.

(3) [On or before April 1] Following approval **and on or before the deadline set forth in section 4 of this 2013 Act**, the city 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 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 city 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 (2) of this section, as to each application deemed approved under subsection (1) of this section.

(4) If the application is denied, the city 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. The notice shall inform the applicant of the right to appeal under ORS 307.687.

(5) The city, 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 and the assessor in administering ORS 307.651 to 307.687. The application fee shall be paid to the city at the time the application for exemption is filed. If the application is approved, the city 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 shall retain that portion of the application fee attributable to its own administrative costs and shall refund the balance to the applicant.

SECTION 11. ORS 307.864 is amended to read:

307.864. (1) For the first tax year in which, as of the assessment date, a vertical housing development project is occupied or ready for occupancy following certification under ORS 307.857, and for the next nine consecutive tax years:

(a) The property of the vertical housing development project, except for the land of the project, shall be partially exempt from ad valorem property taxes imposed by local taxing districts, other than the districts that elected not to participate in the vertical housing development zone as described in ORS 307.844 (4), according to the following schedule and as identified in the certification issued by the department under ORS 307.857 (7):

(A) If the project consists of the equivalent of one equalized floor allocated to residential housing, the project shall be 20 percent exempt.

(B) If the project consists of the equivalent of two equalized floors allocated to residential housing, the project shall be 40 percent exempt.

(C) If the project consists of the equivalent of three equalized floors allocated to residential housing, the project shall be 60 percent exempt.

(D) If the project consists of the equivalent of four or more equalized floors allocated to residential housing, the project shall be 80 percent exempt.

(b) The land of the vertical housing development project shall be partially exempt from ad valorem property taxes imposed by local taxing districts, other than the districts that elected not to participate in the vertical housing development zone as described in ORS 307.844 (4), in the same percentages determined under paragraph (a) of this subsection, for each equalized floor allocated to low income residential housing, as identified in the certification issued by the department under ORS 307.857 (7).

(2) In order for the property of a vertical housing development project to receive the partial property tax exemption described in subsection (1) of this section, the vertical housing development project property owner, project applicant or other person responsible for the payment of property taxes on the project [shall notify the county assessor of the county in which the project exists,] **must notify the Housing and Community Services Department that the project is occupied or ready for occupancy, and the department must notify the assessor of the county in which the project is located, in the manner set forth in section 4 of**

this 2013 Act, that the project [meets the requirements of subsection (1) of this section. The notification must be given to the assessor in writing on or before April 1 preceding the first tax year for which the partial property tax exemption is sought] **is occupied or ready for occupancy and has been certified by the department under ORS 307.857.**

(3) During the period in which property would otherwise be partially exempt under subsection (1)(a) of this section, if all or a portion of a project has been decertified by the Housing and Community Services Department under ORS 307.861, the property shall be disqualified from exemption under this section in proportion to the equivalent of each equalized floor that has ceased qualifying as residential housing, as set forth in the notice of decertification.

(4) During the period in which land would otherwise be partially exempt under subsection (1)(b) of this section, if all or a portion of a project has been decertified by the Housing and Community Services Department under ORS 307.861, the land shall be disqualified from exemption under this section in proportion to the equivalent number of equalized floors that have ceased qualifying as low income residential housing, as set forth in the notice of decertification.

SECTION 12. ORS 308.459 is amended to read:

308.459. (1) For purposes of ORS 308.232, the assessed value of rehabilitated residential property shall be not more than its assessed value as it appears in the last certified assessment roll next preceding the date on which the application for limited assessment is filed with the governing body as provided in ORS 308.462. If the certificate of qualification is filed with the assessor as provided in ORS 308.466 [after December 31 and before April 1] **and section 4 of this 2013 Act**, the limited assessment shall apply with respect to the first assessment roll certified after that date or if the certificate of qualification is filed after [April 1 and before January 1] **the deadline set forth in section 4 of this 2013 Act**, the limited assessment shall apply as of the following January 1, and shall continue to apply for a total of 10 consecutive assessment rolls.

(2) Notwithstanding subsection (1) of this section, if the multifamily rehabilitated residential housing is subject to a low income rental assistance contract with an agency of this state or of the United States, the city may extend the limited assessment provided by ORS 308.450 to 308.481 through December 31 of the assessment year during which the termination date of the contract falls.

SECTION 13. ORS 308.466 is amended to read:

308.466. (1) The governing body or its duly authorized agent shall approve or deny an application filed under ORS 308.462 within 90 days after receipt of the application. An application not acted upon within 90 days shall be deemed approved.

(2) Subject to ORS 308.471, the governing body shall complete a certificate of qualification on a

form approved by the Department of Revenue and file the certificate with the county assessor **on or before the deadline set forth in section 4 of this 2013 Act**. The certificate shall contain a statement by a duly authorized agent of the governing body that the property is in substantial compliance as defined in ORS 308.450, and that the owner of the property has complied with the provisions of ORS 308.471. In addition, the governing body shall file with the county assessor copies of applications filed and deemed approved under subsection (1) of this section, together with copies of those statements filed under ORS 308.462 and 308.471.

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

(4) Upon denial by a duly authorized agent, an applicant may appeal the denial to the governing body within 30 days after receipt of the denial. Upon denial of the appeal by the governing body, or denial of the application, the applicant may appeal to the circuit court, and from the decision of the circuit court to the Court of Appeals, as provided by law.

SECTION 14. Section 4 of this 2013 Act and the amendments to ORS 307.523, 307.527, 307.545, 307.547, 307.621, 307.674, 307.864, 308.459 and 308.466 by sections 5 to 13 of this 2013 Act apply to property tax years beginning on or after July 1, 2014.

SECTION 15. ORS 307.166 is amended to read:

307.166. (1) If property is owned or being purchased by an institution, organization or public body that is granted exemption or the right to claim exemption for any of its property under a provision of law contained in this chapter, and the institution, organization or public body leases or otherwise grants the use and possession of the property to another institution, organization or public body that is likewise granted exemption or the right to claim exemption for property under a provision of law contained in this chapter, the 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, the property is exempt if 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) **Except as provided in subsection (4) of this section**, to obtain the exemption under this section, the lessee or entity in possession must 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, sublease or other grant of use and possession covering the property for which exemption is claimed.

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

(3)(a) The claim **required under subsection (2) of this section** must be filed on or before April 1 preceding the tax year for which the exemption is claimed, except:

(A) If the lease, sublease or other grant of use and possession is entered into after March 1 but not later than June 30, the claim must be filed within 30 days after the date the lease, sublease or other grant of use and possession is entered into if the exemption is claimed for the assessment year beginning on the preceding January 1; or

(B) If a late filing fee is paid in the manner provided in ORS 307.162 (2), the claim may be filed within the time specified in ORS 307.162 (2).

(b) The exemption first applies for the tax year beginning July 1 of the year for which the claim is filed. The exemption continues as long as the ownership and use of the property remain unchanged and during the period of the lease, sublease or other grant of use and possession. If either the ownership or use changes, a new claim must be filed as provided in this section. If the lease, sublease or other grant of use and possession expires before July 1 of any year, the exemption terminates as of January 1 of the same calendar year.

(4)(a) **In lieu of filing a claim under subsection (2) of this section, the lessor, sublessor or person granting the use and possession of property that is exempt from taxation under ORS 307.040 or 307.090 to a lessee, sublessee or entity the property of which is eligible for exemption under ORS 307.040 or 307.090 must provide the assessor of the county in which the property is located with the following information as soon as practicable after execution of a lease, sublease or other grant of use and possession of the property:**

(A) The name and address of the lessee, sublessee or possessor;

(B) Upon request of the assessor, a copy of the lease, sublease or other grant of use and possession of the property; and

(C) The location of the property.

(b) Upon compliance with paragraph (a) of this subsection, the property is exempt from taxation under this section during the term of the lease, sublease or other grant of use and possession.

SECTION 16. The amendments to ORS 307.166 by section 15 of this 2013 Act apply to leases, subleases and other grants of use and possession of property executed before, on or after the effective date of this 2013 Act.

SECTION 17. ORS 307.548 is amended to read:

307.548. (1)(a) 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.

(b) The notice required under this subsection 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] will be remedied.

(3)(a) 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.

(b) A copy of the ordinance or resolution required under this subsection 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] terminates 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) Notwithstanding subsection (4) of this section, if at the time of presentation or discovery, the property is no longer exempt, additional taxes may be collected as provided in subsection (4) of this section, except that 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.

[(5)] (6) 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)] (7) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate.

SECTION 18. ORS 307.864, as amended by section 11 of this 2013 Act, is amended to read:

307.864. (1) For the first tax year in which, as of the assessment date, a vertical housing development project is occupied or ready for occupancy following certification under ORS 307.857, and for the next nine consecutive tax years:

(a) The property of the vertical housing development project, except for the land of the project, shall be partially exempt from ad valorem property taxes imposed by local taxing districts, other than the districts that elected not to participate in the vertical housing development zone as described in ORS 307.844 (4), according to the following schedule and as identified in the certification issued by the department under ORS 307.857 (7):

(A) If the project consists of the equivalent of one equalized floor allocated to residential housing, the project shall be 20 percent exempt.

(B) If the project consists of the equivalent of two equalized floors allocated to residential housing, the project shall be 40 percent exempt.

(C) If the project consists of the equivalent of three equalized floors allocated to residential housing, the project shall be 60 percent exempt.

(D) If the project consists of the equivalent of four or more equalized floors allocated to residential housing, the project shall be 80 percent exempt.

(b) The land of the vertical housing development project shall be partially exempt from ad valorem property taxes imposed by local taxing districts, other than the districts that elected not to participate in the vertical housing development zone as described in ORS 307.844 (4), in the same percentages determined under paragraph (a) of this subsection, for each equalized floor allocated to low income residential housing, as identified in the certification issued by the department under ORS 307.857 (7).

(2) In order for the property of a vertical housing development project to receive the partial property tax exemption described in subsection (1) of this section, the vertical housing development project property owner, project applicant or other person responsible for the payment of property taxes on the project must notify the Housing and Community Services Department that the project is occupied or ready for occupancy, and the department must notify the assessor of the county in which the project is located, in the manner set forth in section 4 of this 2013 Act, that the project is occupied or ready for occupancy and has been certified by the department under ORS 307.857.

[(3) During the period in which property would otherwise be partially exempt under subsection (1)(a) of this section, if all or a portion of a project has been decertified by the Housing and Community Services Department under ORS 307.861, the property shall be disqualified from exemption under this section in proportion to the equivalent of each equalized floor that has ceased qualifying as residential housing, as set forth in the notice of decertification.]

[(4) During the period in which land would otherwise be partially exempt under subsection (1)(b) of this section, if all or a portion of a project has been decertified by the Housing and Community Services Department under ORS 307.861, the land shall be disqualified from exemption under this section in proportion to the equivalent number of equalized floors that have ceased qualifying as low income residential housing, as set forth in the notice of decertification.]

SECTION 19. Section 20 of this 2013 Act is added to and made a part of ORS 307.841 to 307.867.

SECTION 20. (1)(a) During the period in which property of a vertical housing development project would otherwise be partially exempt under ORS 307.864 (1)(a), if all or a portion of the project has been decertified by the Housing and Community Services Department under ORS 307.861, the property is disqualified from exemption in proportion to the equivalent of each equalized floor that has ceased qualifying as residential housing, as set forth in the notice of decertification.

(b) During the period in which the land of a vertical housing development project would otherwise be partially exempt under ORS 307.864 (1)(b), if all or a portion of the project has been

decertified by the Housing and Community Services Department under ORS 307.861, the land is disqualified from exemption in proportion to the equivalent number of equalized floors that have ceased qualifying as low income residential housing, as set forth in the notice of decertification.

(2) Notwithstanding ORS 307.864, there shall be added to the general property tax roll for the tax year next following decertification described in subsection (1) of this section, 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 land granted exemption under ORS 307.864 and the taxes that would have been assessed against the property and land but for the exemption for each of the years, not to exceed the last 10 years, during which the property and land were exempt from taxation under ORS 307.864.

(3) Notwithstanding ORS 307.864, if after a period of exemption under ORS 307.864 has terminated the Housing and Community Services Department discovers that the property or land of a vertical housing development project was granted exemption to which the project was not entitled, additional taxes may be collected as provided in subsection (2) of this section, except that the number of years for which the additional taxes may be collected shall be reduced by one year for each year that has elapsed since the year the property or land was last granted exemption, beginning with the oldest year for which additional taxes are due.

(4) The assessment and tax rolls shall show potential additional tax liability for all property and land granted exemption under ORS 307.864.

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

SECTION 21. (1) The amendments to ORS 307.548 by section 17 of this 2013 Act apply to property granted exemption under ORS 307.540 to 307.548 before, on or after the effective date of this 2013 Act.

(2) Section 20 of this 2013 Act and the amendments to ORS 307.864 by section 18 of this 2013 Act apply to applications for exemption filed pursuant to ORS 307.857 on or after the effective date of this 2013 Act.

SECTION 22. ORS 307.495 is amended to read:

307.495. (1)(a) *[Each]* A nonprofit corporation claiming exemption under ORS 307.485 shall file with the county assessor **two copies** of a written claim *[therefor in five copies]* for exemption on or before April 1 of each assessment year for which the exemption is claimed[.].

(b) *[Except that when the property designated]* Notwithstanding paragraph (a) of this subsection, if the property for which exemption is

claimed is acquired after March 1 and before July 1, the claim shall be filed within 30 days after acquisition.

(2) The claim shall:

(a) Designate the property [to which the exemption may apply, shall] **for which exemption is claimed;**

(b) State the facts [which] **that** make the property eligible within the definitions of ORS 307.480; **and** [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.]

(c) **Include all verifications required under subsection (3) of this section.**

(3) **The claim for exemption under this section must include written verification:**

(a) **By the State Fire Marshal that the property is in compliance with applicable laws and rules relating to safety from fire.**

(b) **If for a farm labor camp, by the appropriate authority under the Oregon Safe Employment Act that the farm labor camp is in compliance with the health code for farm labor camps.**

(c) **If for a child care facility, in whole or in part, by the Child Care Division that the child care facility is certified.**

(4) **Verification of compliance under subsection (3)(b) of this section may be denied if access to the farm labor camp for purposes of inspection is denied to the appropriate authority.**

(5) **If any verification required under subsection (3) of this section is refused by the appropriate authority or is otherwise not included with a claim for exemption, 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)] (6) [No] **An exemption [shall] may not** be allowed for any year subsequent to the first year 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.

SECTION 23. ORS 307.500 is amended to read:

307.500. (1) Immediately upon receipt of the claim, or any subsequent rental statement, **filed under ORS 307.495** the county assessor shall promptly transmit one copy of the claim to the Department of Revenue.

(2) The rent subsequently reported for the eligible child care facility or eligible farm labor camp for which the claim is made **under ORS 307.485** 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 relat-*

ing 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.]*

SECTION 24. The amendments to ORS 307.495 and 307.500 by sections 22 and 23 of this 2013 Act apply to claims for exemption for assessment years beginning on or after January 1, 2014.

SECTION 25. ORS 307.092 is amended to read:

307.092. (1) As used in this section, "property of a housing authority" includes, but is not limited to:

(a) Property that is held under lease or lease purchase agreement by the housing authority; and

(b) Property of a partnership, nonprofit corporation or limited liability company for which the housing authority is a general partner, limited partner, director, member, manager or general manager, if the property is leased or rented to persons of lower income for housing purposes.

(2)(a) [Except as provided in subsection (3) of this section,] The property of a housing authority is declared to be public property used for essential public and governmental purposes and, **upon compliance with ORS 307.162, [such] the property and [an] the housing authority [shall be] are exempt** from all taxes and special assessments of the city, the county, the state or any political subdivision [thereof] **of the city, county or state.**

(b) In lieu of [such] taxes or special assessments, [an] **the authority may agree to make payments to the city, county or [any such] political subdivision for improvements, services and facilities furnished by [such] the city, county or political subdivision for the benefit of a housing project, but in no event [shall such] may the payments exceed the estimated cost to the city, county or political subdivision of**

the improvements, services or facilities [to be so] furnished.

(3) [The provisions of] **Notwithstanding** subsection (2) of this section, [regarding exemption from taxes and special assessments shall not apply to] property of [the] a housing authority that is commercial property leased to a taxable entity **is not exempt from taxation and special assessments under this section.**

SECTION 26. ORS 307.162, as amended by section 3, chapter 42, Oregon Laws 2012, is amended to read:

307.162. (1)(a) Before any real or personal property may be exempted from taxation under ORS **307.092**, 307.115, 307.118, 307.130 to 307.140, 307.145, 307.147, 307.150, 307.160, 307.181 (3) or 307.580 for any tax year, the institution or organization entitled to claim the exemption must file a claim with the county assessor, on or before April 1 preceding the tax year for which the exemption is claimed. The claim must contain statements, verified by the oath or affirmation of the president or other proper officer of the institution or organization, that:

(A) List all real property claimed to be exempt and show the purpose for which the real property is used; and

(B) Cite the statutes under which exemption for personal property is claimed.

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

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

(2)(a) Notwithstanding subsection (1) of this section, a claim may be filed under this section for the current tax year:

(A) On or before December 31 of the tax year, if the claim is accompanied by a late filing fee of 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 to which the claim pertains.

(B) On or before April 1 of the tax year, if the claim is accompanied by a late filing fee of \$200 and the claimant demonstrates good and sufficient cause for failing to file a timely claim, is a first-time filer or is a public entity described in ORS 307.090.

(b)(A) Notwithstanding subsection (1) of this section, a claimant that demonstrates good and sufficient cause for failing to file a timely claim, is a first-time filer or is a public entity described in ORS 307.090 may file a claim under this section for the five tax years prior to the current tax year:

(i) Within 60 days after the date on which the county assessor mails notice of additional taxes owing under ORS 311.206 for the property to which the claim filed under this subparagraph pertains; or

(ii) At any time if no notice is mailed.

(B) A claim filed under this paragraph must be accompanied by a late filing fee of 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 to which the claim pertains, multiplied by the number of prior tax years for which exemption is claimed.

(c) If a claim filed under this subsection is not accompanied by the late filing fee or if the late filing fee is not otherwise paid, an exemption may not be allowed for the tax years sought by the claim. A claim may be filed under this subsection notwithstanding that there are no grounds for hardship as required for late filing under ORS 307.475.

(d) The value of the property used to determine the late filing fee under this subsection and the determination of the county assessor relative to a claim of good and sufficient cause are appealable in the same manner as other acts of the county assessor.

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

(3) As used in this section:

(a) "First-time filer" means a claimant that:

(A) Has never filed a claim for the property that is the subject of the current claim; and

(B) Did not receive notice from the county assessor on or before December 1 of the tax year for which exemption is claimed regarding the potential property tax liability of the property.

(b)(A) "Good and sufficient cause" means an extraordinary circumstance beyond the control of the taxpayer or the taxpayer's agent or representative that causes the failure to file a timely claim.

(B) "Good and sufficient cause" does not include hardship, reliance on misleading information unless the information is provided by an authorized tax official in the course of the official's duties, lack of knowledge, oversight or inadvertence.

(c) "Ownership" means legal and equitable title.

(4)(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 file a timely claim 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 a claim for exemption with the county assessor to have the additions or improvements to the exempt property be exempt from taxation. The claim must:

(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 claim.

(c) Upon the county assessor's receipt of a completed claim and late filing fee, the assessor shall determine for each tax year for which exemption is sought whether the additions or improvements that are the subject of the claim would have qualified for exemption had a timely claim been filed under subsection (1) of this section. Any property that would have qualified for exemption had a timely claim been filed under subsection (1) of this section is exempt from taxation for each tax year for which the property would have qualified.

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

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

(5) For each tax year for which an exemption granted pursuant to subsection (2) or (4) of this section applies:

(a) Any tax, or interest attributable thereto, that was paid with respect to the property that is declared exempt from taxation must be refunded. Refunds must be made without interest 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 must be abated.

(6) 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 must notify the county assessor of the change to a taxable use within 30 days.

SECTION 27. The amendments to ORS 307.092 and 307.162 by sections 25 and 26 of this 2013 Act apply to claims for exemption for tax years beginning on or after July 1, 2014.

SECTION 28. Section 4, chapter 656, Oregon Laws 2011, is amended to read:

Sec. 4. (1) The amendments to ORS 307.175 by section 3, **chapter 656, Oregon Laws 2011**, [of this 2011 Act] apply to tax years beginning on or after July 1, 2011[, and before July 1, 2018].

(2) An exemption under ORS 307.175 may not be allowed for tax years beginning after July 1, 2017.

SECTION 29. This 2013 Act takes effect on the 91st day after the date on which the 2013 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.

Approved by the Governor May 22, 2013

Filed in the office of Secretary of State May 22, 2013

Effective date October 7, 2013