

HB 2566-6  
(LC 2738)  
6/14/11 (ASD/ps)

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2566**

1 In line 2 of the printed bill, delete "307.090" and insert "307.112 and  
2 307.181".

3 Delete lines 5 through 27 and insert:

4 **"SECTION 1.** ORS 307.181 is amended to read:

5 "307.181. (1) Land acquired by an Indian tribe by purchase, gift or without  
6 consideration is exempt from taxation if:

7 "(a) The land is located within the ancient tribal boundaries of the tribe;  
8 and

9 "(b) Acquisition of the land by the United States in trust status has been  
10 requested or is in process.

11 "(2) The exemption under [*this section*] **subsection (1) of this section**  
12 ceases if the federal government enters a final administrative determination  
13 denying the request for acquisition of the land in trust status and:

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

16 "(b) All federal administrative and judicial proceedings arising from or  
17 related to the request for or process of acquisition of the land in trust status  
18 that have been initiated are completed without overturning the administra-  
19 tive denial of the request.

20 **"(3) Notwithstanding subsections (1) and (2) of this section, property**  
21 **exclusively owned by a federally recognized Indian tribe in Oregon or**  
22 **by an entity that is wholly owned by a federally recognized Indian tribe**

1 in Oregon is exempt from taxation if the property is used exclusively  
2 for essential government services.

3 “(4) As used in this section:

4 “(a) ‘Essential government services’ means services provided by a  
5 federally recognized Indian tribe in Oregon that are:

6 “(A) Similar to services that a state or local government custom-  
7 arily provides to its citizens; and

8 “(B) Related to tribal administration, tribal facilities, fire, police,  
9 tribal health facilities, education, transportation, low-income housing,  
10 utility services provided to tribal communities, lands acquired specif-  
11 ically for archaeological protection or for ceremonial cultural sites,  
12 or cemeteries.

13 “(b) ‘Utility services’ means services related to sewer, water, sani-  
14 tation, telecommunication, wireless communication, broadband ser-  
15 vice, cable and data service, Internet service, radio and television,  
16 natural gas distribution and electric distribution.

17 **“SECTION 2.** ORS 307.112 is amended to read:

18 “307.112. (1) Real or personal property of a taxable owner held under  
19 lease, sublease or lease-purchase agreement by an institution, organization  
20 or public body, other than the State of Oregon, granted exemption or the  
21 right to claim exemption for any of its property under ORS 307.090, 307.130,  
22 307.136, 307.140, 307.145, [or] 307.147 or 307.181, is exempt from taxation if:

23 “(a) The property is used by the lessee or, if the lessee is not in possession  
24 of the property, the entity in possession of the property in the manner, if  
25 any, required by law for the exemption of property owned, leased, subleased  
26 or being purchased by it; and

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

1       “(2) To obtain the exemption under this section, the lessee or, if the lessee  
2 is not in possession of the property, the entity in possession of the property  
3 must file a claim for exemption with the county assessor, verified by the oath  
4 or affirmation of the president or other proper officer of the institution or  
5 organization, or head official of the public body or legally authorized dele-  
6 gate, showing:

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

9       “(b) If applicable, all facts relating to the use of the property by the lessee  
10 or, if the lessee is not in possession of the property, all facts relating to the  
11 use of the property by the entity in possession of the property.

12       “(c) A true copy of the lease, sublease or lease-purchase agreement cov-  
13 ering the property for which exemption is claimed.

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

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

21       “(4)(a) The claim must be filed on or before April 1 preceding the tax year  
22 for which the exemption is claimed, except:

23       “(A) If the lease, sublease or lease-purchase agreement is entered into  
24 after March 1 but not later than June 30, the claim must be filed within 30  
25 days after the date the lease, sublease or lease-purchase agreement is entered  
26 into if exemption is claimed for that year; or

27       “(B) If a late filing fee is paid in the manner provided in ORS 307.162 (2),  
28 as applicable and notwithstanding the limitation of scope in ORS 307.162 (1),  
29 the claim may be filed on or before December 31 of the tax year for which  
30 exemption is first claimed.

1       “(b) The exemption first applies for the tax year beginning July 1 of the  
2 year for which the claim is filed. The exemption continues as long as the use  
3 of the property remains unchanged and during the period of the lease, sub-  
4 lease or lease-purchase agreement. If the use changes, a new claim must be  
5 filed as provided in this section. If the use changes due to sublease of the  
6 property or any portion of the property from the tax exempt entity described  
7 in subsection (1) of this section to another tax exempt entity, the entity in  
8 possession of the property must file a new claim for exemption as provided  
9 in this section. If the lease, sublease or lease-purchase agreement expires  
10 before July 1 of any year, the exemption terminates as of January 1 of the  
11 same calendar year.

12       **“SECTION 3. The amendments to ORS 307.112 and 307.181 by**  
13 **sections 1 and 2 of this 2011 Act apply to tax years beginning on or**  
14 **after July 1, 2011.**

15       **“SECTION 4. For the tax year beginning on July 1, 2011:**

16       **“(1) If tax on any exempt value has not been paid, the tax and any**  
17 **interest are abated.**

18       **“(2) If tax on any exempt value has been paid, the tax collector**  
19 **shall notify the governing body of the county of the refund required**  
20 **under ORS 307.181. Upon receipt of notice from the tax collector, the**  
21 **governing body shall cause a refund of the tax and any fee and interest**  
22 **paid to be made from the refund reserve account, if the county has**  
23 **established a refund reserve account under ORS 311.807, or from the**  
24 **unsegregated tax collections account described in ORS 311.385. The**  
25 **refund under this subsection shall be made without interest. The**  
26 **county assessor and tax collector shall make the necessary corrections**  
27 **in the records of their offices.**

28       **“SECTION 5. This 2011 Act takes effect on the 91st day after the**  
29 **date on which the 2011 regular session of the Seventy-sixth Legislative**  
30 **Assembly adjourns sine die.”.**

