

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: SB 594 A
CARRIER: CONSENT**

REVENUE: Revenue Impact Issued

FISCAL: Minimal Fiscal Impact

Action: Do Pass as Amended and be Printed A Engrossed, and be placed on the Consent Calendar.

Vote: 8-0-2

Yeas: Bailey, Bentz, Bruun, Gelser, Read, Riley, Sprenger, Barnhart

Nays: 0

Exc.: Berger, Kahl

Prepared By: Dae Baek, Economist

Meeting Dates: 5/19

WHAT THE BILL DOES: Permits property tax exemption claim for qualified cemetery and crematory property regardless of claimant's organizational structure or the state of organization. Permits such claim for an exemption for tax years beginning on or after July 1, 2008. Allows a late filing for such exemption claims and specifies a late filing procedure. Eliminates the requirement for a non-profit entity to list, appraise, and describe personal property qualified for a property tax exemption. Makes such elimination of filing requirement apply to tax years beginning on or after July 1, 2009. Takes effect on the 91st day after adjournment sine die.

ISSUES DISCUSSED:

- Need for clarification of ORS 307.022 in relation to property tax exemption of burial grounds
- Justification of removing personal property filing requirement for non-profits

EFFECT OF COMMITTEE AMENDMENTS: Eliminates the requirement for a non-profit entity to list, appraise, and describe personal property qualified for a property tax exemption. Makes such elimination of filing requirement apply to tax years beginning on or after July 1, 2009.

BACKGROUND: ORS 307.150 states that qualified cemeteries and crematory associations shall be exempt from property taxation. The current law specifies that eligible properties are to be owned and actually occupied by any cemetery or crematory associations incorporated under the laws of Oregon.

However, ORS 307.022 that passed in the 2005 legislative session addresses the condition of property tax exemption for limited liability companies owned by nonprofit corporations. As interpreted by Clackamas County, a cemetery in the county is subject to property taxation. According to the Cemetery Association of Oregon, there have been no other cases of property taxation of qualified cemetery properties regardless of organizational structures. The amount of FY 2008-09 property taxes in the Clackamas County case is \$18,453.40.

State of Oregon 2009-11 Tax Expenditure Report has the tax expenditure amount of \$5.2 million due to the property tax exemption of burial grounds. This bill does not change that exemption statute but clarifies that the property tax exemption for cemeteries and crematory properties is granted regardless of claimant's organizational structure or the state of claimant's organization.

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