

# Chapter 307

1993 EDITION

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**GENERAL PROVISIONS**

**307.010 Definition of "real property" and "land."** (1) "Real property" includes the land itself, above or under water; all buildings, structures, improvements, machinery, equipment or fixtures erected upon, above or affixed to the same; all mines, minerals, quarries and trees in, under or upon the land; all water rights and water powers and all other rights and privileges in any wise appertaining to the land; and any estate, right, title or interest whatever in the land or real property, less than the fee simple.

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

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

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

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

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

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

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

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

(d) Good will.

(e) Customer lists.

(f) Contracts and contract rights.

(g) Patents, trademarks and copyrights.

(h) Assembled labor force.

(i) Trade secrets.

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

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

(4) The provisions of this section shall not apply to any person, company, corporation or association covered by ORS 308.505 to 308.660 or 308.705 to 308.730. [Amended by 1959 c.82 §1; 1977 c.602 §1; 1993 c.353 §1]

Note: Section 13 (1), chapter 353, Oregon Laws 1993, provides:

Sec. 13. (1) The amendments to ORS 307.020 and 307.030 by sections 1 and 2 of this Act first apply to tax years beginning on or after July 1, 1993. [1993 c.353 §13 (1)]

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

(2) Except as provided in ORS 308.505 to 308.660 and 308.705 to 308.730, intangible personal property is not subject to assessment and taxation. [Amended by 1993 c.353 §2]

Note: See note under 307.020.

**307.035 Publishing summary of certain exempt real property.** The assessor shall list and evaluate all real properties exempt from taxation under ORS 307.040, 307.090, 307.120, 307.130, 307.140, 307.147, 307.150 and 307.160 and summarize the valuations of such properties in connection with the published summary of each year of assessed valuations of taxable properties of the county. [Formerly 307.310; 1993 c.777 §3]

Note: See note under 307.147.

**EXEMPTIONS****(Public Properties)**

**307.040 Property of the United States.** Except as provided in ORS 307.050, 307.060, 307.070 and 307.080, all property of the United States, its agencies or instrumentalities, is exempt from taxation to the extent that taxation thereof is forbidden by law. [Amended by 1953 c.698 §7]

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

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

(1) In immediate use and occupation by such political body; or

(2) Required, by the terms of the lease or agreement, to be maintained and made available to the Federal Government as a military installation and facility. [Amended by 1953 c.698 §7; 1959 c.298 §1; 1961 c.433 §1; 1969 c.241 §1; 1975 c.656 §1; 1981 c.405 §2; 1991 c.459 §38]

**307.065 Property of the United States in possession of contractor under federal defense or space contract.** Notwithstanding the provisions of ORS 307.060, there shall be exempt from ad valorem taxation all

parts and materials, all work in process and all finished products, the title to which is vested in the United States pursuant to clauses in a federal defense or space contract entered into by a contractor and an Armed Forces procurement agency, which have come into the possession of a contractor under a federal defense or space contract for the assembly or manufacture of a product or products pursuant to such contract. [1965 c.298 §2]

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

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

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

(2) Any city may agree with any school district to make payments in lieu of taxes on all property of the city located in any such school district, and which is exempt from taxation under subsection (1) of this section when such property is outside the boundaries of the city and owned, used or operated for the production, transmission, distribution or furnishing of electric power or energy or electric service for or to the public. [Amended by 1953 c.698 §7; 1957 c.649 §1; 1975 c.568 §1; 1977 c.673 §1; 1991 c.851 §2]

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

(2) The value of such portion shall be computed by determining that percentage which the total of receipts from private use bears to the total of receipts from all use of the property. However, receipts from any use by a state officer or employee in the per-

formance of the official duties of the state officer or employee shall not be considered as receipts from private use in computing the portion subject to ad valorem taxation.

(3) For tax years beginning on or after January 1, 1969, and before July 1, 1996, this section and ORS 276.592 do not apply to state property that is used by the State System of Higher Education solely to provide parking for employees or students. [1969 c.706 §60; 1989 c.659 §1; 1991 c.459 §39; 1993 c.655 §1]

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

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

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

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

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

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

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

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

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

(f) For tax years beginning on or after January 1, 1969, and before July 1, 1996, state property that is used by the State System of Higher Education to provide parking for employees or students.

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

(4) Property that was acquired with revenue bonds issued under ORS 285.323 (1) to (3) and that is leased by this state, any institution or department thereof or any county, city, town or other municipal corporation or political subdivision of this state to an eligible applicant shall be assessed and taxed in accordance with ORS 307.123.

(5) The provisions of law for liens and the payment and collection of taxes levied against real property of nonexempt ownerships shall apply to all real property subject to the provisions of this section. [Amended by 1953 c.698 §7; 1961 c.449 §1; 1969 c.675 §18; 1971 c.352 §1; 1971 c.431 §1; 1979 c.689 §4; 1981 c.381 §1; 1987 c.487 §1; 1989 c.659 §2; 1991 c.459 §40; 1991 c.851 §3; 1993 c.655 §2; 1993 c.737 §7]

**307.112 Property held under lease or lease-purchase by institution, organization or public body other than state.** (1) Real or personal property of a taxable owner

held under lease or lease-purchase agreement by an institution, organization or public body, other than the State of Oregon, granted exemption or the right to claim exemption for any of its property under ORS 307.090, 307.130, 307.140, 307.145, 307.147 or 456.225, is exempt from taxation if:

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

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

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

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

(b) If applicable, all facts relating to the use of the property by the lessee.

(c) A true copy of the lease or lease-purchase agreement covering the property for which exemption is claimed.

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

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

(4) The claim shall be filed on or before April 1, except that if the lease or lease-purchase agreement is entered into after March 1 but not later than June 30, the claim shall be filed within 30 days after the date the lease or lease-purchase agreement is entered into if exemption is claimed for that year. The exemption first shall apply for the tax year beginning July 1 of the year for which the claim is filed. The exemption shall continue so long as the use of the property remains unchanged and during the period of the lease or lease-purchase agreement. If the use changes, a new application shall be filed as provided in this section. If the lease or lease-purchase agreement expires before July 1 of any year, the exemption shall terminate as of July 1 following the date of expiration of the lease or lease-purchase agreement.

[1977 c.673 §2; 1987 c.756 §20; 1991 c.459 §41; 1991 c.851 §4; 1993 c.19 §3; 1993 c.777 §4]

Note: See note under 307.147.

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

Note: Section 14 (2), chapter 19, Oregon Laws 1993, provides:

Sec. 14. (2) The amendments to ORS 307.112 by section 3 of this Act first apply to applications for exemption filed for the 1994-1995 tax year. [1993 c.19 §14 (2)]

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

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

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

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

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

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

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

(3) If any property which is exempt under this section subsequently becomes disqualified for such exemption or the exemption is

not renewed as provided in subsection (4) of this section, it shall be added to the next general property tax roll for assessment and taxation in the manner provided by law.

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

(b) Before any property shall be exempt under this section, on or before April 1 of any year the corporation owning or purchasing such property shall file an application for exemption with the county assessor. The provisions of ORS 307.162 shall apply as to the form, time and manner of application. Within 10 days of filing in the office of the assessor, the assessor shall refer each application for classification to the granting authority, which shall be the governing body of a county for property located outside the boundaries of a city and the governing body of the city for property located within the boundaries of the city. Within 60 days thereafter, the application shall be granted or denied and written notice given to the applicant and to the county assessor. In determining whether an application made for exemption under this section should be approved or disapproved, the granting authority shall weigh the benefits to the general welfare of granting the proposed exemption to the property which is the subject of the application against the potential loss in revenue which may result from granting the application.

(c) If the granting authority in so weighing determines that granting the exemption to the property will:

(A) Conserve or enhance natural or scenic resources;

(B) Protect air or streams or water supplies;

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

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

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

(F) Enhance recreation opportunities;

(G) Preserve historic sites;

(H) Promote orderly urban or suburban development;

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

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

the granting authority shall not deny the application solely because of the potential loss in revenue which may result from granting the application.

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

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

(5) Any nonprofit corporation aggrieved by the refusal of the granting authority to grant or renew an exemption under subsection (4) of this section may, within 60 days after written notice has been sent to the corporation, appeal from the determination of the granting authority to the Oregon Tax Court. The appeal should be perfected in the manner provided in ORS 305.560. The provisions of ORS 305.405 to 305.418 and 305.420 to 305.500 shall apply to the appeals. [1971 c.584 §1; 1973 c.214 §1; 1979 c.689 §5; 1987 c.416 §1]

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

(a) Leased, subleased, rented or preferentially assigned for the purpose of the berthing of ships, barges or other watercraft (exclusive of property leased, subleased, rented or preferentially assigned primarily for the purpose of the berthing of floating homes, as defined in ORS 830.700), or the discharging, loading or handling of cargo

therefrom or for storage of such cargo directly incidental to transshipment;

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

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

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

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

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

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

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

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

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

(d) On or before September 15 of each tax year, the county treasurer shall certify to the county assessor the amounts received for the respective districts under subsection (2) of this section. The county assessor shall offset the amount of the payment made under subsection (2) of this section against the levy of the school district in the assessment year in which the payment is made. The amount of the payment shall not be considered a budget resource for the purpose of ORS 294.305 to 294.520, 294.555 and 294.565.

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

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

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

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

(B) Of the obligation to pay the in lieu tax, in the amount of one-quarter of one percent (.0025) of the real market value of the

exempt property held, to the county treasurer before the September 1 following the date of the request.

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

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

(7) As used in this section:

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

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

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

(d) "School district" means a common or union high school district, but does not include an education service district or a community college district. [Amended by 1955 c.267 §1; 1973 c.234 §1; 1977 c.615 §1; 1979 c.705 §1; 1981 c.160 §1; 1983 c.740 §86; 1987 c.583 §5; 1987 c.756 §10; 1991 c.459 §42]

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

**307.123 Property of key industry development projects.** (1) Notwithstanding ORS 307.110, real or personal property that has been financed in whole or in part by revenue bonds issued under ORS 285.323 (1) to (3) and that is leased by this state, any institution or department thereof or any county, city, town or other municipal corporation or political subdivision of this state to a person whose real property is taxable, shall be subject to assessment and taxation as follows:

(a) The first \$100 million in real market value, adjusted annually to reflect the average growth in taxable value of all other existing property in the county or city in which the property is located, shall be taxable.

(b) The remainder of the real market value shall be exempt from taxation for so long as there is an outstanding bonded indebtedness under the terms of the revenue bonds issued under ORS 285.323 (1) to (3), but in no event for a period of more than 15 years from the date of execution of the first lease of the property to the lessee.

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

(3) If real or personal property is exempt from taxation under ORS 285.597, the person may receive both the exemption under ORS 285.597 and the exemption in subsection (1) of this section. [1993 c.737 §5]

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

#### (Volunteer Fire Department Properties)

**307.127 Property of volunteer fire departments.** (1) Subject to subsection (2) of this section and upon compliance with ORS 307.162, the following property owned or being purchased by a volunteer fire department shall be exempt from taxation:

(a) Real property, or proportion thereof, actually and exclusively occupied or used by the volunteer fire department in carrying out its activities of fire prevention, fire protection and fire fighting.

(b) Personal property, or proportion thereof, actually and exclusively used by the volunteer fire department in carrying out its activities of fire prevention, fire protection and fire fighting.

(2) The volunteer fire department which desires to avail itself of the exemption granted under subsection (1) of this section must first register its existence and location with the office of the State Fire Marshal. [1977 c.478 §1; 1979 c.689 §6]

**Note:** 307.127 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**Note:** Section 3, chapter 478, Oregon Laws 1977, provides:

**Sec. 3.** Section 1 of this Act [307.127] and the amendments to ORS 307.162 by section 2 of this Act apply to taxable years beginning on or after January 1, 1978, and before January 1, 1988. [1977 c.478 §3]

**(Institutional, Religious, Fraternal, Intermment Properties)**

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

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

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

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

(d) All real and personal property of a retail store dealing exclusively in donated inventory, where the inventory is distributed without cost as part of a welfare program or where the proceeds of the sale of any inventory sold to the general public are used to support a welfare program. As used in this subsection, "welfare program" means the providing of food, shelter, clothing or health care, including dental service, to needy persons without charge.

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

(3) An institution shall not be deprived of an exemption under this section because its purpose or the use of its property is not limited to relieving pain, alleviating disease or removing constraints. [Amended by 1955 c.576 §1; 1959 c.207 §1; 1969 c.342 §1; 1971 c.605 §1; 1974 s.s. c.52 §3; 1979 c.688 §1; 1987 c.391 §1; 1987 c.490 §49; 1989 c.224 §50; 1991 c.93 §4; 1993 c.655 §3]

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

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

(b) Which is not solely a social club but is established under the lodge system with

ritualistic form of work and representative form of government;

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

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

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

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

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

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

(1) All the real or personal property, or portion thereof, which is actually occupied or used in fraternal or lodge work or for entertainment and recreational purposes by one or more fraternal organizations, except that property or portions of property of a fraternal organization rented or leased by it at any time to other persons for sums greater than out-of-pocket expenses for heat, light, water and janitorial services and supplies shall be subject to taxation.

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

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

(1) All houses of public worship and other additional buildings and property used solely for administration, education, literary,

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

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

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

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

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

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

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

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

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

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

**Note:** The amendments to 307.145 by section 10, chapter 733, Oregon Laws 1993, become operative July 1, 1994. See section 12, chapter 733, Oregon Laws 1993. The text that is operative until July 1, 1994, is set forth for the user's convenience.

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

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

(3)(a) As used in this section, "day care facility" means a facility certified by the Children's Services Division under ORS 418.805 to 418.885 to provide educational day care for six or more children.

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

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

(B) Declare or be accompanied by proof that the Children's Services Division has issued a certificate of approval to the facility to provide educational day care for six or more children.

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

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

(a) "Internal Revenue Code" means the federal Internal Revenue Code as amended and in effect on December 31, 1992.

(b) "Nonprofit corporation" means a corporation that:

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

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

(c) "Senior services center" means property that:

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

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

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

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

(E) Is not a residential or dwelling place.

(2) Upon compliance with ORS 307.162, a senior services center is exempt from ad valorem property taxation. [1993 c.777 §2]

Note: Section 6, chapter 777, Oregon Laws 1993, provides:

Sec. 6. (1) Except as provided in subsection (2) of this section, section 2 of this Act [307.147] and the amendments to ORS 307.035, 307.112 and 307.162 by sections 3 to 5 of this Act apply to tax years beginning on or after January 1, 1994.

(2)(a) Notwithstanding ORS 307.162 or other law, if property qualifies for exemption as described in paragraph (b) of this subsection and paragraph (c) of this subsection is complied with, section 2 of this Act and the amendments to ORS 307.112 (1) by section 4 of this Act apply to the tax year beginning on July 1, 1991, the tax year beginning on July 1, 1992, or the tax year beginning on July 1, 1993, or any or all of those tax years.

(b) If, for the tax year beginning on July 1, 1991, on July 1, 1992, or on July 1, 1993, property did not receive exemption, or exemption was denied or removed, and if for the tax year the property would have been exempt, or exemption for the property would not have been denied or removed, had section 2 of this Act and the amendments to ORS 307.112 (1) by section 4 of this Act been in effect and operative, then upon compliance with paragraph (c) of this subsection, the property shall be granted exemption for the tax years.

(c) Application for the exemption described in this subsection must be filed before April 1, 1994. If application is not so filed, no exemption shall be granted. If application is filed and granted, the application shall serve as the initial application required under ORS 307.112 or 307.162.

(d) Any taxes and interest that have been paid on behalf of property for the tax year or years for which exemption is granted under this subsection shall be refunded in the same manner as other refunds of property taxes and without interest. If the taxes and interest have not been paid, the taxes and interest are abated. In either event, the assessor and tax collector shall make the necessary corrections in the records of the office. [1993 c.777 §6]

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

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

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

(c) Any burial lots or space for burial of incinerate remains in buildings or grounds sold by a cemetery or crematory association

which lots or space are used or held exclusively for burial purposes.

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

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

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

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

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

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

(4) For each year after 1981 that land is exempt from taxation under ORS 65.855, 307.140 (3) or 307.150, or both, the assessor shall enter on the assessment and tax roll, with respect to the land, the notation "(cemetery land-potential additional tax)."

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

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

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

**307.160 Property of public libraries.**

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

**307.162 Necessity of filing statement to secure exemption; late filing fee.** (1)

Before any real property may be exempted from taxation under ORS 307.115, 307.127, 307.130 to 307.140, 307.145, 307.147, 307.150, 307.160 or 307.580 for any tax year, the institution or organization claiming the exemption shall file with the county assessor, on or before April 1 preceding such year, a statement verified by the oath or affirmation of the president or other proper officer of the institution or organization, listing all real property claimed to be exempt and showing the purpose for which such property is used. However:

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

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

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

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

mental expenses. [Formerly 307.170; 1967 c.51 §1; 1967 s.s. c.9 §4; 1969 c.237 §1; 1977 c.478 §2; 1977 c.884 §33; 1985 c.613 §3; 1987 c.574 §1; 1987 c.756 §7; 1991 c.459 §44; 1993 c.18 §68; 1993 c.19 §4; 1993 c.777 §5]

**Note:** See second note under 307.127 and note under 307.147.

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

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

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

**(Leased Public or Institutional Property)**

**307.166 Exemption of property leased by exempt institution, organization or public body to another exempt institution, organization or public body.** (1) If property is owned or being purchased by an institution, organization or public body, and if the institution, organization or public body is one granted exemption or the right to claim exemption for any of its property under a provision of law contained in this chapter, and such institution, organization or public body leases or otherwise grants the use and possession of such property to another institution, organization or public body likewise granted exemption or the right to claim exemption for any of its property under a provision of law contained in this chapter, such property is exempt from taxation if used by the lessee or possessor in the manner, if any, required by law for the exemption of property owned or being purchased by it and the rent charged does not exceed the cost of repairs, maintenance, amortization and upkeep. Likewise, if the lessee or grantee of the use and possession in turn subleases or otherwise grants the use and possession of the property to a third institution, organization or public body of the kind described in this subsection, such property is exempt if the use and rent meet the conditions required by this subsection for lessees and grantees.

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

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

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

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

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

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

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

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

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

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

Note: Section 2, chapter 104, Oregon Laws 1993, provides:

Sec. 2. (1) Except as provided in subsections (2) to (4) of this section, the amendments to ORS 307.166 by section 1 of this Act apply to tax years beginning on or after July 1, 1993.

(2) If, solely because a claim was not timely filed, an exemption from taxation under ORS 307.166 was denied for the tax year beginning July 1, 1992, then notwithstanding ORS 307.166 (3) (1991 Edition), the exemption shall be granted for the tax year beginning July 1, 1992, if a claim for exemption for 1992-1993 is filed with the county assessor on or before April 1, 1994.

(3) Any taxes and interest that have been paid on behalf of property described in subsection (2) of this section shall be refunded in the manner provided in subsection (4) of this section. If the taxes and interest have not been paid, the taxes and interest are abated.

(4) The tax collector shall notify the governing body of the county of any refund required under subsections (2) and (3) of this section and the governing body shall cause the taxes and interest to be refunded without interest from the unsegregated tax collections account established under ORS 311.385. Immediately thereafter, the county assessor and tax collector shall make the necessary correcting entries in their office records. [1993 c.104 §2]

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

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

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

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

#### (Fallout Shelters)

**307.169 Radiation fallout shelters.** (1) Improvements or original construction constituting radiation fall-out shelters located in structures used as dwellings, or located within a radius of 100 yards from such structures, shall be exempt from taxation under the conditions and to the extent provided in this section.

(2) The exemption shall be allowed only as to such shelters as (a) provide a radiation protection factor of 100 or better and (b) comply with regulations promulgated by the Department of Revenue after approval by the Director of the Office of Emergency Management of the Department of State Police. In determining whether a shelter provides the protection factor required in (a), the county assessor may accept as prima facie evidence thereof the shelter's compliance with specifications determined from time to time by the Director of the Office of Emergency Management of the Department of State Police to provide a radiation protection factor of 100 or better.

(3) The exemption allowed shall not exceed \$1,500 real market value per shelter if said shelter is located in or upon the real property containing a single-family dwelling or within a radius of 100 yards from such dwelling, and not to exceed \$750 real market value per single-family dwelling unit served by such shelter if such shelter is located in or upon the real property containing a multiple-family dwelling or within a radius of 100 yards from such dwelling.

(4) The exemption shall not be denied because improvements or original construction otherwise qualifying are used or useable for purposes other than protection from radiation fallout; provided that if the county assessor finds that such other uses substantially impair the utility of the shelter as protection from radiation fallout, the exemption shall be denied.

(5) As used in this section, "radiation protection factor," as applied to a given fallout shelter, means the amount of additional radiation to which an unprotected individual would be exposed expressed as a multiple of the amount of reduced radiation to which the individual would be exposed if protected by such fallout shelter.

(6) Before any exemption from taxation under this section is allowed for any tax year, the taxpayer claiming the exemption shall file with the county assessor, on or before April 1 preceding such year, a statement, made under penalties of false swearing, giving the legal description of the real property upon which the shelter is located and the cost or real market value of the shelter. If the claim for any year is not filed within the time specified, the exemption shall not be allowed on the assessment roll of that year. [Formerly 307.165; 1991 c.459 §46; 1993 c.187 §24]

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

### (Alternative Energy Systems)

#### **307.175 Exemption for property equipped with alternative energy system.**

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

(2) This section applies to tax years beginning on or after January 1, 1976, but prior to July 1, 1998.

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

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

### (Indian Properties)

**307.180 Property of Indians.** The real property of all Indians residing upon Indian reservations who have not severed their tribal relations or taken lands in severalty, except lands held by them by purchase or inheritance, and situated on an Indian reservation, is exempt from taxation. However, the lands owned or held by Indians in severalty upon any Indian reservation and the personal property of such Indians upon reservations shall be exempt from taxation only when so provided by any law of the United States. [Amended by 1953 c.698 §7]

**Note:** Section 2, chapter 266, Oregon Laws 1993, provides:

**Sec. 2. (1)(a)** Land acquired by an Indian tribe by purchase, gift or without consideration is exempt from taxation if:

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

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

(b) The exemption under this section shall continue for no more than four years after the initial year of exemption under this section, and in no case shall the exemption continue beyond the 1995-1996 tax year. If the land is not transferred to the trust within the five-tax-year exemption period, the exemption pursuant to this subsection shall cease commencing with the first tax year beginning after the expiration of the five-tax-year period.

(2) Subsection (1) of this section applies to land acquired after January 1, 1991, and to tax years beginning on or after July 1, 1991. Any property taxes and interest that have been paid on behalf of property described in subsection (1) of this section for the tax year beginning July 1, 1991, or for a subsequent tax year within the exemption period, shall be refunded in the manner provided under subsection (3) of this section. If the taxes have not been paid, the taxes and interest due thereon are abated.

(3) Upon a determination that a property is exempt under this section, the tax collector shall notify the governing body of the county of any refund required and the governing body shall cause a refund of the taxes to be made from the unsegregated tax collections account established under ORS 311.385, without interest. The tax collector and assessor shall make the necessary correcting entries in the records of their offices.

(4) This section is repealed on July 1, 1996. The repeal is applicable to tax years beginning on or after July 1, 1996, and no exemption of property shall be granted pursuant to this section for a tax year beginning on or after July 1, 1996. [1993 c.266 §2]

### (Recreation Facilities and Summer Homes on Federal Land)

**307.182 Recreation facilities on federal land.** Notwithstanding ORS 307.060, there shall be exempt from property taxation real property used and occupied by commercial recreation facility operators under permits issued pursuant to the Acts of June 4, 1897 (16 U.S.C. 551), March 4, 1915 (16 U.S.C. 497), as amended, and March 30, 1948 (48 U.S.C. 341), but the improvements thereon are subject to ad valorem taxation as provided in ORS 307.030. [1981 c.405 §1]

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

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

**Sec. 4.** Section 1, chapter 405, Oregon Laws 1981, the amendments to ORS 307.060 by section 2, chapter 405, Oregon Laws 1981, and the repeal of section 2, chapter 656, Oregon Laws 1975, by section 3, chapter 405, Oregon Laws 1981, apply for assessment years beginning on or after January 1, 1981, and prior to January 1, 1996. For all assessment years prior to 1981, the law applicable for those years shall continue to apply. [1981 c.405 §4; 1985 c.169 §1]

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

Note: See first note under 307.182.

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

Sec. 2. Chapter 649, Oregon Laws 1975 [307.183], applies to assessment years beginning on or after January 1, 1976, but prior to January 1, 1996. [1975 c.649 §2; 1979 c.422 §3; 1985 c.169 §2]

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

Note: See first note under 307.182.

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

Sec. 2. Section 1, chapter 422, Oregon Laws 1979 [307.184], applies to assessment years beginning on or after January 1, 1980, but prior to January 1, 1996. [1979 c.422 §2; 1985 c.169 §3]

### (Personal Property)

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

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

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

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

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

307.183 [1969 c.605 §18; repealed by 1971 c.529 §37]

**307.195 Household furnishings owned by nonprofit organization furnishing housing for students attending insti-**

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

### (Public Ways)

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

### (Mobile Home or Manufactured Dwelling Parks)

**307.203 Mobile home or manufactured dwelling parks financed by Housing and Community Services Department revenue bonds.** Notwithstanding any other provision of law granting an exemption from property taxation, specific works or improvements to provide mobile home or manufactured dwelling parks as defined in ORS 446.003 that are financed from the proceeds of revenue bonds issued by the Housing and Community Services Department under the amendments to ORS 456.615 by section 1, chapter 738, Oregon Laws 1991, and ORS 456.550 to 456.720 shall not be eligible for a limited assessment or exemption from property taxation unless:

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

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

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

### (Railroad Properties)

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

(2) On or before April 1 of each year, any railroad claiming an exemption under sub-

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

#### (Water Associations)

**307.210 Property of nonprofit mutual or cooperative water associations; disqualification.** (1) After the Department of Revenue has taken the action required by ORS 307.240, all property consisting of land, improvements, fixtures, equipment or supplies, including dams and dikes, owned by any association of persons, wholly mutual or cooperative in character, whether incorporated or unincorporated, used primarily in storing, conveying and distributing water to the members of such association for domestic use or irrigation, where such association has no other business or purpose and its operations are conducted without profit in money, is exempt from taxation.

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

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

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

(3) For the purpose of this section service to the government of this state, the government of the United States, or any subdivision, agency or instrumentality, corporate or otherwise, of either of them, shall not be construed as a commercial purpose. [Amended by 1953 c.709 §2; 1955 c.207 §1; 1957 c.274 §1; 1971 c.258 §1; 1971 c.759 §1; 1991 c.459 §49]

#### (Telephone Services)

**307.215 Local government tax on telephone services prohibited.** On or after January 1, 1982, no county, city, district or other political subdivision in this state shall levy or impose a tax on amounts paid for exchange access or other telephone services. [1981 c.533 §21]

Note: 307.215 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

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

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

**307.240 Prerequisite for allowance of exemption under ORS 307.210, 307.220 or 307.230.** Exemptions under ORS 307.210, 307.220 or 307.230 shall be granted only upon formal action by the Department of Revenue. The department shall have authority to prepare forms of petitions for exemption and supply the same to applicants therefor, and shall prescribe such rules, not inconsistent with ORS 307.210, 307.220 and 307.230, as may appear necessary to the orderly filing and consideration of such petitions and the continuation of such exemptions. [Amended by 1971 c.258 §2]

**(Nonprofit Corporation Housing Assistance Exemption)**

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

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

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

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

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

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

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

(2) A corporation claiming the exemption under subsection (1) of this section shall file with the county assessor, on forms prescribed by the Department of Revenue and supplied by the assessor, a written claim therefor in duplicate on or before April 1 preceding each tax year for which the exemption is claimed. If the claim for any year is not filed within the time specified, except as provided under ORS 307.475, the exemption shall not be allowed on the assessment roll for that year. However, if the property qualifies for exemption on or after March 1 and before July 1, the claim may be filed within 30 days after the date of qualification. In addition to any other matters prescribed by the Department of Revenue to be contained in or accompany the claim, the claim shall:

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

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

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

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

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

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

(5) Residents of a facility of a corporation exempt from taxation under this section shall not be entitled to the tax benefits of ORS 307.370 to 307.385 and 310.630 to 310.690. [1977 c.411 §2; 1987 c.372 §1; 1987 c.756 §18; 1989 c.803 §13; 1991 c.459 §50]

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

(b) The exemption allowed by ORS 307.242 (1)(e) shall apply only to property, consisting of land and improvements, meeting the requirements of ORS 307.241 to 307.245 (including paragraph (a) of this subsection) that on January 1, 1990, is actually being occupied and used, wholly or partially, to furnish permanent residential, recreational and social facilities primarily for elderly persons. Construction, reconstruction, renovation, maintenance, repair or other improvement (including addition of square footage to the existing buildings and structures and the construction or addition of buildings and structures within the initial land area) made to property that is in actual use on January 1, 1990, wholly or partially, to furnish permanent residential, recreational and social facilities primarily for el-

derly persons shall not disqualify the property for exemption under ORS 307.242 if, during the process of improvement, the property continues to be in actual use, in whole or in part, to furnish permanent residential, recreational and social facilities primarily for elderly persons. The property, as improved, may qualify for exemption. However, land area and the improvements thereon, contiguous or noncontiguous to the initial land area and improvements in use, in whole or in part, for the corporate purposes of the corporation on January 1, 1990, and first placed in service for the corporate purposes of the corporation after January 1, 1990, shall not qualify for exemption under ORS 307.242 (1)(e).

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

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

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

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

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

**307.245 Denial of exemption for failure of corporation to reflect exemption by rent reduction.** The funded property tax exemption granted under ORS 307.241 to

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

**(War Veterans, Surviving Spouses and Dependent Children)**

**307.250 Property of war veterans, surviving spouses and dependent children.** (1) Upon compliance with ORS 307.260, there shall be exempt from taxation not to exceed \$7,500 of the real market value of the home- stead or personal property of any of the following residents of this state other than those described in subsection (2) of this section:

(a) Any honorably discharged veteran of the Spanish-American War, the Philippine Insurrection or the Boxer Rebellion.

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

(c) Any war veteran having served with the United States Armed Forces who, as certified by one duly licensed physician, is rated as having disabilities of 40 percent or more. However, a veteran shall be entitled to the exemption granted under this paragraph only if the veteran during the calendar year immediately preceding the tax year for which the exemption is claimed had total gross income, including pensions, disability compensation or retirement pay, or any combination of such payments from the United States Government on account of such service, of not more than:

(A) \$4,960 if the veteran was without a spouse or dependent child;

(B) \$6,499 if the veteran had either a spouse or a dependent child; or

(C) The amount specified in subparagraph (B) of this paragraph plus \$840 for each dependent child, if the veteran had a spouse and dependent child or children, or if the veteran had only dependent children, the amount specified in subparagraph (B) of this paragraph plus \$840 for each additional dependent child after the first.

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

(2) Upon compliance with ORS 307.260, there shall be exempt from taxation not to

exceed \$10,000 of the real market value of the homestead or personal property of any of the following residents of this state:

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

(b) The surviving spouse remaining unmarried of a war veteran, if the war veteran died as a result of service-connected injury or illness or if the war veteran received at least one year of the maximum exemption from taxation allowed under paragraph (a) of this subsection after 1981 for a veteran certified as having service-connected disabilities of 40 percent or more. [Amended by 1953 c.63 §3; 1955 c.248 §1; 1961 c.410 §5; 1969 c.605 §55; 1971 c.338 §1; 1973 c.402 §7; 1981 c.530 §3; 1981 c.682 §1; 1982 s.s.1 c.33 §2; 1991 c.67 §77; 1991 c.459 §52]

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

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

(2) The claim shall set out the basis of the claim and designate the property to which the exemption may apply. Except as provided in subsection (3) of this section, claims for exemptions under ORS 307.250 (1)(b) and (2)(a) shall have annexed thereto the certificate last issued by United States Department of Veterans' Affairs or the branch of the Armed Forces of the United States, as the case may be, but dated within

three years prior to the date of the claim for exemption, certifying the rate of disability of the claimant. Claims for exemption under ORS 307.250 (1)(c) shall, except as provided in subsection (3) of this section, have annexed thereto, in addition to any certificate prescribed, a statement by the claimant under oath or affirmation setting forth the total gross income received by the claimant from all sources during the last calendar year. There shall be annexed to each claim the affidavit or affirmation of the claimant that the statements contained therein are true.

(3) The provisions of subsection (2) of this section which require a veteran to annex to the claim certificates of either the United States Department of Veterans' Affairs, any branch of the Armed Forces of the United States or a duly licensed physician, shall not apply to a veteran who has filed the required certificate after attaining the age of 65 years or to a veteran who has filed, on or after September 27, 1987, a certificate certifying a disability rating that, under federal law, is permanent and cannot be changed. [Amended by 1961 c.235 §1; 1969 c.562 §1; 1979 c.689 §7; 1981 c.530 §4; 1981 c.682 §2; 1982 s.s.1 c.33 §3; 1987 c.363 §1; 1991 c.67 §78; 1991 c.459 §53]

**307.270 Property to which exemption of ORS 307.250 applies.** (1) The exemption under ORS 307.250 shall apply to property any such veteran or surviving spouse may own, or have in possession under a recorded contract of purchase, on July 1 of the year in which the exemption is claimed. The exemption shall first apply to the homestead of the veteran or surviving spouse and then to the personal property of the veteran or surviving spouse. Property of the spouse of any such veteran where they are living together and occupying the same as their homestead shall be deemed the homestead of the veteran. When any such veteran or surviving spouse applies for exemption on properties in two or more counties, the total amount of the exemption allowed in all such counties shall not exceed \$7,500, or \$10,000, whichever is applicable.

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

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

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

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

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

**307.310** [Renumbered 307.035]

**(Deciduous Plants; Agricultural Products)**

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

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

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

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

- (a) Grain.
- (b) Seed.
- (c) Hay.
- (d) Fruit.
- (e) Vegetables.
- (f) Nuts.
- (g) Hops.
- (h) Wool.
- (i) Fish.

(j) Poultry held primarily for sale for human consumption.

(k) Butter, cheese and evaporated, condensed or concentrated milk.

(L) Mint.

(m) Bivalve mollusks. [1965 c.429 §2; 1979 c.692 §2; 1987 c.691 §1]

**(Commercial Facilities Under Construction)**

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

(a) Is in the process of construction on July 1;

(b) Is not in use or occupancy on July 1;

(c) Has not been in use or occupancy at any time prior to such July 1 date;

(d) Is being constructed in furtherance of the production of income; and

(e) Is, in the case of nonmanufacturing facilities, to be first used or occupied not less than one year from the time construction commences. Construction shall not be deemed to have commenced until after demolition, if any, is completed.

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

**307.340 Necessity of filing proof to secure exemption under ORS 307.330; abatement.**

(1) The property described in ORS 307.330 shall be listed for ad valorem taxation, but the assessor shall cancel the assessment for any tax year upon receipt of sufficient documentary proof that the property meets all of the conditions contained in ORS 307.330. Such proof shall be filed with the assessor on or before August 1 of such year. No cancellation of assessment shall be made unless the required proof is filed within the time prescribed by this section. Any cancellation of assessment will be abated as to any nonmanufacturing property that is used or occupied within one year from the time construction commences and the assessor shall proceed to correct the assessment and tax roll or rolls from which the property was omitted from taxation, in the manner provided in ORS 311.207 to 311.213.

(2) If the proof required by subsection (1) of this section relates to principal or secondary industrial property as defined by ORS

306.126 and is filed with the Department of Revenue within the time required by subsection (1) of this section, the proof shall be deemed timely filed with the assessor. [1959 c.246 §2; 1967 c.51 §2; 1971 c.284 §2; 1991 c.459 §56; 1993 c.270 §77]

Note: Section 78, chapter 270, Oregon Laws 1993, provides:

**Sec. 78.** (1) The amendments to ORS 307.340 by section 77 of this Act apply to documentary proof filed for tax years beginning on or after July 1, 1990.

(2) For tax years beginning in 1990, 1991, 1992 and 1993, if documentary proof with respect to a principal or secondary industrial property was filed with the department within the time required by ORS 307.340 for the tax year at issue, the proof shall be considered as having been filed with the county assessor within the time required by ORS 307.340 and if the proof is sufficient, the taxes for that year are canceled. If the taxes have been paid, the taxes shall be refunded in the manner provided under subsection (3) of this section. If the taxes have not been paid, the taxes are abated.

(3) Any refund of taxes required on account of this section with respect to any property shall be refunded in three equal annual installments. The first installment shall be paid during the 1993-1994 tax year, the second installment shall be paid during the 1994-1995 tax year and the final installment shall be paid during the 1995-1996 tax year. Each installment shall be paid from the unsegregated tax collections account established under ORS 311.385 and shall be paid without interest.

(4) In the case of either refund or abatement under this section, the county assessor and tax collector shall make the appropriate corrections in the records of their offices. [1993 c.270 §78]

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

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

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

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

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

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

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

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

**307.368** [1969 c.562 §3; repealed by 1971 c.747 §21]

### (Nonprofit Homes for Elderly)

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

(2) For the purposes of subsection (1) of this section, a corporation which is described in ORS 307.375 which has only a leasehold interest in a nonprofit home for elderly per-

sons operated by it is deemed to be a purchaser of the property if the operating lessee is specifically obligated by its contract of lease to pay the ad valorem taxes on the real and personal property used in the operation of the home. [1969 c.587 §2; 1974 s.s. c.54 §1; 1975 c.780 §17]

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

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

(2) Receives not less than 95 percent of its operating gross income, excluding any investment income, solely from payments for living, medical, recreational and social services and facilities, paid by or on behalf of elderly persons using the facilities of such corporation;

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

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

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

(2)(a) Each corporation annually shall aid residents, who could qualify for property tax exemptions pursuant to ORS 307.250 to 307.300, if the living unit of such elderly person were the homestead of the person and owned in fee simple, to prepare applications

in duplicate for property tax exemptions on behalf of the corporation, for the benefit of the elderly person as provided by ORS 307.370 to 307.385 and 308.490.

(b) The corporation shall determine the amount of assessed value that each resident of a nonprofit home who would have qualified for an exemption under ORS 307.250 to 307.300 would have had exempted if the living unit of such elderly person was the homestead of the person and owned in fee simple, using the first \$7,500, or \$10,000, whichever is applicable, of assessed value of the living unit for the veteran or surviving spouse of a veteran. The duplicate forms shall be completed and signed by the resident-applicant and filed with the assessor on or before the date required by law.

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

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

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

**307.385 Corporation to credit resident's account with share of tax exemption; assessor required to deny exemption if credit not given.** Not later than December 15 of each year, a corporation, which has received a real property exemption for the current year under ORS 307.370 to 307.380, shall credit the account of each resident of a facility whose living unit was taken into account in determining the real property exemption in an amount equal to the amount of real property taxes which would have been assessed and collected against the corporation for that portion of the assessed value of such living unit included in computing the corporation's exemption. The county assessor shall furnish the corporation with such information as is necessary for the corporation to make such computation. Prior to the following February 1; the corporation shall satisfy the assessor that credit has been given each applicable resident as required by this section. If the corporation fails to satisfy the assessor that the applicable resident has received the

credit, the assessor must deny it any property tax exemption under ORS 307.370 to 307.385 or 308.490 in the next tax year, beginning July 1. [1969 c.587 §6; 1975 c.780 §2; 1991 c.459 §57]

#### (Agricultural Equipment and Facilities; Inventory)

**307.390 Mobile field incinerators.** Mobile field incinerators owned by farmers or by groups of farmers that are exclusively used for sanitizing grass seed fields by means other than open field burning shall be exempt from taxation if they are purchased within five years after they are certified as a feasible alternative to open field burnings by the Department of Environmental Quality pursuant to ORS 468A.555 to 468A.620. [1971 c.678 §2; 1977 c.650 §12]

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

**307.400 Inventory; farm animals.** (1) Livestock, poultry, fur-bearing animals and bees are exempt from ad valorem taxation.

(2) All inventory shall be exempt from ad valorem taxation.

(3) As used in subsection (2) of this section, "inventory" means the following tangible personal property:

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

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

(c) Farm machinery and equipment used primarily in any other agricultural or horticultural use or animal husbandry or any combination thereof; or

(d) Items of tangible personal property, including but not limited to, tools, machinery and equipment, owned by or in the possession or under the control of the taxpayer that are used by the taxpayer predominantly in the construction, reconstruction, maintenance, repair, support or operation of that farm machinery, equipment and other real and personal farm improvements, that are:

(A) Owned by or in the possession or under the control of the taxpayer; and

(B) Are used primarily in the animal husbandry, agricultural or horticultural activities, or combination of animal husbandry, agricultural or horticultural activities, carried on by the taxpayer; or

(e) Center pivots, wheel lines, movable set lines; or

(f) Items of tangible personal property described as materials, supplies, containers, goods in process, finished goods and other personal property owned by or in possession of the taxpayer, that are or will become part of the stock in trade of the taxpayer held for sale in the ordinary course of business.

(4) As used in this section:

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

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

(c) "Riser" means a pipe located in the field to be irrigated that rises vertically up through the surface of the ground.

(5) The following are exempt from ad valorem taxation:

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

(b) Trellises used for hops, beans or fruit or for other agricultural or horticultural purposes.

(c) Hop harvesting equipment, including but not limited to, hop pickers.

(d) Oyster racks, trays, stakes and other in-water structures used to raise bivalve mollusks.

(6) There shall be exempt from ad valorem taxation the radio communications equipment, meteorological equipment and other personal property used in connection with the operation of the field burning smoke management program established under ORS 468A.555 to 468A.620. [Formerly 310.608; 1983 c.600 §2; 1987 c.691 §2; part renumbered 307.402 in 1991]

### (Beverage Containers)

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

### (Pollution Control Facilities)

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

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

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

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

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

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

(5) If the facility also functions to prevent pollution from operations conducted on

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

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

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

**Note:** Section 80, chapter 270, Oregon Laws 1993, provides:

**Sec. 80.** The amendments to ORS 307.420 by section 79 of this Act apply to tax years beginning on or after July 1, 1994. [1993 c.270 §80]

**307.430 Correction of assessment and tax rolls; termination of exemption.** (1) Upon receipt of notice of the revocation of a certification of a pollution control facility pursuant to ORS 468.185 (1)(a), the county assessor shall proceed to correct the assessment and tax roll or rolls from which the facility was omitted from taxation, in the manner provided in ORS 311.207 to 311.213,

and in all cases shall add interest in the manner provided in ORS 311.213. The five-year limitation provided for in ORS 311.205 shall not apply to such corrections.

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

#### (Beach Lands)

**307.450 Certain beach lands.** After December 31, 1969, the land, but not the improvements to the land within the area described by ORS 390.770, is exempt from taxation. [1969 c.601 §15]

#### (Student Housing)

**307.460 Student housing exempt from school district taxes; application procedure; disqualification.** (1) Upon compliance with subsection (2) of this section, student housing shall be exempt from all ad valorem taxes levied by a school district, an education service district or a community college district. As used in this subsection "student housing" means housing owned by a non-profit corporation which is, (a) rented exclusively to students of any educational institution, public or private, which offers at least a two-year program acceptable for full credit towards a baccalaureate degree, (b) rented upon a nondiscriminatory basis, without regard to race, creed, color or national origin, (c) the articles of incorporation of which corporation provide that on dissolution or liquidation, its right, title and interest in and to all accommodations and facilities with respect to which exemption is sought will be conveyed to the educational institution or institutions whose students are served thereby, and all its other remaining assets will be conveyed to one or more organizations exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code, (d) the corporation has made legally enforceable arrangements to convey its interest in any property with respect to which exemption is claimed hereunder to the educational institution or institutions whose students are served thereby upon final payment of the mortgage indebtedness incurred in connection with the construction or acquisition thereof, and (e) the rents, charges, development costs and methods of operation of which are regulated by federal or state law. The renting of the property for safe-keeping purposes during the summer months shall not disqualify the property from the

exemption granted by this section. No part of the rent paid by a tenant of housing described in this subsection shall be considered as rent constituting property taxes, and no refund or credit for any part of such rent paid shall be allowed under ORS 305.515, 310.630 to 310.657, 310.677, 310.690 and 310.706.

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

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

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

(4) When property which has received special exemption as student housing under subsection (1) of this section thereafter becomes disqualified for such exemption, and the notice required by subsection (3) of this section is not given, the assessor shall determine the date that the notice should have been given, shall notify the owner thereof and notwithstanding ORS 311.220, there shall be added to the tax extended against the property on the next general property tax roll, to be collected and distributed in the same manner as the remainder of the real property tax, an amount equal to the sum of the following:

(a) The total amount by which taxes assessed against the property would have been increased if it had been subject to tax without regard to subsection (1) of this section during the tax year for which the notice

should have been given and each tax year thereafter together with the interest which would have accrued had the taxes been properly assessed and the exemption not been granted in the applicable years; and

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

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

(6) If a fraternity, sorority or cooperative housing organization, or associated alumni nonprofit corporation, does not qualify for exemption under subsection (1) of this section, it shall qualify as the "homestead" of the students occupying the premises for purposes of ORS 305.515, 310.630 to 310.657, 310.677, 310.690 and 310.706 and that portion of the monthly charge for room (including utilities), as distinguished from charge for board, shall constitute rent upon which occupants may claim a credit or refund under ORS 305.515, 310.630 to 310.657, 310.677, 310.690 and 310.706. Payments by either students or nonstudents for occupancy of the premises during the summer months shall qualify as rent for purposes of ORS 305.515, 310.630 to 310.657, 310.677, 310.690 and 310.706.

(7) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1973 c.822 §1; 1979 c.105 §1; 1983 c.634 §1; 1987 c.756 §17; 1991 c.459 §60]

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

#### (Hardship Situations)

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

against such property be stricken from the tax roll on the grounds of hardship.

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

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

(4) If the director, in the discretion of the director, finds that tax relief should be granted on the grounds of hardship, the director shall send the written recommendation of the director to the assessor of the county in which the property is located. If the assessor agrees with the recommendation, the assessor shall note approval thereon and transmit the recommendation to the county governing body. The county governing body may accept or reject the recommendation in whole or in part, but may not increase any recommended relief. If the county governing body approves relief, it shall send an appropriate order to the person in charge of the roll to either (a) strike all or a portion of the assessment, (b) strike all or a portion of taxes on the tax roll, or (c) issue a refund of taxes already paid. A refund of taxes paid shall be treated as any refund granted under ORS 311.806. [1973 c.218 §1; 1979 c.689 §8]

#### **(Farm Labor Camps; Day Care Centers)**

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

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

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

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

(a) By a person engaged in the business of providing housing, sleeping places or camping grounds for employees or prospec-

tive employees of another person and the immediate families of the employees or prospective employees if the employees or prospective employees are or will be engaged in agricultural work. Eligible farm labor camps may provide housing to workers not currently engaged in agricultural work if agricultural work is not available and employees or prospective employees are required to either engage in agricultural work or leave the farm labor camp once agricultural work becomes available in the area.

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

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

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

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

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

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

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

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

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

Note: Section 2, chapter 168, Oregon Laws 1993, provides:

Sec. 2. The amendments to ORS 307.480 by section 1 of this Act apply to tax years beginning on or after July 1, 1994. [1993 c.168 §2]

**307.485 Farm labor camp and day care center property exempt.** Subject to ORS 307.490 and 307.495, there shall be exempt

from taxation the real market value of all real and personal property of an eligible farm labor camp, or an eligible day care center. [1973 c.382 §2; 1991 c.459 §61]

**307.490 Payments in lieu of taxes; disposition of moneys received.** (1) In lieu of real and personal property taxes, each nonprofit corporation eligible for a tax exemption under ORS 307.485 shall pay to the treasurer of the county on or before November 15 an amount equal to 10 percent of the rentals for the period ending the preceding October 15, submitting with the remittance a form supplied by the Department of Revenue stating the rental and certifying compliance with the requirements of the State Fire Marshal, local health officer or Children's Services Division, as applicable.

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

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

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

(2) The claim shall designate the property to which the exemption may apply, shall state the facts which make the property eligible within the definitions of ORS 307.480, and shall certify that the eligible farm labor camp or eligible day care center 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 day care center.

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

**307.500 Assessor transmitting claim to department and other agencies; health code compliance required.** (1) Immediately upon receipt of the claim or any subsequent rental statement, the county assessor shall promptly transmit one copy of the claim to the Department of Revenue. The rent subse-

quently reported for the eligible day care center or eligible farm labor camp for which the claim is made is subject to verification and modification by the Department of Revenue.

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

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

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

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

**307.510 Appeal to department by taxpayer.** Any taxpayer aggrieved by any decision under ORS 307.480 to 307.510 may

appeal to the Department of Revenue within the time provided and in the manner specified by ORS 306.520 (1975 Replacement Part). [1973 c.382 §7]

### (Low-income Rental Housing)

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

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

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

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

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

Note: Section 6, chapter 168, Oregon Laws 1993, provides:

Sec. 6. The amendments to ORS 307.515 and 307.518 by sections 3 and 4 of this Act apply to tax years beginning on or after July 1, 1994. [1993 c.168 §6]

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

(a) The property is offered for rent.

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

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

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

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

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

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

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

Note: See first note under 307.515.

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

(a) If unoccupied, the property is offered for rental solely as a residence for low-income persons.

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

(c) An exemption for the property has been approved as provided under ORS 307.523, pursuant to an application filed before July 1, 2000.

(d) The property is owned or being purchased by a nonprofit corporation organized before or after September 29, 1991, in a manner that meets the criteria for a public benefit corporation, as described under ORS 65.001 (31) or for a religious corporation, as described under ORS 65.001 (33).

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

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

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

(b) The rent payable has been established to reflect the savings resulting from the exemption from taxation. [1991 c.930 §2; 1993 c.168 §4]

Note: See notes under 307.515.

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

(2) The exemptions provided by ORS 307.515 to 307.523 shall apply to the tax levy of all taxing districts in which property certified for exemption is located when, upon

request of a governing body that has adopted the provisions of ORS 307.515 to 307.523, the rates of taxation of such taxing districts whose governing boards agree to the policy of exemption under ORS 307.515 to 307.523, when combined with the rate of taxation of the governing body that adopts the provisions of ORS 307.515 to 307.523, equal 51 percent or more of the total combined rate of taxation on the property certified for exemption. [1989 c.803 §3; 1991 c.930 §4]

Note: See first note under 307.515.

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

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

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

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

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

(e) If the exemption is an exemption described under ORS 307.518, evidence satisfactory to the governing body that the corporation is nonprofit and meets the criteria for a public benefit corporation or a religious corporation.

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

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

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

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

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

Note: See first note under 307.515.

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

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

(3) Upon receipt of certification under subsection (2) of this section, the county assessor shall exempt the property from taxation to the extent certified by the governing body. [1989 c.803 §5; 1991 c.459 §64; 1991 c.930 §6]

Note: See first note under 307.515.

**307.525 Action against landlord for failure to reduce rent.** In addition to any other provision of law, if a landlord violates ORS 307.517 (1)(c), a tenant may recover damages in an amount triple the actual damages sustained as a result of the violation and also may recover costs and attorney fees. [1989 c.803 §6]

Note: See first note under 307.515.

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

(2) On or before April 1 following approval, the city 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 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 (1) of this section, as to each application deemed approved under this section.

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

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

Note: See first note under 307.515.

**307.529 Notice of proposed termination of exemption; grounds; ordinance terminating exemption.** (1) Except as provided in ORS 307.531, if, after an application for exemption under ORS 307.517 has been approved under ORS 307.527, the governing body finds that construction of the housing unit was not completed within two years after the date the application was approved or on or before July 1, 2000, whichever is earlier, or that any provision of ORS 307.515 to 307.523 is not being complied with, or any provision required by the governing body pursuant to ORS 307.515 to 307.523 is not being complied with, the governing body shall give notice of the proposed termination of the exemption to the owner, by mailing the notice to the last-known address of the owner, and to every known lender, by mailing the notice to the last-known address of every known lender. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the exemption should not be terminated.

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

body that all noncompliance shall be remedied.

(3) If the owner fails to appear and show cause why the exemption should not be terminated, and the lender fails to cure or give adequate assurance of the cure of any noncompliance, the governing body shall adopt an ordinance or resolution stating its findings terminating the exemption. A copy of the ordinance or resolution shall be filed with the county assessor, and a copy shall be sent to the owner at the owner's last-known address and to the lender at the last-known address of the lender within 10 days after its adoption. [1989 c.803 §§; 1991 c.459 §65; 1991 c.930 §7; 1993 c.168 §5]

Note: See first note under 307.515.

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

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

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

(c) Notwithstanding ORS 311.220, there shall be added to the general property tax roll for the tax year next following the presentation or discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the difference between the taxes assessed against the property and the taxes that would have been assessed against the property had it not been exempt under ORS 307.515 to 307.523 for each of the years, not to exceed the last 10 years, during which the property was exempt from taxation under ORS 307.515 to 307.523.

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

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

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

Note: See first note under 307.515.

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

(2) If no review of the termination of an exemption as provided in subsection (1) of this section is effected, or upon final adjudication, the county officials having possession of the assessment and tax rolls shall correct the rolls in the manner provided for omitted property under ORS 311.207 to 311.213 to provide for the assessment and taxation of any property for which exemption was terminated by the governing body or by a court, in accordance with the finding of the governing body or the court as to the tax year in which the exemption is first to be terminated. The county assessor shall make such valuation of the property as shall be necessary to permit such correction of the rolls. The owner may appeal any such valuation in the same manner as provided for appeals under ORS 311.207 to 311.213.

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

Note: See first note under 307.515.

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

(1) If the governing body finds that construction of the housing unit otherwise entitled to exemption under ORS 307.517 was not completed by July 1, 2000, due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the governing body may extend the deadline for completion of

construction for a period not to exceed 12 consecutive months.

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

Note: See first note under 307.515.

**307.537 Application.** (1) ORS 307.517 applies to housing units constructed after January 1, 1990, in years beginning on or after January 1, 1990.

(2) ORS 307.518 applies to housing units occupied by low-income persons on or after July 1, 1992, in tax years beginning on or after July 1, 1992.

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

Note: See first note under 307.515.

### (Nonprofit Corporation Low-income Housing)

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

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

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

Note: 307.540 to 307.547 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

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

Sec. 6. ORS 307.540 to 307.547 apply to assessment years beginning on or after January 1, 1985, and before July 1, 2004. [1985 c.660 §6; 1993 c.108 §1]

Note: Section 8, chapter 168, Oregon Laws 1993, provides:

Sec. 8. The amendments to ORS 307.540 by section 7 of this Act apply to tax years beginning on or after July 1, 1994. [1993 c.168 §8]

**307.541 Nonprofit corporation low income housing; exemption; criteria.** (1) Property that meets all of the following cri-

teria shall be exempt from taxation as provided in ORS 307.541 to 307.547:

(a) The property is owned or being purchased by a corporation that is exempt from income taxes under 26 U.S.C. section 501(c) (3) or (4) as amended before December 1, 1984.

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

(c) The property is occupied by low income persons.

(d) The property or portion of the property receiving the exemption, is actually and exclusively used for the purposes described in 26 U.S.C. section 501(c) (3) or (4) as amended before December 1, 1984.

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

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

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

(b) The rent payable by the corporation has been established to reflect the savings resulting from the exemption from taxation. [1985 c.660 §2]

Note: See notes under 307.540.

**307.543 Exemption limited to levy of governing body adopting ORS 307.540 to 307.547; exception.** (1) Except as provided in subsection (2) of this section, the exemption provided by ORS 307.541 only applies to the tax levy of a governing body that adopts the provisions of ORS 307.540 to 307.547.

(2) The exemption provided by ORS 307.541 shall apply to the tax levy of all taxing districts in which property certified for exemption is located when, upon request of a governing body that has adopted the provisions of ORS 307.540 to 307.547, the rates of taxation of such taxing districts whose governing boards agree to the policy of exemption under ORS 307.540 to 307.547, when combined with the rate of taxation of the governing body that adopts the provisions of ORS 307.540 to 307.547, equal 51 percent or more of the total combined rate of taxation on the property certified for limited assessment. [1985 c.660 §3]

Note: See notes under 307.540.

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

(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; and

(e) A declaration that the corporation has been granted an exemption from income taxes under 26 U.S.C. section 501(c) (3) or (4) as amended before December 1, 1984.

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

Note: See notes under 307.540.

Note: Section 26, chapter 270, Oregon Laws 1993, provides:

Sec. 26. The amendments to ORS 307.545 by section 25 of this Act first apply to tax years beginning on or after July 1, 1994. [1993 c.270 §26]

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

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

Note: See notes under 307.540.

**(Natural Heritage Conservation Area)**

**307.550 Property in natural heritage conservation area.** (1) Upon compliance

with subsection (2) of this section, a natural heritage conservation area consisting of real property owned by a private individual or organization shall be exempt from taxation if:

(a) The property is dedicated under ORS 273.563 to 273.591 as a natural heritage conservation area and the instrument of dedication contains or is accompanied by a description of the property that allows the county assessor to locate the boundaries of and otherwise identify the property;

(b) The instrument of dedication is recorded in the records of the county recording officer and the property description is either so recorded or is filed in the office of the county assessor;

(c) A management agreement setting forth in detail the responsibilities for administering the natural heritage conservation area has been entered into between the individual or organization and the State Land Board and the property is managed in compliance with the agreement; and

(d) The Natural Heritage Advisory Council determines that the property is needed as a natural heritage conservation area.

(2) On or before April 1 preceding the first tax year for which exemption under subsection (1) of this section is desired, the owner shall file a claim for exemption with the county assessor, except that if the property becomes qualified for the exemption after March 1, but before July 1, the claim shall be filed within 30 days after the property qualified for the exemption. [1983 c.786 §10; 1991 c.459 §70]

**Note:** Section 12, chapter 786, Oregon Laws 1983, provides:

**Sec. 12.** (1) All exemptions granted under ORS 307.550 shall expire on June 30, 1999.

(2) If property granted an exemption under ORS 307.550 is managed in compliance with the management agreement entered into between the owner and the State Land Board at the time the exemption expires under subsection (1) of this section, no additional taxes, penalties or interest shall be imposed as a result of the expiration of the exemption.

(3) After December 31, 1999, the property granted an exemption under ORS 307.550 shall be assessed and taxed as other property similarly situated is assessed and taxed. [1983 c.786 §12; 1991 c.459 §80]

**307.560 Termination of exemption; tax liability.** (1) If, after an exemption under ORS 307.550 is granted, the county assessor discovers that the property or portion of the property is not managed in compliance with the management agreement entered into between the owner and the State Land Board or that the property otherwise fails to qualify for the exemption, the board shall be notified and following review and recommendation by the council:

(a) The exemption granted under ORS 307.550 may be terminated 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) Notwithstanding ORS 311.220, there shall be added to the general property tax roll for the tax year next following the discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the amount of tax that would have been due on the property had it not been exempt under ORS 307.550 for each of the years, not to exceed the last five years, during which the property was exempt from taxation under ORS 307.550.

(2) The assessment and tax rolls shall show "potential additional tax liability" for each property granted exemption under ORS 307.550.

(3) No additional taxes shall be imposed under subsection (2) of this section if the property becomes disqualified for exemption under ORS 307.550 because:

(a) The property is destroyed by fire, act of God or other natural disaster; or

(b) The Natural Heritage Advisory Council determines that the property is no longer needed as a natural heritage conservation area.

(4)(a) Property that is being assessed under any of the special assessment laws listed under ORS 308.025, including ORS 308.370 (1), may be granted the exemption provided under ORS 307.550, upon application filed as provided under ORS 307.550 (2).

(b) Notwithstanding the provisions of any of the special assessment laws listed under ORS 308.025, including ORS 308.370 (1), the additional taxes, penalties and interest that would be due as a result of the change to exemption under ORS 307.550 shall be abated and shall not be collected.

(5) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1983 c.786 §11; 1991 c.459 §71]

**(Property of Industry Apprenticeship or Training Trust)**

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

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

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

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

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

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

#### **(Multiple-Unit Housing in Core Areas)**

**307.600 Legislative findings.** The legislature finds that it is in the public interest to stimulate the construction of rental housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas, and thus, to insure full-time use of these areas as places where citizens of the community have an option to live as well as work. The legislature further finds that cities of this state should be enabled to establish and design programs to attract new development of rental housing in their core areas based on the incentive of a local property tax exemption, which is authorized under ORS 307.600 to 307.690. Such programs shall emphasize the development of vacant or underutilized sites in the core areas, rather than sites where sound or rehabilitable multiple-unit rental housing exists, and shall result in the construction of units at rental rates accessible to a broad range of the general public. [1975 c.428 §2]

**307.605 "Multiple-unit housing" defined.** As used in ORS 307.600 to 307.690 "multiple-unit housing" means newly constructed structures having as a minimum a number of rental dwelling units specified by

the city pursuant to ORS 307.610 (4) and not designed or used as transient accommodations and not including hotels and motels, but including such design elements benefiting the general public as specified by the city pursuant to ORS 307.650. Included in the definition are newly constructed structures and structures converted in whole or in part from other use to multiple family use. [1975 c.428 §1; 1979 c.425 §1; 1989 c.1051 §1]

**307.610 Applicability of ORS 307.600 to 307.690 generally; cities to hold public hearings; cities to adopt standards and guidelines for considering applications.** (1) ORS 307.600 to 307.690 apply to multiple-unit rental housing constructed after July 1, 1975, and completed on or before July 1, 1998, in cities which adopt, after a public hearing and determination pursuant to subsection (3) of this section, by resolution or ordinance, the provisions of ORS 307.600 to 307.690. The tax exemption provided by ORS 307.600 to 307.690 only applies to the tax levy of a city which adopts the provisions of ORS 307.600 to 307.690, except that the tax exemption shall apply to the ad valorem tax levy of all taxing districts when upon request of the city which has adopted the provisions of ORS 307.600 to 307.690, the rates of ad valorem taxation of taxing districts whose governing boards agree by resolution to the policy of providing tax exemptions for multiple-unit rental housing as provided in ORS 307.600 to 307.690, when combined with the rate of taxation of the city which adopts the provisions of ORS 307.600 to 307.690, equal 51 percent or more of the total combined rate of taxation levied on the property which is tax exempt under ORS 307.600 to 307.690.

(2) The city shall designate an area in proximity to the central business district, within which it proposes to allow exemptions provided for under the provisions of ORS 307.600 to 307.690.

(3) The city shall, prior to passage of a resolution or ordinance electing to utilize the provisions of ORS 307.600 to 307.690, hold a public hearing in order to determine whether multiple-unit housing meeting the qualifications of subsection (4) of this section would not otherwise be built in the designated area without the benefits provided by ORS 307.600 to 307.690.

(4) Prior to accepting project applications under ORS 307.600 to 307.690, cities shall promulgate standards and guidelines to be utilized in considering applications and making the determinations required by ORS 307.650. The standards and guidelines shall establish policy governing basic requirements for an application, including but not limited to:

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

(b) Design elements.

(c) Rental rates.

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

(e) Minimum number of units. [1975 c.428 §3; 1979 c.425 §2; 1983 c.493 §1; 1989 c.1051 §2; 1991 c.459 §72]

**307.620 Applicability of ORS 307.600 to 307.690 in certain cities.** In cities with a population of over 300,000, the exemption shall apply only to multiple-unit housing constructed on land within an area designated under ORS 307.610 (2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. [1975 c.428 §4; 1989 c.1051 §3]

**307.630 Duration of ad valorem exemption; exclusions from exemption.** (1) Except as provided under subsection (2) of this section, multiple-unit housing which qualifies for exemption under ORS 307.600 to 307.690, shall be exempt from ad valorem taxation for no more than 10 successive years beginning July 1 of the tax year immediately following the calendar year in which construction is completed, determined by that stage in the construction process when, pursuant to ORS 307.330, the improvement would have gone on the tax rolls in the absence of the exemption provided for in ORS 307.600 to 307.690. However:

(a) The exemption shall not include the land or any improvements not a part of the multiple-unit housing.

(b) In the case of a structure converted in whole or in part from other use to multiple family use, only the increase in value attributable to the conversion shall be exempt from taxation.

(2) If the multiple-unit 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 exemption provided by ORS 307.600 to 307.690 through June 30 of the tax year during which the termination date of the contract falls.

(3) The exemption provided by ORS 307.600 to 307.690 shall be in addition to any other exemption provided by law. [1975 c.428 §5; 1979 c.425 §3; 1989 c.1051 §3a; 1991 c.459 §73]

**307.640 City to provide application forms; contents of application form; filing deadline; revision of application.** An owner desiring an exemption under ORS 307.600 to 307.690 shall first apply to the city on forms supplied by the city. The application shall describe the property for which an

exemption is requested, set forth the grounds supporting the requested exemption and be verified by oath or affirmation of the applicant. Application shall be made on or before September 1 immediately preceding the first tax year for which exemption is requested, and shall be accompanied by the application fee required by ORS 307.660. The city may permit the applicant to revise an application prior to final action by the city. [1975 c.428 §6; 1991 c.459 §74]

**307.650 Approval of application for exemption; findings to be made by city.** The city may approve the application if it finds that:

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

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

(3) The owner has complied with all standards and guidelines adopted by cities pursuant to ORS 307.610 (4). [1975 c.428 §7]

**307.660 City to approve or disapprove within 180 days of filing of application; city to adopt ordinance or resolution exempting property; city to state in writing reasons for denial of exemption; application fees.** (1) The city shall approve or deny an application filed under ORS 307.650 within 180 days after receipt of the application. An application not acted upon within 180 days shall be deemed approved.

(2) Final action upon an application by the city shall be in the form of an ordinance or resolution that shall contain the owner's name and address, a description of the subject multiple-unit housing, either the legal description of the property or the assessor's property account number, and the specific conditions upon which the approval of the application is based. On or before April 1 following approval, the city 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 shall file with the county assessor on or before April 1 a document listing the same information otherwise required to be in an ordinance or resolution

under this subsection, as to each application deemed approved under subsection (1) of this section.

(3) If the application is denied, the city 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, 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 307.600 to 307.690. 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. [1975 c.428 §8]

**307.670 Termination of exemption for failure to complete construction or non-compliance; notice.** (1) Except as provided in ORS 307.675, if, after an application has been approved under ORS 307.600 to 307.690, the city finds that construction of multiple-unit housing was not completed on or before July 1, 1998, or that any provision of ORS 307.600 to 307.690 is not being complied with, or any provision required by the city pursuant to ORS 307.600 to 307.690 is not being complied with, the city shall give notice to the owner, mailed to the owner's last-known address, of the proposed termination of the exemption. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the exemption should not be terminated.

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

**307.675 Termination of exemption upon change to unit ownership or to other than residential or housing use; effect.** (1) If, after application has been approved under ORS 307.600 to 307.690, 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:

(a) The exemption granted the multiple-unit housing or portion under ORS 307.600 to 307.690 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) Notwithstanding ORS 311.220, there shall be added to the general property tax roll for the tax year next following the presentation or discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the difference between the amount of tax that would have been due on the property or portion had it not been exempt under ORS 307.600 to 307.690 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 307.690.

(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 307.690.

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

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

(2) If no review of the termination of an exemption as provided in subsection (1) of this section is affected, or upon final adjudication, the county officials having possession of the assessment and tax rolls shall correct the rolls in the manner provided for omitted property under ORS 311.207 to 311.213, to provide for the assessment and taxation of

any property for which exemption was terminated by the city or by a court, in accordance with the finding of the city or the court as to the tax year in which the exemption is first to be terminated. The county assessor shall make such valuation of the property as shall be necessary to permit such correction of the rolls. The owner may appeal any such valuation in the same manner as provided for appeals under ORS 311.207 to 311.213. Where there has been a failure to comply with ORS 307.670, the property shall become taxable beginning July 1 of the tax year following the tax year in which the noncompliance first occurred. Any additional taxes becoming due shall be payable without interest if paid in the period prior to the 16th of the month next following the month of correction. If not paid within such period, the additional taxes shall be delinquent on the date they would normally have become delinquent if timely extended on the roll or rolls in the year or years for which the correction was made. [1975 c.428 §10; 1991 c.459 §77]

**307.690 Extension of deadline for completion of construction.** Notwithstanding any provision of ORS 307.670, if the city finds that construction of the multiple-unit housing was not completed by July 1, 1998, due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the city may extend the deadline for completion of construction for a period not to exceed 12 consecutive months. [1975 c.428 §11; 1979 c.425 §5; 1983 c.493 §3; 1989 c.1051 §5; 1991 c.459 §78]

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

#### (Ethanol Production Facilities)

##### **307.701 Ethanol production facilities.**

(1) As used in this section "ethanol" has the meaning given the term under ORS 646.905.

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

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

(a) Is first in the process of construction, erection or installation as a new facility after July 1, 1993;

(b) Is or will be placed in service to produce ethanol within four years after July 1 of the first tax year for which the exemption under this section is claimed; and

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

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

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

(5) If the facility property is not placed in service within the time required under subsection (3) of this section, or if the certification required under subsection (3) of this section is not obtained within the required time, then the facility property shall not be exempt for any tax year under this section. For any tax year for which the property has been granted exemption under this section, the county assessor shall add the property to the assessment and tax roll as omitted property in the manner provided under ORS 311.207 to 311.213. [1993 c.475 §2]

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

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

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

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

#### (Foreign Trade)

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

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

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

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

**307.850 Foreign trade zones.** Any port organized under the laws of this state, any municipal corporation in this state or any dock commission of any city of this state may apply to the United States for permission and may establish, operate and maintain foreign trade zones within or without their boundaries. [1965 c.278 §1; 1993 c.70 §1]

#### (Cargo Containers)

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

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

(1) Of a permanent character and accordingly strong enough to be suitable for repeated use;

(2) Specially designed to facilitate the carriage of goods, by one or more modes of transport, one of which shall be by vessels, without intermediate reloading; and

(3) Fitted with devices permitting its ready handling, particularly its transfer from one mode of transport to another. [1985 c.783 §1]

**Sec. 2.** (1) Cargo containers, as defined in section 1, chapter 783, Oregon Laws 1979, are exempt from taxation for assessment years beginning on or after January 1, 1974, but prior to January 1, 1996.

(2) Any assessment of property that is exempt under chapter 783, Oregon Laws 1979, is invalid and the assessment and tax shall be deemed canceled, regardless of whether the assessment predated the effective date of chapter 783, Oregon Laws 1979. Assessments of cargo containers which predate December 31, 1978, which are exempt under section 1, chapter 783, Oregon Laws 1979, and which were not on appeal on December 31, 1978, are not invalid and deemed canceled. [1985 c.783 §2; 1987 c.583 §1]

#### PENALTIES

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

**REVENUE AND TAXATION**

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