

CHAPTER 52

AN ACT

SB 1526

Relating to changes to certain Oregon tax laws; creating new provisions; amending ORS 34.030, 34.120, 285B.626, 285B.627, 285C.100, 285C.185, 291.349, 305.140, 305.245, 305.275, 305.280, 305.410, 305.501, 305.560, 305.570, 307.181, 307.555, 307.627, 307.651, 307.677, 311.701, 311.795, 311.990, 315.283 and 327.001 and section 17, chapter 579, Oregon Laws 2019, section 16, chapter 82, Oregon Laws 2022, and sections 1 and 2, chapter 423, Oregon Laws 2023; repealing ORS 307.157, 311.702, 311.704, 311.706, 311.708, 311.711, 311.716, 311.718, 311.721, 311.722, 311.723, 311.725, 311.727, 311.729, 311.730, 311.731, 311.732, 311.735 and 315.288; and prescribing an effective date.

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

2023 LEGISLATION FOLLOW-UP

NOTE: Section 1 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 2. Section 17, chapter 579, Oregon Laws 2019, as amended by section 13, chapter 490, Oregon Laws 2023, and section 4, chapter 545, Oregon Laws 2023, is amended to read:

Sec. 17. (1) ORS 315.591 to 315.603 apply to tax years beginning on or after January 1, 2020, and before January 1, 2030.

(2) Except as provided in ORS 315.593 (6), a credit may not be claimed under ORS 315.593 for tax years beginning on or after January 1, 2030.

(3) The amendments to ORS 315.591, 315.593 and 315.595 by sections 1 to 3, **chapter 545, Oregon Laws 2023**, [of this 2023 Act] apply to tax years beginning on or after January 1, 2024, and before January 1, [2026] **2030**.

SECTION 3. Section 1, chapter 423, Oregon Laws 2023, is amended to read:

Sec. 1. (1)(a) Outstanding ad valorem property taxes, and interest on the taxes, assessed on real property[*the ownership of which was transferred, from the federal government to a port district formed under ORS chapter 777,*] **described in paragraph (b) of this subsection** by the assessor of the county in which the real property is located, are hereby canceled.

(b) This subsection applies to property in which the federal government held a leasehold interest, from a port district formed under ORS chapter 777, that was terminated.

(2) Ad valorem property taxes, and interest on the taxes, assessed on real property owned by a port without a working waterfront formed under ORS chapter 777, that have been outstanding since a date prior to January 1, 2012, are hereby canceled, provided the tax collector of the county in which the

property is located has exhausted all remedies provided by law for collection of the taxes and interest.

SECTION 4. Section 2, chapter 423, Oregon Laws 2023, is amended to read:

Sec. 2. Section 1, **chapter 423, Oregon Laws 2023**, [of this 2023 Act] is repealed on January 2, [2025] **2026**.

SECTION 5. Section 16, chapter 82, Oregon Laws 2022, is amended to read:

Sec. 16. (1) The amendments to ORS 284.368 by section 1, **chapter 82, Oregon Laws 2022**, [of this 2022 Act] apply to fiscal years beginning on or after July 1, 2022.

(2) The amendments to sections 3 and 5, chapter 589, Oregon Laws 2021, by sections 3 and 4, **chapter 82, Oregon Laws 2022**, [of this 2022 Act] apply to tax years beginning on or after January 1, 2022, and before January 1, [2024] **2026**, and to estimated payments due on and after June 15, 2022.

(3) The amendments to section 2, chapter 527, Oregon Laws 2021, by section 8, **chapter 82, Oregon Laws 2022**, [of this 2022 Act] apply to applications for precertification under section 4, chapter 527, Oregon Laws 2021, and applications for exemption under section 5, chapter 527, Oregon Laws 2021, without precertification, filed on or after [the effective date of this 2022 Act] **June 3, 2022**.

(4) Section 10, **chapter 82, Oregon Laws 2022**, [of this 2022 Act] applies to tax years beginning on or after January 1, 2022, and before January 1, 2026.

(5) Sections 13 and 15, **chapter 82, Oregon Laws 2022**, [of this 2022 Act] apply to tax years beginning on or after January 1, 2023, and before January 1, 2029, and to any tax year to which a net operating loss arising in those tax years is carried back.

SECTION 6. ORS 315.283 applies to sales of publicly supported housing completed in tax years beginning on or after January 1, 2024, and before January 1, 2030.

SECTION 7. ORS 315.283 is amended to read:

315.283. (1) A taxpayer is allowed a credit against the taxes otherwise due under ORS chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 for a qualifying sale in Oregon of publicly supported housing during the tax year. The amount of the credit allowed under this section may not exceed:

(a) For housing owned by the taxpayer for at least five years, 2.5 percent of the lesser of the housing's sale price or the appraisal under ORS 315.286 (2)(e); or

(b) For housing owned by the taxpayer for at least 10 years, five percent of the lesser of the housing's sale price or the appraisal under ORS 315.286 (2)(e).

(2) In order to claim a credit under this section, a taxpayer must:

(a) Lack identity of interest with the purchaser; and

(b) Receive certification of a credit under ORS 315.286 (6) and submit the certification to the Department of Revenue upon request of the department.

(3) The Department of Revenue may:

(a) Adopt rules for carrying out the provisions of this section; and

(b) Prescribe the form used to claim a credit under this section and the information required on the form.

(4) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a particular tax year may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried forward and used in the second succeeding tax year, and likewise any credit not used in that second succeeding tax year may be carried forward and used in the third succeeding tax year, but may not be carried forward for any tax year thereafter.

(5) In the case of a credit allowed under this section:

(a) A nonresident is allowed the credit under this section in the proportion provided in ORS 316.117.

(b) If a change in the status of a taxpayer from resident to nonresident or from nonresident to resident occurs, the credit allowed by this section must be determined in a manner consistent with ORS 316.117.

(c) If a change in the tax year of a taxpayer occurs as described in ORS 314.085, or if the Department of Revenue terminates the taxpayer's tax year under ORS 314.440, the credit allowed under this section must be prorated or computed in a manner consistent with ORS 314.085.

(6) The Housing and Community Services Department shall provide information to the Department of Revenue about all certifications issued under this section, if required as provided by ORS 315.058.

SECTION 8. ORS 315.288 is repealed.

POLICY CHANGES

SECTION 9. ORS 285B.627 is amended to read: 285B.627. (1) In consultation with the Department of Revenue, the Oregon Business Development Department shall establish and administer the Oregon Industrial Site Readiness Program. The purpose of the program is to:

(a) Enter into tax reimbursement arrangements with qualified project sponsors pursuant to subsection (5) of this section; or

(b) Provide loans, including forgivable loans, to qualified project sponsors pursuant to subsection (5) of this section.

(2)(a) Subject to standards and procedures that the Oregon Business Development Department shall establish by rule, the department shall designate regionally significant industrial sites for inclusion in the program.

(b) A regionally significant industrial site designated under this section must be an industrial site that is planned and zoned for industrial use.

(3) A project sponsor may apply to participate in the program by submitting an application and development plan in writing in a form prescribed by the department by rule.

(4) The department shall establish by rule criteria and standards for the qualification of project sponsors to participate in the program.

[(5) Upon qualification of a project sponsor under this section, and before July 1, 2023, the department may:]

(5) Upon qualification of a project sponsor under this section, and before December 31, 2029, the department may:

(a) Enter into a tax reimbursement arrangement with the project sponsor pursuant to which the project sponsor shall receive an amount equal to 50 percent of the estimated incremental income tax revenues generated by an eligible employer per tax year, beginning with the first tax year following the tax year in which a project sponsor is qualified under this section, until the total investment of the qualified project sponsor in the eligible site preparation costs, including interest, established under subsection (7) of this section has been recovered, at which time the tax reimbursement arrangement shall end; or

(b) Enter into a loan agreement with the project sponsor under terms and conditions specified and required by the department. In making a determination to enter into a loan agreement with the project sponsor, the department shall consider the reasonableness of the project sponsor's estimated costs to prepare the site for industrial use, including but not limited to eligible site preparation costs established by the department pursuant to subsection (7) of this section. The agreement may specify that a portion of the loan may be forgiven if the project sponsor enters into a contract with an eligible employer to conduct a business in the traded sector industry on a regionally significant industrial site within seven years after the project sponsor was qualified under this section.

(6)(a) The total amount of the loan that may be forgiven under subsection (5) of this section is the lesser of:

(A) Fifty percent of the total cost of eligible site preparation costs; or

(B) Fifty percent of the amount of the estimated incremental income tax revenues for the eligible employer for the term of the loan.

(b) Loan forgiveness may not be allowed under subsection (5) of this section if any portion of the loan that would not be forgiven would be repaid by the project sponsor with state funds received from any source.

(7) The department shall establish, by rule, eligible site preparation costs including, but not limited to, some or all of the following:

(a) Acquisition and assembly costs associated with creating large development parcels.

(b) Transportation improvements such as access roads, intersections, turning lanes, signals, sidewalks, curbs, transit stops and storm drains.

(c) Water and sewer infrastructure.

(d) Natural resource mitigation.

(e) Site grading activities.

(f) Environmental remediation and mitigation activities to address brownfields issues in accordance with state and federally approved remediation plans.

(g) Planning, engineering and administrative costs associated with applying for necessary local, state and federal permits.

(h) Interest-carrying costs incurred by a project sponsor for amounts borrowed to develop a regionally significant industrial site, not to exceed 20 percent of the total amount forgiven, if any, under subsection (5) of this section.

(8) The total amount of tax reimbursement arrangements [and loan amounts] authorized under this section may not exceed \$10 million per year.

(9) Funds received pursuant to a tax reimbursement arrangement or a loan agreement under subsection (5) of this section may not be used for the payment of:

(a) A penalty or fine; or

(b) Environmental remediation activities conducted at a regionally significant industrial site that is listed or proposed to be listed as a national priority pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605) for which the project sponsor, eligible employer or any party to the tax reimbursement arrangement or loan agreement is liable under 42 U.S.C. 9607 at that regionally significant industrial site.

(10) The department shall adopt rules to administer and implement the provisions of this section.

SECTION 10. ORS 285B.626 is amended to read: 285B.626. As used in ORS 285B.625 to 285B.632:

(1) "Eligible employer" means an employer that:

(a) Is conducting a traded sector business on a regionally significant industrial site; and

(b)(A) With respect to **the employer's establishment at a rural site**, has [hired at least 25 full-time employees whose wages average] **increased average annual employment by at least 25 jobs and has an average annual wage of at least 150 percent of the county or state average wage**, whichever is less; or

(B) With respect to **the employer's establishment at an urban site**, has [hired at least 50 full-time employees whose wages average] **increased average annual employment by at least 50 jobs and has an average annual wage of at least 150 percent of the county or state average wage**, whichever is less.

(2) "Estimated incremental income tax revenues" means the Oregon personal income tax revenues that are equivalent to the amount of tax that employees of an eligible employer who are hired by the eligible employer on a designated regionally significant industrial site have paid under ORS chapter 316 in the tax years following the first tax year in which the eligible employer begins conducting a traded sector business on the designated regionally significant industrial site.

(3) "Industrial use" means employment activities, including but not limited to manufacturing, assembly, fabrication, processing, storage, logistics, warehousing, importation, distribution, transshipment and research and development, that generate income from the production, handling or distribution of goods or services, including goods or services in the traded sector.

(4) "Project sponsor" means:

(a) A public owner of a regionally significant industrial site that is investing in preparation of the site for industrial use by a third party; or

(b) A public entity that has entered into a development or other agreement with the private owner of a regionally significant industrial site to prepare the site for industrial use.

(5) "Regionally significant industrial site" means a site planned and zoned for industrial use that:

(a)(A) Is suitable for the location of new industrial uses or the expansion of existing industrial uses and that can provide significant additional employment in the region;

(B) Has site characteristics that provide significant competitive advantages that are difficult or impossible to replicate in the region; and

(C) Has superior access to transportation and freight infrastructure, including but not limited to rail, port, airport, multimodal freight or transshipment facilities and other major transportation facilities or routes; or

(b) Is located in an area designated by Metro, as defined in ORS 197.015, as a regionally significant industrial area.

(6) "Rural site" means a regionally significant industrial site located in an area outside of a metropolitan statistical area, as defined by the most recent federal decennial census.

(7) "Traded sector" has the meaning given that term in ORS 285A.010.

(8) "Urban site" means a regionally significant industrial site located in a metropolitan statistical area, as defined by the most recent federal decennial census, that is located inside a regional or metropolitan urban growth boundary.

(9) "Wage" has the meaning given that term pursuant to rules adopted by the Oregon Business Development Department.

PROPERTY TAX CHANGES

SECTION 11. ORS 307.157 is repealed.

SECTION 12. ORS 311.702, 311.704, 311.706, 311.708, 311.711, 311.716, 311.718, 311.721, 311.722, 311.723, 311.725, 311.727, 311.729, 311.730, 311.731, 311.732 and 311.735 are repealed.

SECTION 13. Notwithstanding the repeal of ORS 311.702, 311.704, 311.706, 311.708, 311.711, 311.716, 311.718, 311.721, 311.722, 311.723, 311.725, 311.727, 311.729, 311.730, 311.731, 311.732 and 311.735 by section 12 of this 2024 Act, all balances deferred under ORS 311.702 to 311.735 that remain outstanding on the effective date of this 2024 Act shall remain due and payable and subject to collection and foreclosure under the provisions of ORS 311.702 to 311.735 as in effect immediately before the effective date of this 2024 Act.

SECTION 14. ORS 307.555 is amended to read: 307.555. (1) As used in this section and ORS 307.558:

(a) “Affordable housing covenant” and “eligible covenant holder” have the meanings given those terms under ORS 456.270.

(b) “Condominium unit” or “unit” has the meaning given that term under ORS 100.005.

(c) [“Permanent”] **“Long-term”** means for a period of not less than 99 years.

(2) Upon compliance with ORS 307.162, land owned by an eligible covenant holder that is burdened by an affordable housing covenant requiring [permanent] **long-term** affordability is exempt from ad valorem property taxation if, for any property tax year:

(a) The improvements on the land constitute owner-occupied housing;

(b) Owner-occupied housing is being constructed or rehabilitated on the land for a reasonable period;

(c) The land is being held for a reasonable period for the construction of owner-occupied housing;

(d) The owner-occupied housing on the land is unoccupied while offered for sale as owner-occupied housing; or

(e) The owner is required to be absent from the owner-occupied housing on the land by reason of health or active military service.

(3)(a) Upon compliance with ORS 307.162, 27 percent of the assessed value of an owner-occupied condominium unit burdened by an affordable housing covenant requiring [permanent] **long-term** affordability is exempt from ad valorem property taxation.

(b) An owner-occupied condominium unit that otherwise remains eligible shall continue to receive the partial property tax exemption granted under this subsection if, for any property tax year:

(A) The unit is being rehabilitated for a reasonable period and will constitute owner-occupied housing after the rehabilitation is complete;

(B) The unit is unoccupied while offered for sale as owner-occupied housing; or

(C) The owner is required to be absent from the unit by reason of health or active military service.

(4)(a) Except as provided in paragraph (b) of this subsection, for purposes of subsections (2)(b) and (c) and (3)(b)(A) of this section, “reasonable period” means a period not exceeding seven years.

(b) If, before the end of the sixth consecutive property tax year for which land or an owner-occupied condominium unit is granted an exemption or partial exemption in the circumstances described in subsection (2)(b) or (c) or (3)(b)(A) of this section, the eligible covenant holder or owner believes that the construction, rehabilitation or holding period, as applicable, will continue past the end of the next following property tax year, the eligible covenant holder or owner may claim a three-year extension by filing a notice of extension with the county assessor.

(c) The extension becomes effective if the notice of extension is filed on or before April 1 preceding the first property tax year for which the extension is claimed and is accompanied by a filing fee equal to the greater of \$200 or one-tenth of one percent of the real market value of the land or the owner-occupied condominium unit as of the most recent assessment date.

(5) Each year that a parcel of land or an owner-occupied condominium unit is granted exemption or partial exemption under this section, the county assessor shall enter on the assessment and tax roll that the property is exempt or partially exempt and is subject to potential additional taxes as provided under ORS 307.558 by adding the notation “potential additional taxes.”

(6) ORS 315.037 does not apply to this section.

SECTION 15. ORS 307.627 is amended to read: 307.627. (1) If, after application has been approved under ORS 307.600 to 307.637, 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 being or becoming subject to a low income housing assistance contract with an agency or subdivision of this state or the United States and the housing is not housing subject to a low income housing assistance contract as of a date the housing is required to be subject to a low income housing assistance contract in order to receive the exemption:

(a) The exemption granted the multiple-unit housing or portion under ORS 307.600 to 307.637 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 dif-

ference 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 307.637 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 307.637.

(B) In the case of multiple-unit housing described in ORS 307.603 (5)(a), this paragraph applies only if the low income housing assistance contract to which the housing was or was to become subject was not entered into, **was** breached or **was** 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 307.637.

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

SECTION 16. ORS 308.408, 308.411, 308.412 and 308.413 are added to and made a part of ORS 308.408 to 308.413.

SECTION 17. ORS 311.990 is amended to read: 311.990. (1) Violation of ORS 311.270 is a Class B violation.

(2) Violation of ORS 311.350 is a Class B misdemeanor.

(3) Violation of ORS 311.425 (1) is a Class A violation.

(4) If a tax collector fails to comply with any of the provisions of law relating to the receiving and receipting of moneys and warrants collected by the tax collector for taxes, the tax collector commits a Class A violation. The court before whom the tax collector is tried shall declare the office of the tax collector vacant for the remainder of the **tax collector’s** term *[of the tax collector]*.

(5) If a tax collector willfully returns as unpaid any tax *[which]* **that** has been paid to the tax collector, the tax collector commits a Class B misdemeanor.

(6) If a tax collector or sheriff neglects or refuses to pay over **to the county treasurer** all moneys collected **for taxes** by the tax collector or sheriff *[for taxes to the county treasurer]*, or neglects or refuses to make a return of delinquent taxes of the county, or any other return or statement, as required by the laws relating to the collection of property taxes, the tax collector or sheriff commits a Class C felony.

(7) A person who knowingly makes a *[false oath]* **statement that is untrue with respect to a claim** under ORS 311.666 to 311.701 commits *[perjury]* **the**

crime of false swearing and shall be punished as provided by ORS *[162.085]* **162.075.**

SECTION 18. The amendments to ORS 311.990 by section 17 of this 2024 Act apply to statements made on or after the effective date of this 2024 Act.

SECTION 19. ORS 307.651 is amended to read: 307.651. As used in ORS 307.651 to 307.687, unless the context requires otherwise:

(1) “Governing body” means the city legislative body having jurisdiction over the property for which an exemption may be applied for under ORS 307.651 to 307.687.

(2) “Manufactured home” means a structure that complies with any or all of the following placement standards, or any less restrictive standard, for the approval of manufactured homes located outside mobile home parks:

(a) The structure shall be multisectional and enclose a space of not less than 1,000 square feet.

(b) The structure shall be placed on an excavated and back-filled foundation and enclosed at the perimeter such that the structure is located not more than 12 inches above grade.

(c) The structure shall have a pitched roof.

(d) The structure shall have exterior siding and roofing which in color, material and appearance is similar to the exterior siding and roofing material commonly used on residential dwellings within the community or which is comparable to the predominant materials used on surrounding dwellings as determined by the local permit approval authority.

(e) The structure shall be certified by the manufacturer to have an exterior thermal envelope meeting performance standards that reduce levels equivalent to the performance standards required of single-family dwellings constructed under the state building code as defined in ORS 455.010.

(f) The structure shall have a garage or carport constructed of like materials.

[(2)] (3) “Qualified dwelling unit” means a dwelling unit that, at the time an application is filed pursuant to ORS 307.667, has a market value for the land and improvements of no more than 120 percent, or a lesser percentage as adopted by the governing body by resolution, of the median sales price of dwelling units located within the city.

[(3)] (4) “Single-unit housing” means a structure having one or more dwelling units that:

(a) Is, or will be, upon purchase, rehabilitation or completion of construction, 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, 197A and 227.

(b) If newly constructed, is completed within two years after application for exemption is approved under ORS 307.674.

(c) Is designed for each dwelling unit within the structure to be purchased by and lived in by one person or one family.

(d) Has one or more qualified dwelling units within the single-unit housing.

(e) Is not a floating home, as defined in ORS 830.700, or a manufactured structure, other than a manufactured home [*described in ORS 197.307 (8)(a) to (f) (2021 Edition)*].

[(4)] (5) "Structure" does not include the land or any site development made to the land, as those terms are defined in ORS 307.010.

SECTION 20. ORS 307.677 is amended to read:

307.677. Notwithstanding ORS 307.651 to 307.687:

(1) If the city finds that construction of single-unit housing was not completed in accordance with ORS 307.651 [(3)(b)] (4)(b), the city may extend the deadline for completion of construction for a period not to exceed an additional 24 consecutive months if the city further finds that:

(a) The failure to complete construction was due to circumstances beyond the control of the owner; and

(b) The owner had been acting and could reasonably be expected to act in good faith and with due diligence.

(2) If property granted exemption under ORS 307.651 to 307.687 is destroyed by fire or act of God, or is otherwise no longer capable of occupancy due to circumstances beyond the control of the owner, the exemption shall cease but no additional taxes or penalty shall be imposed under ORS 307.651 to 307.687 upon the property.

SECTION 21. ORS 305.140 is amended to read:

305.140. (1) Any person having an interest in or lien upon any real property may request the Department of Revenue in writing to release such real property from a cloud on the title of or lien on such property existing, created or continued under any one or more of the following:

(a) A warrant provided for in ORS 314.430, 321.570, 323.610 or 475C.688; or

(b) The provisions of ORS 311.673, 311.679, 311.689[311.711] or 311.771.

(2) If, upon a request under subsection (1) of this section, the department finds that a sale of such real property would not result in satisfaction in whole or in part of the taxes due, it shall execute a release of such cloud or lien upon such property, and such release shall be conclusive evidence of the removal and extinguishment of such cloud or lien in respect of such real property.

(3) In addition to the release of cloud or lien provided for in subsection (1) of this section, the department may execute releases on part or all of any real property in the following cases, which releases shall be conclusive evidence of the removal and extinguishment of such cloud or lien:

(a) If the department finds that liability for the amount assessed, together with all interest thereon

and penalties and costs in respect thereof, has been satisfied;

(b) If the department finds that the fair market value of that part of the property remaining subject to the cloud or lien is at least double the amount of the liability remaining unsatisfied in respect of such tax and the amount of all prior liens upon the property;

(c) If there is supplied to the department either an irrevocable letter of credit issued by an insured institution as defined in ORS 706.008 or a bond, in such form and with such surety as the department considers sufficient, conditioned upon the payment of the amount of the warrant, together with all interest in respect thereof, within 60 days after the issuance of the release; or

(d) If there is paid to the department in partial satisfaction of the amount of the warrant provided for in ORS 314.430, 321.570, 323.610 or 475C.688 or the amount of any lien under ORS 311.673, 311.679, 311.689[311.711] or 311.771, an amount not less than the value, as determined by the department, of the lien of the State of Oregon upon the part of the property so to be released. In determining such value the department shall give consideration to the fair market value of the part of the property so to be released and to such liens thereon as have priority to the lien of the State of Oregon.

SECTION 22. ORS 311.701 is amended to read:

311.701. (1) There is established in the State Treasury the [*Senior*] **Homestead Property Tax Deferral Revolving Account** to be used by the Department of Revenue for the purpose of making the payments to:

(a) County tax collectors of property taxes deferred for tax years beginning on or after January 1, 1983, as required by ORS 311.676.

[(b) *The appropriate local officer of special assessment improvement amounts deferred on or after October 15, 1983, as required by ORS 311.730.*]

[(c)] (b) The department for its expenses in administering the [*property tax and special assessment senior deferral programs*] **homestead property tax deferral program under ORS 311.666 to 311.701.**

(2) The [*Senior*] **Homestead Property Tax Deferral Revolving Account** may include a reserve for payment of department administrative expenses.

(3) All sums of money received by the Department of Revenue under ORS 311.666 to 311.701 as repayments of deferred property taxes [*or under ORS 311.702 to 311.735 as repayments of deferred special assessment improvement amounts*], including the interest accrued under ORS 311.674 (3) [*or 311.711 (3)*] shall, upon receipt, be credited to the revolving account and are continuously appropriated to the department for the purposes of subsection (1) of this section.

(4)(a) If there are not sufficient moneys in the revolving account to make the payments required by subsection (1) of this section, and the amount appropriated from the General Fund is not sufficient when added together with the moneys in the revol-

ing account to provide an amount sufficient to make the required payments, the State Treasurer, in the capacity of investment officer for the Oregon Investment Council, may lend to the Department of Revenue such amounts as may be necessary to make the payments.

(b) The State Treasurer may lend moneys that may be invested as provided in ORS 293.701 to 293.857.

(c) Any moneys lent under this subsection shall be repaid within five years together with interest at a rate determined by the State Treasurer and consistent with the investment standards of ORS 293.721 and 293.726.

SECTION 22a. The amendments to ORS 311.701 by section 22 of this 2024 Act become operative on July 1, 2034.

SECTION 23. ORS 311.795 is amended to read:

311.795. (1) A county governing body may cancel all delinquent taxes and the interest and penalties thereon accrued upon property donated to any incorporated city or town or any park and recreation district organized and operating under ORS chapter 266 for parks, playgrounds or a city hall. This section does not apply if the city, town or park and recreation district makes any payment to the owner, either directly or indirectly, for the property.

(2) A county governing body may cancel all delinquent real property taxes and interest and penalties due thereon from any taxpayer where the total of the same is \$10 or less, when in the judgment of the county governing body the cost of collecting the same will be greater than the amount to be collected.

(3) A county governing body may cancel all delinquent personal property taxes and the interest and penalties thereon due from any taxpayer where the total of the same is \$10 or less and in the judgment of the county governing body the cost of collecting the same will be greater than the amount to be collected.

(4) Property taxes that are deferred under the homestead **property tax** deferral program established under ORS 311.666 to 311.701[, *special assessments for local improvements that are deferred under ORS 311.702 to 311.735*] or property taxes that are deferred under the disaster area tax deferral program established under ORS 311.740 to 311.780 are not delinquent taxes for purposes of this section. A county governing body may not cancel any deferred taxes[, *deferred special assessments*] or interest or penalties that accrue with respect to deferred taxes [or *deferred special assessments*] described in this subsection.

SECTION 24. ORS 285C.100 is amended to read:

285C.100. (1) Notwithstanding ORS 285C.095, a city shall be designated for electronic commerce if the city:

(a) By resolution of the governing body of the city, declares itself a city designated for electronic commerce;

(b) As of January 1, 2002, has a population of more than 1,500 but less than 2,000;

(c) Is located less than 25 miles from a city with a population of more than 500,000; and

(d) Is located less than 10 miles from a city with a high concentration of high technology firms and with a population that, as of January 1, 2002, does not exceed 85,000.

(2) Only one city may be designated for electronic commerce under this section, and that designation shall be made without consideration of the numeric limits imposed by ORS 285C.095.

(3)(a) A city does not need to sponsor an enterprise zone to be designated for electronic commerce under this section.

(b) The governing body of a city designated for electronic commerce under this section does not need to comply with the requirements of ORS 285C.067 or 285C.090, but the governing body must take all actions that are required of a sponsor of a rural enterprise zone under ORS 285C.050 to 285C.250 with respect to business firms seeking exemption under ORS 285C.175.

(c) A business firm that is engaged in electronic commerce **or semiconductor-related development activities** at a location inside a city designated for electronic commerce under this section and that seeks an exemption under ORS 285C.175 must take all actions required of a qualified business firm under ORS 285C.050 to 285C.250, except that the business firm does not need to be located within an enterprise zone.

(d) A business firm described in paragraph (c) of this subsection:

(A) Shall be an eligible business firm, the qualified property of which is exempt from taxation under ORS 285C.175 as if the qualified property were located in an enterprise zone under ORS 285C.095, **or if the qualified property is used in semiconductor-related development activities;** and

(B) May claim the tax credit under ORS 315.507.

(4) Designation of a city for electronic commerce under this section is not final until a positive determination in favor of the city has been made by the Oregon Business Development Department under ORS 285C.102.

(5) For the purpose of determining the boundaries of a city designated for electronic commerce, "city" includes:

(a) Territory that is annexed into the city, as of the date of the annexation;

(b) Land within the urban growth boundary of the city; and

(c) Territory that is added to the urban growth boundary described in paragraph (b) of this subsection, as of the date the urban growth boundary is extended to such territory.

SECTION 25. ORS 285C.185 is amended to read:

285C.185. (1) In order for property to be qualified property under ORS 285C.180, the property must cost:

(a) \$50,000 or more, in the case of:

(A) All real property that is concurrently exempt at the location; or

(B) An item of personal property that is not described in paragraph (b) of this subsection.

(b) \$1,000 or more, in the case of an item of personal property that is used:

(A) Exclusively in the production of tangible goods; [or]

(B) In electronic commerce in an enterprise zone approved for electronic commerce designation under ORS 285C.095; **or**

(C) In semiconductor-related development activities in a city designated for electronic commerce.

(2) The estimated cost of property set forth in an application for authorization under ORS 285C.140 shall be disregarded for purposes of determining if property is qualified property.

(3) Property that is leased by the authorized business firm may be qualified property under ORS 285C.180 only if the terms of the lease provide:

(a) During the term of the lease, that the authorized business firm is to compensate the owner of the leased property for all property taxes assessed against the leased property or that the firm is to pay these taxes; and

(b) That the term of the lease begins on or before the start of the first tax year for which the property is exempt and ends on or after the last day of the last tax year for which the property is exempt.

(4) In order for property that is owned or leased by an authorized business firm operating a hotel, motel or destination resort to be qualified property under ORS 285C.180, the property must be:

(a) Located and in service in an enterprise zone of a sponsor or in the jurisdiction of a restricted city or county cosponsor that has elected under ORS 285C.070 to treat a business firm engaged in hotel, motel or destination resort operations as an eligible business firm;

(b) Located at the same site as the hotel, motel or destination resort or in close proximity to that site; and

(c) Used primarily to serve overnight guests of the hotel, motel or destination resort. Property is used primarily to serve overnight guests if at least 50 percent of any receipts from use of the property are paid by overnight guests.

(5) In order for property owned or leased and operated by a business firm engaged in electronic commerce **or in semiconductor-related development activities** in a city designated for electronic commerce under ORS 285C.100 to be qualified property, the property otherwise qualified under this section and the applicable electronic commerce operations **or semiconductor-related development activities** of the firm must be located in that city.

(6)(a) As used in this section, “item of personal property” includes an integrated system consisting of various components.

(b) Consistent with paragraph (a) of this subsection, the Department of Revenue may by rule further define what constitutes an item of personal property for purposes of this section.

SECTION 26. The amendments to ORS 285C.100 and 285C.185 by sections 24 and 25 of this 2024 Act apply to property tax years beginning on or after July 1, 2025.

SECTION 26a. ORS 307.181 is amended to read:

307.181. (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) Acquisition of the land by the United States in trust status has been requested or is in process.

(b) The exemption granted under this subsection ceases if the federal government enters a final administrative determination denying the request for acquisition of the land in trust status and:

(A) The deadlines for all available federal administrative appeals and federal judicial review expire with no appeal or review initiated; or

(B) All federal administrative and judicial proceedings arising from or related to the request for or process of acquisition of the land in trust status that have been initiated are completed without overturning the administrative denial of the request.

(2)(a) Regardless of ownership, permanent improvements are exempt from state and local property taxes and fees, charges and assessments related to property taxation if the improvements are located on land that is owned by the United States and held in trust pursuant to federal law for:

(A) A federally recognized Indian tribe; or

(B) An individual member of a federally recognized Indian tribe.

(b) **Except as provided in paragraph (c) of this subsection**, the exemption granted under **paragraph (a)** of this subsection does not apply to property assessable under ORS 308.505 to 308.674.

(c) Regardless of ownership, permanent improvements that would otherwise be assessable under ORS 308.505 to 308.674 are exempt from state and local property taxes and fees, charges and assessments related to property taxation if the permanent improvements:

(A) Are located on land that is:

(i) Owned by the United States and held in trust pursuant to federal law for a federally recognized Indian tribe in Oregon; and

(ii) Within Jefferson County or Wasco County;

(B) Consist of solar energy systems for the purpose of heating, cooling or generating electricity; and

(C) Are subject to a property tax program imposed by the tribe.

(d) Upon request, and pursuant to an inter-governmental agreement between the tribe and the governing body of any county in which a portion of the permanent improvements is located, the county assessor shall provide such information as is necessary for the tribe to assess, impose and collect the tribal property taxes on the permanent improvements described in paragraph (c) of this subsection.

(e) Property granted exemption under paragraph (c) of this subsection is not centrally assessed for purposes of ORS 307.330.

(f) ORS 315.037 does not apply to the exemption granted under paragraph (c) of this subsection.

(3)(a) Notwithstanding subsection (1) of this section, property that is owned exclusively by an eligible Indian tribe or by an entity wholly owned by an eligible Indian tribe, or a portion of the property, is exempt from taxation if the property, or the portion of the property, respectively, is used exclusively for government services.

(b) Property described in paragraph (a) of this subsection that may be exempt from taxation as property used exclusively for low income rental housing includes, without limitation, property that:

(A) Is held under lease or a lease purchase agreement by an eligible Indian tribe;

(B)(i) Is the property of a partnership, nonprofit corporation or limited liability company of which an eligible Indian tribe is a general partner, limited partner, director, member, manager or general manager; and

(ii) Is leased or rented to low income persons for housing purposes; or

(C) Is used exclusively for an activity that qualifies as an affordable housing activity under 25 U.S.C. 4132.

(c) Property described in paragraph (a) of this subsection may not be exempt from taxation as property that is used exclusively for low income rental housing unless:

(A) All agreements necessary for the construction and operation of the property as low income rental housing are executed before July 1, 2017;

(B) For purposes of ORS 307.540 to 307.548, the requirements of ORS 307.543 have been satisfied;

(C) The property is offered for rent or is held for the purpose of developing low income rental housing;

(D) If occupied, the property is occupied solely by low income persons; and

(E) The property is located in a county in which more than 10 percent of the enrolled members of the eligible Indian tribe reside.

(4) As used in this section:

(a) “Eligible Indian tribe” means the Burns Paiute Tribe, the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of Warm

Springs Reservation of Oregon, the Coquille Indian Tribe, the Cow Creek Band of Umpqua Tribe of Indians or the Klamath Tribes.

(b) “Government services” means services provided by an eligible Indian tribe that:

(A) Are equivalent to services that a state or local government or the federal government customarily provides to its citizens;

(B) Are related to:

(i) Tribal administration;

(ii) Tribal facilities or tribal health facilities;

(iii) Elementary or secondary education or higher education, including community colleges;

(iv) Transportation;

(v) Fire or police;

(vi) Low income rental housing;

(vii) Utility services provided to an Indian reservation or to land held in trust by the United States for the benefit of an eligible Indian tribe; or

(viii) Cemeteries; and

(C) Other than government services related to the uses of property described in subsection (3)(c) of this section, do not generate income.

(c) “Low income”:

(A) Means income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development.

(B) For purposes of projects undertaken pursuant to the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104-330), includes income that qualifies under 24 C.F.R. 5.609.

(d) “Permanent improvements” means “real property” as defined in ORS 307.010 (1)(b)(B).

(e) “Utility services” means services related to sanitation, sewer, storm drainage and water.

SECTION 26b. The exemption granted under ORS 307.181 (2)(c) applies to:

(1) The first solar energy system project completed on or after the effective date of this 2024 Act.

(2) Property tax years beginning on or after July 1, 2025.

ADMINISTRATIVE CHANGES

SECTION 27. ORS 291.349 is amended to read:

291.349. (1) As soon as practicable after adjournment sine die of the odd-numbered year regular session of the Legislative Assembly, the Oregon Department of Administrative Services shall report to the Legislative Revenue Officer and the Legislative Fiscal Officer the estimate as of July 1 of the first year of the biennium of General Fund and State Lottery Fund revenues that will be received by the state during that biennium. The Oregon Department of Administrative Services shall base its estimate on the last forecast given to the Legislative Assembly before adjournment sine die of the odd-numbered year regular session on which the printed, adopted

budget prepared in the Oregon Department of Administrative Services is based, adjusted only insofar as necessary to reflect changes in laws adopted at that session. The report shall contain the estimated revenues from corporate income and excise taxes separately from the estimated revenues from other General Fund sources. The Oregon Department of Administrative Services may revise the estimate if necessary following adjournment sine die of a special session or an even-numbered year regular session of the Legislative Assembly, but any revision does not affect the basis of the computation described in subsection (3) or (4) of this section.

(2) As soon as practicable after the end of the biennium, the Oregon Department of Administrative Services shall report to the Legislative Revenue Officer and the Legislative Fiscal Officer, or the Legislative Assembly if it is in session, the amount of General Fund revenues collected as of the last June 30 of the preceding biennium. The report shall contain the collections from corporate income and excise taxes separately from collections from other sources.

(3) If the revenues received from the corporate income and excise taxes during the biennium exceed the amounts estimated to be received from such taxes for the biennium, as estimated after adjournment sine die of the odd-numbered year regular session, by two percent or more, the total amount of that excess shall be retained in the General Fund and used, in the manner described in ORS 291.345, to provide additional funding for public education, kindergarten through grade 12.

(4) If the revenues received from General Fund revenue sources, exclusive of those described in subsection (3) of this section, during the biennium exceed the amounts estimated to be received from such sources for the biennium, as estimated after adjournment sine die of the odd-numbered year regular session, by two percent or more, there shall be credited to personal income taxpayers an amount equal to the total amount of that excess, reduced by the cost certified by the Department of Revenue under ORS 291.351 as being allocable to credits described under this subsection. The excess amount to be credited shall be credited to personal income taxpayers in a percentage amount of prior year personal income tax liability as determined under subsection (5) of this section.

(5)(a) If there is an excess to be credited under subsection (4) of this section, on or before [October] **November** 1, following the end of each biennium, the Oregon Department of Administrative Services shall determine and certify to the Department of Revenue the percentage amounts of credit for purposes of subsection (4) of this section. The percentage amounts determined shall be percentage amounts to the nearest one-tenth of a percent that will distribute the excess to be credited to personal income taxpayers.

(b) The percentage amount applicable to subsection (4) of this section shall equal the amount dis-

tributed under subsection (4) of this section divided by the estimated total personal income tax liability for all personal income taxpayers for tax years beginning in the calendar year immediately preceding the calendar year in which the excess is determined.

(c) The amount of the surplus credit under subsection (4) of this section is determined by multiplying the percentage amount determined under paragraph (b) of this subsection by the total amount of a personal income taxpayer's tax liability for the tax year beginning in the calendar year immediately preceding the calendar year in which the excess is determined in order to calculate the amount to be credited to the taxpayer.

(d) The credit shall be determined based on the tax liability as shown on the return of the taxpayer or as corrected by the Department of Revenue.

(e) The credit shall be computed after the allowance of a credit provided under ORS 316.082, 316.131 or 316.292, but before the allowance of any other credit or offset against tax liability allowed or allowable under any provision of law of this state, and before the application of estimated tax payments, withholding or other advance tax payments.

(f) For personal income taxpayers, if a credit applied against tax liability as described in paragraph (e) of this subsection reduces tax liability to zero and an amount of the credit remains unused, the remaining unused amount shall be refunded to the taxpayer. For purposes of ORS chapters 305, 314, 315 and 316, refunds issued under this paragraph are refunds of an overpayment of tax imposed under ORS chapter 316.

(g) The Department of Revenue may prescribe by rule the manner of calculating and claiming a credit if the filing status of a taxpayer changes between the tax year for which a credit may be claimed and the succeeding tax year.

(6) A refund may not be made under this section to a taxpayer if the amount of the refund is less than \$1.

(7) Not later than [October] **November** 15 following the end of the biennium, the Department of Revenue shall provide information and guidance to taxpayers relating to the calculation of the credit. The department may make the information and guidance available electronically or otherwise.

(8) The Department of Revenue may adopt rules specifying the manner for issuing refunds under this section to taxpayers who filed returns for the tax year on which the credit is computed but who are not required to file returns for the year in which the credit could be claimed.

SECTION 28. ORS 327.001 is amended to read:
327.001. (1) The Fund for Student Success is established in the State Treasury, separate and distinct from the General Fund.

(2) The Fund for Student Success shall consist of moneys appropriated by the Legislative Assembly, moneys transferred to the fund under ORS 317A.155 and moneys received as provided in subsection (3) of this section.

(3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the Fund for Student Success. Moneys received as provided in this subsection shall be deposited into the Fund for Student Success.

(4) Moneys in the Fund for Student Success are continuously appropriated to the department for:

(a) Transfer for each biennium to the State School Fund in the amount calculated by the [*Legislative Fiscal Officer and the Legislative Revenue Officer*] **division of the Oregon Department of Administrative Services that serves as office of economic analysis** to be the sum of:

(A) At least \$40 million, for the purpose of a transfer under ORS 327.008 (10) to the High Cost Disabilities Account established in ORS 327.348; and

(B) The amount of change in General Fund revenue to be collected in the biennium due to the amendments to ORS 316.037 by section 56, chapter 122, Oregon Laws 2019, and the operation of ORS 317A.100 to 317A.158.

(b) Retention as a reserve for cash flow and revenue shortfall purposes.

(c) Of the amount in the Fund for Student Success that is not dedicated for transfer as prescribed by paragraph (a) of this subsection or retained under paragraph (b) of this subsection, transfer to other education accounts as follows:

(A) At least 50 percent to the Student Investment Account established in ORS 327.175.

(B) Up to 30 percent to the Statewide Education Initiatives Account established in ORS 327.250.

(C) At least 20 percent to the Early Learning Account established in ORS 327.269.

(5) The department shall make the transfers prescribed by subsection (4) of this section on a periodic basis. The transfers must be in amounts that, based on the most recent data available to the department, ensure that the amounts and percentages identified in subsection (4) of this section are satisfied by the end of the biennium.

SECTION 29. ORS 34.030 is amended to read:

34.030. (1) **Except as provided in subsection (2) of this section**, the writ shall be allowed by the circuit court, or, in counties where the county court has judicial functions, by the county court wherein the decision or determination sought to be reviewed was made, upon the petition of the plaintiff, describing the decision or determination with convenient certainty, and setting forth the errors alleged to have been committed therein. The petition shall be signed by the plaintiff or the attorney of the plaintiff, and verified by the certificate of an attorney to the effect that the attorney has examined the process or proceeding, and the decision or determination therein, and that it is erroneous as alleged in the petition. A writ shall not be allowed unless the petition therefor is made within 60 days from the date of the decision or determination sought to be reviewed.

(2) **The regular division of the Oregon Tax Court shall have jurisdiction in review proceedings in all cases within its jurisdiction as described in ORS 305.410.**

SECTION 30. ORS 34.120 is amended to read:

34.120. (1) Except as provided in subsection (2) of this section, the circuit court or judge [*thereof*] **of the circuit court** of the county [*wherein*] **in which** the defendant, if a public officer or body, exercises functions, or if a private person or corporation, [*wherein*] **in which** such person resides or may be found, or such private corporation might be sued in an action, shall have exclusive jurisdiction of mandamus proceedings, including proceedings under ORS 215.429 and 227.179.

(2) The regular division of the Oregon Tax Court [*or judge thereof*] shall have jurisdiction in mandamus proceedings in all cases [*involving tax laws*] **within its jurisdiction** as described in ORS 305.410, and the Supreme Court may take original jurisdiction in mandamus proceedings as provided in section 2 of amended Article VII of the Oregon Constitution.

SECTION 31. ORS 305.245 is amended to read:

305.245. Notwithstanding ORS 8.690, 9.160, 9.320, ORS chapter 180, ORS 203.145 or other law, in any conference or proceeding before a tax court magistrate with respect to the administration of any tax, a [*county*] **local government** or the Department of Revenue may be represented by any officer or authorized employee of the [*county*] **local government** or department.

SECTION 32. ORS 305.275 is amended to read:

305.275. (1) Any person may appeal under this subsection to the magistrate division of the Oregon Tax Court as provided in ORS 305.280 and 305.560, if all of the following criteria are met:

(a) The person must be aggrieved by and affected by an act, omission, order or determination of:

(A) The Department of Revenue in its administration of the revenue and tax laws of this state;

(B) A county property value appeals board other than an order of the board;

(C) A county assessor or other county official, including but not limited to the denial of a claim for exemption, the denial of special assessment under a special assessment statute, or the denial of a claim for cancellation of assessment;

(D) A tax collector; [*or*]

(E) A local government in its administration of a tax described in ORS 305.410 (3), if the person first exhausts all administrative remedies provided before the local government; **or**

(F) **An independent appeals board of a local government that consists of tax professionals and excludes local government officials or employees.**

(b) The act, omission, order or determination must affect the property of the person making the appeal or property for which the person making the appeal holds an interest that obligates the person to

pay taxes imposed on the property. As used in this paragraph, an interest that obligates the person to pay taxes includes a contract, lease or other intervening instrumentality.

(c) There is no other statutory right of appeal for the grievance.

(2) Except as otherwise provided by law, any person having a statutory right of appeal under the revenue and tax laws of the state may appeal to the tax court as provided in ORS 305.404 to 305.560.

(3) If a taxpayer may appeal to the property value appeals board under ORS 309.100, then no appeal may be allowed under this section. The appeal under this section is from an order of the board as a result of the appeal filed under ORS 309.100 or from an order of the board that certain corrections, additions to or changes in the roll be made.

(4) A county assessor who is aggrieved by an order of the county property value appeals board may appeal from the order as provided in this section, ORS 305.280 and 305.560.

SECTION 33. ORS 305.275, as operative until July 1, 2024, is amended to read:

305.275. (1) Any person may appeal under this subsection to the magistrate division of the Oregon Tax Court as provided in ORS 305.280 and 305.560, if all of the following criteria are met:

(a) The person must be aggrieved by and affected by an act, omission, order or determination of:

(A) The Department of Revenue in its administration of the revenue and tax laws of this state;

(B) A county board of property tax appeals other than an order of the board;

(C) A county assessor or other county official, including but not limited to the denial of a claim for exemption, the denial of special assessment under a special assessment statute, or the denial of a claim for cancellation of assessment;

(D) A tax collector; *[or]*

(E) A local government in its administration of a tax described in ORS 305.410 (3), if the person first exhausts all administrative remedies provided before the local government; **or**

(F) An independent appeals board of a local government that consists of tax professionals and excludes local government officials or employees.

(b) The act, omission, order or determination must affect the property of the person making the appeal or property for which the person making the appeal holds an interest that obligates the person to pay taxes imposed on the property. As used in this paragraph, an interest that obligates the person to pay taxes includes a contract, lease or other intervening instrumentality.

(c) There is no other statutory right of appeal for the grievance.

(2) Except as otherwise provided by law, any person having a statutory right of appeal under the revenue and tax laws of the state may appeal to the tax court as provided in ORS 305.404 to 305.560.

(3) If a taxpayer may appeal to the board of property tax appeals under ORS 309.100, then no appeal may be allowed under this section. The appeal under this section is from an order of the board as a result of the appeal filed under ORS 309.100 or from an order of the board that certain corrections, additions to or changes in the roll be made.

(4) A county assessor who is aggrieved by an order of the county board of property tax appeals may appeal from the order as provided in this section, ORS 305.280 and 305.560.

SECTION 34. ORS 305.280 is amended to read:

305.280. (1) Except as otherwise provided in this section, an appeal under ORS 305.275 (1) or (2) shall be filed within 90 days after the act, omission, order or determination becomes actually known to the person, but in no event later than one year after the act or omission has occurred, or the order or determination has been made. An appeal under ORS 308.505 to 308.674 shall be filed within 90 days after the date the order is issued under ORS 308.584 (3). An appeal from a supervisory order or other order or determination of the Department of Revenue shall be filed within 90 days after the date a copy of the order or determination or notice of the order or determination has been served upon the appealing party by mail as provided in ORS 306.805.

(2) An appeal under ORS 323.416 or 323.623 or from any notice of assessment or refund denial issued by the Department of Revenue with respect to a tax imposed under ORS chapter 118, 308, 308A, 310, 314, 316, 317, 318, 321 or this chapter, or collected pursuant to ORS 305.620, shall be filed within 90 days after the date of the notice. An appeal from a proposed adjustment under ORS 305.270 shall be filed within 90 days after the date the notice of adjustment is final.

(3) Notwithstanding subsection (2) of this section, an appeal from a notice of assessment of taxes imposed under ORS chapter 314, 316, 317 or 318 may be filed within two years after the date the amount of tax, as shown on the notice and including appropriate penalties and interest, is paid.

(4) Except as provided in subsection (2) of this section or as specifically provided in ORS chapter 321, an appeal to the tax court under ORS chapter 321 or from an order of a county property value appeals board shall be filed within 30 days after the date of the notice of the determination made by the department or **the** date of mailing of the order, **the** date of publication of notice of the order, **the** date the order is personally delivered to the taxpayer or **the** date of mailing of the notice of the order to the taxpayer, whichever is applicable.

(5) An appeal from a local government's final administrative decision shall be filed within 90 days after the date of the decision.

[5] (6) If the tax court denies an appeal made pursuant to this section on the grounds that it does not meet the requirements of this section or ORS 305.275 or 305.560, the tax court shall issue a written decision rejecting the petition and shall set forth in

the decision the reasons the tax court considered the appeal to be defective.

SECTION 35. ORS 305.280, as operative until July 1, 2024, is amended to read:

305.280. Except as otherwise provided in this section, an appeal under ORS 305.275 (1) or (2) shall be filed within 90 days after the act, omission, order or determination becomes actually known to the person, but in no event later than one year after the act or omission has occurred, or the order or determination has been made. An appeal under ORS 308.505 to 308.674 shall be filed within 90 days after the date the order is issued under ORS 308.584 (3). An appeal from a supervisory order or other order or determination of the Department of Revenue shall be filed within 90 days after the date a copy of the order or determination or notice of the order or determination has been served upon the appealing party by mail as provided in ORS 306.805.

(2) An appeal under ORS 323.416 or 323.623 or from any notice of assessment or refund denial issued by the Department of Revenue with respect to a tax imposed under ORS chapter 118, 308, 308A, 310, 314, 316, 317, 318, 321 or this chapter, or collected pursuant to ORS 305.620, shall be filed within 90 days after the date of the notice. An appeal from a proposed adjustment under ORS 305.270 shall be filed within 90 days after the date the notice of adjustment is final.

(3) Notwithstanding subsection (2) of this section, an appeal from a notice of assessment of taxes imposed under ORS chapter 314, 316, 317 or 318 may be filed within two years after the date the amount of tax, as shown on the notice and including appropriate penalties and interest, is paid.

(4) Except as provided in subsection (2) of this section or as specifically provided in ORS chapter 321, an appeal to the tax court under ORS chapter 321 or from an order of a county board of property tax appeals shall be filed within 30 days after the date of the notice of the determination made by the department or **the** date of mailing of the order, **the** date of publication of notice of the order, **the** date the order is personally delivered to the taxpayer or **the** date of mailing of the notice of the order to the taxpayer, whichever is applicable.

(5) An appeal from a local government's final administrative decision shall be filed within 90 days after the date of the decision.

[(5)] **(6)** If the tax court denies an appeal made pursuant to this section on the grounds that it does not meet the requirements of this section or ORS 305.275 or 305.560, the tax court shall issue a written decision rejecting the petition and shall set forth in the decision the reasons the tax court considered the appeal to be defective.

SECTION 36. ORS 305.410 is amended to read:

305.410. (1) Subject only to the provisions of ORS 305.445 relating to judicial review by the Supreme Court and to subsection (2) of this section, the tax court shall be the sole, exclusive and final judicial

authority for the hearing and determination of all questions of law and fact arising under the tax laws of this state. For the purposes of this section, and except to the extent that they preclude the imposition of other taxes, the following are not tax laws of this state:

(a) ORS chapter 577 relating to Oregon Beef Council contributions.

(b) ORS 576.051 to 576.455 relating to commodity commission assessments.

(c) ORS chapter 477 relating to fire protection assessments.

(d) ORS chapters 731, 732, 733, 734, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 relating to insurance company fees and taxes.

(e) ORS chapter 473 relating to liquor taxes.

(f) ORS chapter 825 relating to motor carrier taxes.

(g) ORS chapter 319 relating to motor vehicle and aircraft fuel taxes and the road usage charges imposed under ORS 319.885.

(h) The Oregon Vehicle Code relating to motor vehicle and motor vehicle operators' license fees and ORS chapter 830 relating to boat licenses.

(i) ORS chapter 578 relating to Oregon Wheat Commission assessments.

(j) ORS chapter 462 relating to racing taxes.

(k) ORS chapter 657 relating to unemployment insurance taxes.

(L) ORS chapter 656 relating to workers' compensation contributions, assessments or fees.

(m) ORS 311.420, 311.425, 311.455, 311.650, 311.655 and ORS chapter 312 relating to foreclosure of real and personal property tax liens.

(n) ORS 409.800 to 409.816 and 409.900 relating to long term care facility assessments.

(o) ORS chapter 657B relating to family and medical leave insurance benefits and contributions.

(2) The tax court and the circuit courts shall have concurrent jurisdiction to try actions or suits to determine:

(a) The priority of property tax liens in relation to other liens.

(b) The validity of any deed, conveyance, transfer or assignment of real or personal property under ORS 95.060 and 95.070 (1983 Replacement Part) or 95.200 to 95.310 where the Department of Revenue has or claims a lien or other interest in the property.

(3) Subject only to the provisions of ORS 305.445 relating to judicial review by the Supreme Court, the tax court shall be the sole, exclusive and final judicial authority for the hearing and determination of all questions of law and fact arising under any tax law of a local government that is imposed upon or measured by net income **or taxes or fees that are reported on the same return as a tax imposed on or measured by net income.** The tax court does not have jurisdiction to review determinations of a local government relating to the collection, enforcement, administration or distribution of a tax described in this subsection.

(4)(a)(A) The regular division of the tax court and the circuit courts shall have concurrent jurisdiction for the hearing and determination of all questions of law and fact arising under any tax law of a local government not described in subsection (3) of this section.

(B) For purposes of this subsection, tax laws of a local government not described in subsection (3) of this section include, but are not limited to, taxes authorized by ORS chapter 221 and laws of a local government imposing a tax on wages or net earnings from self-employment, on the sale or use of goods or services or on the transfer of real property.

(b) Notwithstanding paragraph (a) of this subsection, the tax court shall not have jurisdiction to review determinations of a local government relating to the collection, enforcement, administration or distribution of a tax described in this subsection.

(c)(A) The presiding judge of a circuit court may order a case described in paragraph (a) of this subsection to be transferred to the judge of the tax court upon motion of any party or on the court's own motion and the judge of the tax court may order such a case to be transferred to a circuit court upon motion of any party or on the court's own motion.

(B) Lack of subject matter jurisdiction in the court transferring the case shall not be grounds for dismissal in the other court.

(d) For purposes of this subsection, the commencement of an action in the magistrate division of the tax court, or the transfer of a case to the magistrate division, is not grounds for dismissal and the judge of the tax court shall specially designate any such case for hearing in the regular division as provided in ORS 305.501 (1).

(e) For purposes of any limitation on the time for commencement of an action described in this subsection, the date of filing shall be the first date on which the action is filed in a circuit court or in either division of the tax court.

(f) Notwithstanding ORS 305.425 or other law, for actions described in this subsection, only those remedies available in a circuit court shall be available in the tax court, including but not limited to, writ of review or mandamus under ORS chapter 34 and declaratory judgment under ORS chapter 28.

(g) Proceedings in the tax court under this subsection shall be without a jury and appeal from the tax court shall be to the Supreme Court under ORS 305.445.

[4] (5) Subject only to the provisions of ORS 305.445 relating to judicial review by the Supreme Court, the tax court shall be the sole, exclusive and final judicial authority for the hearing and determination of all questions of law and fact concerning the authorized uses of the proceeds of bonded indebtedness described in Article XI, section 11 (11)(d), of the Oregon Constitution.

[5] (6) Except as permitted under Article VII (Amended), section 2, of the Oregon Constitution, this section and ORS 305.445, no person shall contest, in any action, suit or proceeding in the circuit court or any other court, any matter within the jurisdiction of the tax court.

SECTION 37. ORS 305.501 is amended to read:

305.501. (1) Except as provided in subsection (2) of this section, an appeal to the tax court shall be heard by a tax court magistrate unless specially designated by the tax court judge for hearing in the regular division. In any matter arising under the property tax laws and involving a county or county assessor that is designated for hearing in the regular division, the Department of Revenue shall be substituted for the county as a party. The plaintiff or petitioner in the appeal is not required to pay any additional filing fee if the proceeding is specially designated by the tax court judge for hearing in the regular division.

(2) A party to the appeal may request mediation, or the tax court on its own motion may assign the matter to mediation. If the mediation does not result in an agreed settlement within 60 days after the end of the mediation session, the appeal shall, absent a showing of good cause for a continuance, be assigned to a magistrate for hearing.

(3) The tax court, with the assistance of the State Court Administrator, shall establish procedures for magistrate division hearings and mediation.

(4)(a) Subject to the rules of practice and procedure established by the tax court, a magistrate is not bound by common law or statutory rules of evidence or by technical or formal rules of procedure, and may conduct the hearing in any manner that will achieve substantial justice. A hearing may be conducted in person or by telephone. Magistrates may confer with each other in order to reach a decision on any matter.

(b) All written magistrate decisions shall be mailed to the parties to the appeal and to the Department of Revenue **or, for decisions regarding a tax described in ORS 305.410 (3), to a local government's tax administrator**, within five days after the date of entry of the written decision.

(5)(a) Any party dissatisfied with a written decision of a magistrate may appeal the decision to the judge of the tax court by filing a complaint in the regular division of the tax court within 60 days after the date of entry of the written decision.

(b) If a decision of a magistrate involves any matter arising under the property tax laws and a county was a party to the proceeding before the magistrate, the Department of Revenue may file a notice of appeal whether or not the department had intervened in the proceeding before the magistrate. In such cases, the department shall appear before the tax court judge in any proceeding on appeal.

(c) If a decision of a magistrate involves any matter arising under the property tax laws and a party other than a county appeals the decision to

the tax court judge, the Department of Revenue shall be the defendant.

(d) Appeal to the judge of the tax court is the sole and exclusive remedy for review of a written decision of a magistrate.

(6) Appeal of a final decision of a magistrate before the judge of the tax court shall be as provided in ORS 305.425 (1) and 305.570.

(7) If no appeal is taken to the tax court judge within 60 days, the decision of the magistrate shall become final. The tax court shall enter a judgment enforcing all final decisions of the magistrate, which judgment shall be binding upon all parties. ORS 305.440 (2) applies to the final determination of any property tax matter.

SECTION 38. ORS 305.560 is amended to read:

305.560. (1)(a) Except for an order, or portion thereof, denying the discretionary waiver of penalty or interest by the Department of Revenue[,] **or, for a tax described in ORS 305.410 (3), by a local government's tax administrator,** an appeal under ORS 305.275 may be taken by filing a complaint with the clerk of the Oregon Tax Court at its principal office at Salem, Oregon, within the time required under ORS 305.280.

(b) The clerk of the tax court shall serve copies of all complaints and petitions on the department, or, if applicable, on a local government administering a tax described in ORS 305.410 (3). Service upon the department or the local government shall be accomplished by the clerk of the tax court filing the copy of the complaint with the Director of the Department of Revenue or the administrator of the tax imposed by the local government. Except as otherwise provided by law, other service shall be accomplished as provided in the rules of practice and procedure promulgated by the tax court.

(c)(A) The complaint shall be entitled in the name of the person filing the same as plaintiff and the department, county, taxpayer or other person or entity as defendant. If the complaint relates to value of property for ad valorem property tax purposes and the county has made the appraisal, the complaint shall be entitled in the name of the person filing the same as plaintiff and the county assessor as defendant.

(B) If any, a copy of the order of the department or property value appeals board shall be attached to the complaint.

(2) The complaint shall state the nature of the plaintiff's interest, the facts showing how the plaintiff is aggrieved and directly affected by the order, act, omission or determination and the grounds upon which the plaintiff contends the order, act, omission or determination should be reversed or modified. A responsive pleading shall be required of the defendant.

(3) In any case in which the taxpayer is not the appealing party, a copy of the complaint shall be served upon the taxpayer by the appealing party by certified mail within the period for filing an appeal, and an affidavit showing such service shall be filed

with the clerk of the tax court. A copy of the order of the department, if any, shall be attached to the complaint. The taxpayer shall have the right to appear and be heard.

(4)(a) At any time in the course of any appeal before the tax court, the department may intervene as a matter of right. A copy of any order or judgment issued by the tax court in any case in which the department is an intervenor shall be served upon the department in the manner provided in subsection (1)(b) of this section.

(b) The tax court, in its discretion, may permit other interested persons to intervene by filing a complaint in such manner and under such conditions as the court may deem appropriate.

SECTION 39. ORS 305.560, as operative until July 1, 2024, is amended to read:

305.560. (1)(a) Except for an order, or portion thereof, denying the discretionary waiver of penalty or interest by the Department of Revenue[,] **or, for a tax described in ORS 305.410 (3), by a local government's tax administrator,** an appeal under ORS 305.275 may be taken by filing a complaint with the clerk of the Oregon Tax Court at its principal office at Salem, Oregon, within the time required under ORS 305.280.

(b) The clerk of the tax court shall serve copies of all complaints and petitions on the department, or, if applicable, on a local government administering a tax described in ORS 305.410 (3). Service upon the department or the local government shall be accomplished by the clerk of the tax court filing the copy of the complaint with the Director of the Department of Revenue or the administrator of the tax imposed by the local government. Except as otherwise provided by law, other service shall be accomplished as provided in the rules of practice and procedure promulgated by the tax court.

(c)(A) The complaint shall be entitled in the name of the person filing the same as plaintiff and the department, county, taxpayer or other person or entity as defendant. If the complaint relates to value of property for ad valorem property tax purposes and the county has made the appraisal, the complaint shall be entitled in the name of the person filing the same as plaintiff and the county assessor as defendant.

(B) If any, a copy of the order of the department or board of property tax appeals shall be attached to the complaint.

(2) The complaint shall state the nature of the plaintiff's interest, the facts showing how the plaintiff is aggrieved and directly affected by the order, act, omission or determination and the grounds upon which the plaintiff contends the order, act, omission or determination should be reversed or modified. A responsive pleading shall be required of the defendant.

(3) In any case in which the taxpayer is not the appealing party, a copy of the complaint shall be served upon the taxpayer by the appealing party by certified mail within the period for filing an appeal,

and an affidavit showing such service shall be filed with the clerk of the tax court. A copy of the order of the department, if any, shall be attached to the complaint. The taxpayer shall have the right to appear and be heard.

(4)(a) At any time in the course of any appeal before the tax court, the department may intervene as a matter of right. A copy of any order or judgment issued by the tax court in any case in which the department is an intervenor shall be served upon the department in the manner provided in subsection (1)(b) of this section.

(b) The tax court, in its discretion, may permit other interested persons to intervene by filing a complaint in such manner and under such conditions as the court may deem appropriate.

SECTION 40. ORS 305.570 is amended to read:

305.570. (1)(a) Any person, including a county assessor, [or] county tax collector **or, for a tax described in ORS 305.410 (3), a local government's tax administrator**, aggrieved by and affected by a written decision of a tax court magistrate issued under ORS 305.501, or any person seeking a remedy in the tax court provided by statute, other than as provided in ORS 305.275 (1), may appeal to the regular division of the Oregon Tax Court, and appeal shall be perfected in the manner provided in ORS 305.404 to 305.560.

(b) Except for an appeal brought by a county assessor, [or] county tax collector **or, for a tax described in ORS 305.410 (3), a local government's tax administrator**, the order being appealed under

this subsection must affect the person or the property of the person making the appeal or property for which the person making the appeal holds an interest that obligates the person to pay taxes imposed on the property. As used in this paragraph, an interest that obligates the person to pay taxes includes a contract, lease or other intervening instrumentality.

(2) A taxpayer or political subdivision affected by a determination of the Department of Revenue authorized under ORS 305.620 may appeal to the tax court as provided in ORS 305.620.

UNIT CAPTIONS NOT PART OF LAW

SECTION 41. The unit captions used in this 2024 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2024 Act.

EFFECTIVE DATE

SECTION 42. This 2024 Act takes effect on the 91st day after the date on which the 2024 regular session of the Eighty-second Legislative Assembly adjourns sine die.

Approved by the Governor March 27, 2024

Filed in the office of Secretary of State March 27, 2024

Effective date June 6, 2024