

House Bill 2493

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Grants tax exemption to property of nonprofit corporation exclusively occupied by low income persons or held exclusively for future development as low income housing.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to low income housing; amending ORS 307.130; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 307.130, as amended by section 14, chapter 31, Oregon Laws 2012, is amended
5 to read:

6 307.130. (1) As used in this section:

7 (a) "Art museum" means a nonprofit corporation organized to display works of art to the public.

8 (b) "Internal Revenue Code" means the federal Internal Revenue Code as amended and in effect
9 on December 31, 2011.

10 (c) "**Low income**" means **income at or below 60 percent of the area median income as**
11 **determined by the State Housing Council based on information from the United States De-**
12 **partment of Housing and Urban Development.**

13 [(c)] (d) "Nonprofit corporation" means a corporation that:

14 (A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter
15 65; or

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

17 [(d)] (e) "Volunteer fire department" means a nonprofit corporation organized to provide fire
18 protection services in a specific response area.

19 (2) Upon compliance with ORS 307.162, the following property owned or being purchased by art
20 museums, volunteer fire departments, or incorporated literary, benevolent, charitable and scientific
21 institutions shall be exempt from taxation:

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

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

27 (c) All real or personal property of a rehabilitation facility or any retail outlet thereof, including
28 inventory. As used in this subsection, "rehabilitation facility" means either those facilities defined
29 in ORS 344.710 or facilities which provide individuals who have physical, mental or emotional disa-
30 bilities with occupational rehabilitation activities of an educational or therapeutic nature, even if

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 remuneration is received by the individual.

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

7 (e) All real and personal property of a retail store if:

8 (A) The retail store deals primarily and on a regular basis in donated and consigned inventory;

9 (B) The individuals who operate the retail store are all individuals who work as volunteers; and

10 (C) The inventory is either distributed without charge as part of a welfare program, or sold to
11 the general public and the sales proceeds used exclusively to support a welfare program. As used
12 in this paragraph, "primarily" means at least one-half of the inventory.

13 (f) The real and personal property of an art museum that is used in conjunction with the public
14 display of works of art or used to educate the public about art, but not including any portion of the
15 art museum's real or personal property that is used to sell, or hold out for sale, works of art, re-
16 productions of works of art or other items to be sold to the public.

17 (g) All real and personal property of a volunteer fire department that is used in conjunction with
18 services and activities for providing fire protection to all residents within a fire response area.

19 (h) All real and personal property, including inventory, of a retail store owned by a nonprofit
20 corporation if:

21 (A) The retail store deals exclusively in donated inventory; and

22 (B) Proceeds of the retail store sales are used to support a not-for-profit housing program whose
23 purpose is to:

24 (i) Acquire property and construct housing for resale to individuals at or below the cost of ac-
25 quisition and construction; and

26 (ii) Provide loans bearing no interest to individuals purchasing housing through the program.

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

29 (4) An institution shall not be deprived of an exemption under this section because its purpose
30 or the use of its property is not limited to relieving pain, alleviating disease or removing constraints.

31 **(5) Upon compliance with ORS 307.162, property or the portion of property of a nonprofit**
32 **corporation that is exclusively occupied by low income persons or held exclusively for future**
33 **development as low income housing shall be exempt from taxation.**

34 **SECTION 2. This 2013 Act takes effect on the 91st day after the date on which the 2013**
35 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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