

SENATE AMENDMENTS TO SENATE BILL 1015

By COMMITTEE ON FINANCE AND REVENUE

February 9

1 On page 1 of the printed bill, line 2, after “ORS” insert “198.815, 221.050, 222.050, 307.518,
2 307.529, 307.535 and”.

3 On page 3, delete lines 12 through 36 and insert:

4 **“SECTION 4. (1) If a city or county approved an exemption under ORS 307.600 to 307.637**
5 **for property used for other than residential or housing purposes, the exemption from ad**
6 **valorem taxation applies for the term of the exemption approved by the city or county as**
7 **determined under ORS 307.612, provided that the property for which the exemption was ap-**
8 **proved:**

9 **“(a) Was first approved for exemption under ORS 307.600 to 307.637 before August 26,**
10 **2009, for a tax year beginning before July 1, 2009; and**

11 **“(b) Otherwise continues to be eligible for exemption under ORS 307.600 to 307.637.**

12 **“(2) If, before January 1, 2010, a county assessor terminated all or a portion of an ex-**
13 **emption granted under ORS 307.600 to 307.637 for property described in subsection (1) of this**
14 **section because the exemption had been approved for or applied to property used for other**
15 **than residential or housing purposes, or if, before January 1, 2010, a city, county or county**
16 **assessor issued a determination that all or a portion of an exemption for property described**
17 **in subsection (1) of this section was in error because property used for other than residential**
18 **or housing purposes did not qualify for the exemption, the termination or determination is**
19 **reversed.**

20 **“SECTION 5. (1) If taxes on the exempt value described in section 4 (1) of this 2010 Act**
21 **have not been paid, the taxes and any interest are abated.**

22 **“(2) If taxes have been paid on the value of property added to the tax roll as a result of**
23 **a termination or determination described in section 4 (2) of this 2010 Act, the tax collector**
24 **shall refund the taxes. A refund of taxes under this section shall be considered a refund de-**
25 **scribed in ORS 311.812 (2) except that interest shall be paid at the rate of one-half of one**
26 **percent per month or fraction of a month. Refunds and interest associated with the refunds**
27 **shall be withheld from future distributions to the taxing districts that received the taxes paid**
28 **as a result of the termination or determination described in section 4 (2) of this 2010 Act.**

29 **“(3) The county assessor and tax collector shall make the necessary corrections in the**
30 **records of their offices required by this section and section 4 of this 2010 Act.**

31 **“SECTION 6. ORS 307.518 is amended to read:**

32 **“307.518. (1) Property or a portion of property that meets all of the following criteria shall be**
33 **exempt from taxation as provided under ORS 307.515 to 307.523:**

34 **“(a) If unoccupied, the property:**

35 **“(A) Is offered for rental solely as a residence for low income persons; or**

1 “(B) Is held for the purpose of developing low income rental housing.

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

3 “(c) An exemption for the property has been approved as provided under ORS 307.523, pursuant
4 to an application filed before January 1, [2010] **2020**.

5 “(d) The property is owned or being purchased by a nonprofit corporation organized in a manner
6 that meets the criteria for a public benefit corporation, as described under ORS 65.001 (37) or for
7 a religious corporation, as described under ORS 65.001 (39).

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

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

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

16 “(b) The rent payable has been established to reflect the savings resulting from the exemption
17 from taxation.

18 “(3) A partnership shall be considered a nonprofit corporation for purposes of this section if:

19 “(a) A nonprofit corporation is a general partner of the partnership; and

20 “(b) The nonprofit corporation is responsible for the day-to-day operation of the property that
21 is the subject of the exemption under ORS 307.515 to 307.523.

22 “**SECTION 7.** ORS 307.529 is amended to read:

23 “307.529. (1) Except as provided in ORS 307.531, if, after an application for exemption under ORS
24 307.517 has been approved under ORS 307.527, the governing body finds that construction or devel-
25 opment of the exempt property differs from the construction or development described in the appli-
26 cation for exemption, or is not completed on or before January 1, [2010] **2020**, or that any provision
27 of ORS 307.515 to 307.523 is not being complied with, or any provision required by the governing
28 body pursuant to ORS 307.515 to 307.523 is not being complied with, the governing body shall give
29 notice of the proposed termination of the exemption to the owner, by mailing the notice to the
30 last-known address of the owner, and to every known lender, by mailing the notice to the last-known
31 address of every known lender. The notice shall state the reasons for the proposed termination and
32 shall require the owner to appear at a specified time, not less than 20 days after mailing the notice,
33 to show cause, if any, why the exemption should not be terminated.

34 “(2) If the owner fails to appear and show cause why the exemption should not be terminated,
35 the governing body shall notify every known lender, and shall allow any lender not less than 30 days
36 after the date the notice of the failure to appear and show cause is mailed to cure any noncompli-
37 ance or to provide assurance adequate to the governing body that all noncompliance shall be rem-
38 edied.

39 “(3) If the owner fails to appear and show cause why the exemption should not be terminated,
40 and the lender fails to cure or give adequate assurance of the cure of any noncompliance, the gov-
41 erning body shall adopt an ordinance or resolution stating its findings terminating the exemption.
42 A copy of the ordinance or resolution shall be filed with the county assessor, and a copy shall be
43 sent to the owner at the owner’s last-known address and to the lender at the last-known address of
44 the lender within 10 days after its adoption.

45 “**SECTION 8.** ORS 307.535 is amended to read:

1 “307.535. Notwithstanding any provision of ORS 307.515 to 307.523:

2 “(1) If the governing body finds that construction of the housing unit otherwise entitled to ex-
3 emption under ORS 307.517 was not completed by January 1, [2010] **2020**, due to circumstances be-
4 yond the control of the owner, and that the owner had been acting and could reasonably be expected
5 to act in good faith and with due diligence, the governing body may extend the deadline for com-
6 pletion of construction for a period not to exceed 12 consecutive months.

7 “(2) If property granted exemption under ORS 307.515 to 307.523 is destroyed by fire or act of
8 God, or is otherwise no longer capable of owner-occupancy due to circumstances beyond the control
9 of the owner, the exemption shall cease but no additional taxes shall be imposed upon the property
10 under ORS 307.531 or 307.533.”.

11 In line 37, delete “6” and insert “9”.

12 In line 38, delete “7” and insert “10”.

13 After line 39, insert:

14 “**SECTION 11.** ORS 198.815 is amended to read:

15 “198.815. (1) If the required number of written requests for an election are filed with the county
16 board on or before the date of the final hearing or if the petition for formation includes a permanent
17 rate limit for operating taxes for the proposed district, the board shall provide by order for the
18 holding of an election to submit to the electors the question of forming the district. The board shall
19 cause notice of the election to be published by two insertions. If requests for an election are filed
20 by less than the required number of persons and no permanent rate limit for operating taxes is in-
21 cluded in the petition, the county board shall dismiss the requests and enter an order creating the
22 district.

23 “(2) The order calling an election shall fix the date of the election on the next available election
24 date in ORS 255.345 for which the filing deadline can be met. However, when the proposal for for-
25 mation includes a permanent rate limit for operating taxes for the proposed district, the election
26 shall be held on the date of the next primary election or general election for which the filing
27 deadline can be met. The order shall also state that at such election members of the district board
28 will be voted for. Candidates to be voted for as members of the first board of a district shall be
29 nominated as provided by ORS chapter 255 and the principal Act of a district.

30 “(3) The order calling the election shall require the county official in charge of elections to in-
31 clude with the ballot for the election a map or other description of the boundaries of the proposed
32 district using streets and other generally recognized features and a statement of the permanent rate,
33 if any, proposed for the district in the petition for formation under ORS 198.750 (1)(g). Such state-
34 ment shall comply with the requirements of ORS 250.035. The map or other description and state-
35 ment required by this subsection shall be supplied by the county board.

36 “(4)(a) When the proposal for formation includes a permanent rate limit for operating taxes for
37 the proposed district, the ballot title shall clearly indicate that a single question is being proposed
38 which is:

39 “(A) Whether the proposed district shall be formed; and

40 “(B) Whether the permanent rate limit specified in the ballot title shall be adopted as the max-
41 imum rate of operating taxes for that district.

42 “(b) The ballot title for the election shall be in compliance with ORS 250.036.

43 “(5) When the proposal for formation includes a permanent rate limit for the proposed district,
44 the district shall be authorized to impose operating taxes not in excess of the permanent rate limit
45 if the proposal is approved by a majority of the votes cast and:

1 “(a) At least 50 percent of registered electors eligible to vote in the election cast a ballot; or

2 “(b) The election is [*a general election in an even-numbered year*] **held in May or November of**
3 **any year.**

4 “(6) If a proposed county service district is subject to dissolution unless a determination of
5 public need for continued existence is made, the ballot title shall include the fiscal year in which
6 dissolution will occur and statement that the district will dissolve unless the board of directors de-
7 termines that there is a public need for continued existence.

8 “**SECTION 12.** ORS 221.050 is amended to read:

9 “221.050. (1) The county court shall submit the proposition for incorporation determined as
10 provided in ORS 221.040 to the electors registered in the area proposed to be incorporated. At the
11 same election, five city council members for the proposed city shall be elected.

12 “(2) ORS chapters 246 to 260 govern the conduct of an election under this section, including the
13 nomination and election of the first city council, except as follows:

14 “(a) A nominating or primary election for the purpose of nominating candidates for the city
15 council shall not be held.

16 “(b) Notwithstanding ORS 249.037, a nominating petition or declaration of candidacy must be
17 filed with the county clerk not sooner than the 100th day and not later than the 70th day before the
18 date of the election.

19 “(c) At the time of filing a declaration of candidacy, a candidate for the first city council shall
20 pay to the officer with whom the declaration is filed a fee of \$25.

21 “(d) A nominating petition shall contain at least 25 signatures of electors in the area proposed
22 to be incorporated or a number of signatures of electors equal to at least 10 percent of the number
23 of electors in the area proposed to be incorporated as of the date the election is ordered under ORS
24 221.040, whichever is less.

25 “(3) The proposed ballot title for an election under this section shall be in compliance with ORS
26 250.036.

27 “(4) Not later than the 30th day after an election called under ORS 221.040 the county court
28 calling the election shall proclaim whether the results of the election favor incorporation. The
29 county court also shall proclaim which candidates for city council are elected, if the results of the
30 election favor incorporation. The results of the election favor incorporation if a majority of the
31 votes cast on the proposition favors incorporation and:

32 “(a) At least 50 percent of registered electors eligible to vote in the election cast a ballot; or

33 “(b) The election is [*a general election in an even-numbered year*] **held in May or November of**
34 **any year.**

35 “(5) If the results of the election favor incorporation:

36 “(a) The area described in the notice of election is incorporated as a city from the date of the
37 election;

38 “(b) The proposed rate limit for operating taxes submitted to and approved by the electors at
39 the election shall be the permanent rate limit for operating taxes for the new city; and

40 “(c) The five council members elected under subsection (2) of this section shall take office not
41 later than the 10th day next following the proclamation on the proposition and council election.

42 “**SECTION 13.** ORS 222.050 is amended to read:

43 “222.050. (1) This section applies if a consolidation or merger proposes to consolidate or merge
44 two or more cities and at least one of the cities has not previously imposed ad valorem property
45 taxes.

1 “(2) The question of the consolidation or merger that is submitted to the electors of the city that
2 has not previously imposed ad valorem property taxes may also propose a permanent rate limit on
3 operating taxes as described in section 11 (3)(c), Article XI of the Oregon Constitution.

4 “(3) The permanent rate limit proposed under subsection (2) of this section shall be taken into
5 account in determining the permanent rate limit for the city following consolidation or merger as
6 provided in section 11 (3)(d), Article XI of the Oregon Constitution.

7 “(4) The question of the consolidation or merger that is submitted to the electors of the city that
8 has not previously approved operating taxes shall be considered approved by such electors if a ma-
9 jority of the votes cast are in favor of the consolidation or merger and:

10 “(a) At least 50 percent of registered voters eligible to vote in the election cast a ballot; or

11 “(b) The election is [*a general election in an even-numbered year*] **held in May or November of**
12 **any year.**

13 “(5) ORS 250.036 applies to a ballot title for an election described in this section.

14 “(6) Notwithstanding that a majority of all electors voting on the question of consolidation or
15 merger approve the consolidation or merger, the consolidation or merger shall not be considered
16 approved if the voting participation requirements in subsection (4) of this section have not been met
17 in the city to which this section applies.

18 “(7) If the city to which this section applies approves the consolidation or merger but the con-
19 solidation or merger is not approved by the other electors voting on the question or for some other
20 reason does not occur, no permanent rate limit for operating taxes shall be established for the city
21 as a result of the election.

22 “**SECTION 14. The amendments to ORS 198.815, 221.050 and 222.050 by sections 11 to 13**
23 **of this 2010 Act apply to elections held on or after the third Tuesday in May 2010, regardless**
24 **of when the election results are declared or proclaimed.”.**

25 In line 40, delete “8” and insert “15”.

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