

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

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Action: Do pass

Vote: 9-0-0

Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart

Nays:

Exc.:

Prepared By: Mary Ayala, Economist

Meeting Dates: 5/23, 5/29

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**WHAT THE BILL DOES:** Provides for treatment of property that is transferred from an exempt entity to a taxable owner or taxable use. Property transferred or sold by an exempt entity to a taxable entity before July 1 or any year is taxable in the ensuing tax year. Requires that the taxable entity that owns or controls the property, after the transfer has occurred, must advise the county assessor of this event within 30 days of the date of the transfer. Takes effect upon becoming law

**ISSUES DISCUSSED:**

- That prior to 1991, ORS 311.410 contained provisions that dealt with transfers of property from taxable to exempt entities and from exempt to taxable entities when these changes occurred before July 1 of the calendar assessment year. These provisions were dropped when legislation enacted the provisions of Measure 5; but in 1993, the provisions on handling transfers from taxable to exempt entities were reinstated.

**EFFECT OF COMMITTEE AMENDMENTS:** None

**BACKGROUND:** Under current law, property is exempt if it is transferred from a taxable to an exempt ownership or use at any time before July 1 of any year. The law does not indicate when a property becomes taxable if it is transferred from an exempt owner to a taxable owner or taxable use.