

**Enrolled**  
**House Bill 3276**

Sponsored by Representative MCKEOWN, Senator ROBLAN; Representatives CLEM, GOMBERG, HOLVEY, KOMP, READ, WITT, Senators HANSELL, JOHNSON, OLSEN, PROZANSKI, STEINER HAYWARD

CHAPTER .....

AN ACT

Relating to the taxation of property owned by a port; creating new provisions; amending ORS 307.110; and prescribing an effective date.

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

**SECTION 1.** ORS 307.110 is amended to read:

307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or any institution or department thereof or of any county or city, town or other municipal corporation or political subdivision of this state, held under a lease or other interest or estate less than a fee simple, by any person whose real property, if any, is taxable, except employees of the state, municipality or political subdivision as an incident to such employment, shall be subject to assessment and taxation for the assessed or specially assessed value thereof uniformly with real property of nonexempt ownerships.

(2) Each leased or rented premises not exempt under ORS 307.120 and subject to assessment and taxation under this section which is located on property used as an airport and owned by and serving a municipality or port shall be separately assessed and taxed.

(3) Nothing contained in this section shall be construed as subjecting to assessment and taxation any publicly owned property described in subsection (1) of this section that is:

(a) Leased for student housing by a school or college to students attending such a school or college.

(b) Leased to or rented by persons, other than sublessees or subrenters, for agricultural or grazing purposes and for other than a cash rental or a percentage of the crop.

(c) Utilized by persons under a land use permit issued by the Department of Transportation for which the department's use restrictions are such that only an administrative processing fee is able to be charged.

(d) County fairgrounds and the buildings thereon, in a county holding annual county fairs, managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or farm machinery or equipment.

(e) The properties and grounds managed and operated by the State Parks and Recreation Director under ORS 565.080, if utilized, in addition to the purpose of holding the Oregon State Fair, for horse stalls or for storage for recreational vehicles or farm machinery or equipment.

(f) State property that is used by the Oregon University System or the Oregon Health and Science University to provide parking for employees, students or visitors.

(g) Property of a housing authority created under ORS chapter 456 which is leased or rented to persons of lower income for housing pursuant to the public and governmental purposes of the housing authority. For purposes of this paragraph, "persons of lower income" has the meaning given the phrase under ORS 456.055.

(h) Property of a health district if:

(A) The property is leased or rented for the purpose of providing facilities for health care practitioners practicing within the county; and

(B) The county is a frontier rural practice county under rules adopted by the Office of Rural Health.

**(i) Property of a port if:**

**(A) The port:**

**(i) Is organized under ORS chapter 777; and**

**(ii) Has a board of commissioners appointed by the Governor; and**

**(B) The property is:**

**(i) Located in a county with a population of less than 450,000; and**

**(ii) Used or held for future use by a person other than the port pursuant to an agreement that obligates the person to provide common carrier rail freight service to shippers.**

(4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to 285C.626 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371 and that is leased by this state, any institution or department thereof or any county, city, town or other municipal corporation or political subdivision of this state to an eligible applicant shall be assessed and taxed in accordance with ORS 307.123. The property's continued eligibility for taxation and assessment under ORS 307.123 is not affected:

(a) If the eligible applicant retires the bonds prior to the original dates of maturity; or

(b) If any applicable lease or financial agreement is terminated prior to the original date of expiration.

(5) The provisions of law for liens and the payment and collection of taxes levied against real property of nonexempt ownerships shall apply to all real property subject to the provisions of this section. Taxes remaining unpaid upon the termination of a lease or other interest or estate less than a fee simple, shall remain a lien against the real or personal property.

(6) If the state enters into a lease of property with, or grants an interest or other estate less than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days after the date of the lease, or within 30 days after the date the interest or estate less than a fee simple is created, the state shall file a copy of the lease or other instrument creating or evidencing the interest or estate with the county assessor. This section applies notwithstanding that the property may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise provided by law.

**SECTION 2. The amendments to ORS 307.110 by section 1 of this 2013 Act apply to property tax years beginning on or after July 1, 2012.**

**SECTION 3. (1)(a) To receive a refund under this section, an application must be filed with the county assessor within 60 days after the effective date of this 2013 Act.**

**(b) An application filed under this section must:**

**(A) Contain information necessary to substantiate the claim for a refund.**

**(B) Be accompanied by a filing fee of \$200.**

**(2) For the property tax year beginning on July 1, 2012:**

**(a) If property taxes on property described in ORS 307.110 (3)(i) have not been paid, the taxes and any interest on the taxes are abated.**

**(b) If property taxes on property described in ORS 307.110 (3)(i) have been paid, the tax collector of the county in which the property is located shall notify the governing body of the county of any refund required by operation of ORS 307.110 (3)(i).**

**(3)(a) Upon receipt of notice from the tax collector under subsection (2)(b) of this section, the governing body shall cause a refund of any amount of property taxes and interest on the**

**property taxes that has been paid to be made from the refund reserve account, if the county has established a refund reserve account under ORS 311.807, or, if not, from the unsegregated tax collections account described in ORS 311.385.**

**(b) A refund under this subsection shall be made without interest.**

**(4) The Department of Revenue, the county assessor and the tax collector shall make the necessary corrections in the records of their offices.**

**SECTION 4.** ORS 307.110, as amended by section 1 of this 2013 Act, is amended to read:

307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or any institution or department thereof or of any county or city, town or other municipal corporation or political subdivision of this state, held under a lease or other interest or estate less than a fee simple, by any person whose real property, if any, is taxable, except employees of the state, municipality or political subdivision as an incident to such employment, shall be subject to assessment and taxation for the assessed or specially assessed value thereof uniformly with real property of nonexempt ownerships.

(2) Each leased or rented premises not exempt under ORS 307.120 and subject to assessment and taxation under this section which is located on property used as an airport and owned by and serving a municipality or port shall be separately assessed and taxed.

(3) Nothing contained in this section shall be construed as subjecting to assessment and taxation any publicly owned property described in subsection (1) of this section that is:

(a) Leased for student housing by a school or college to students attending such a school or college.

(b) Leased to or rented by persons, other than sublessees or subrenters, for agricultural or grazing purposes and for other than a cash rental or a percentage of the crop.

(c) Utilized by persons under a land use permit issued by the Department of Transportation for which the department's use restrictions are such that only an administrative processing fee is able to be charged.

(d) County fairgrounds and the buildings thereon, in a county holding annual county fairs, managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or farm machinery or equipment.

(e) The properties and grounds managed and operated by the State Parks and Recreation Director under ORS 565.080, if utilized, in addition to the purpose of holding the Oregon State Fair, for horse stalls or for storage for recreational vehicles or farm machinery or equipment.

(f) State property that is used by the Oregon University System or the Oregon Health and Science University to provide parking for employees, students or visitors.

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*[(i) Property of a port if:]*

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*[(B) The property is:]*

*[(i) Located in a county with a population of less than 450,000; and]*

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(4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to 285C.626 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371 and that is leased by this state, any institution or department thereof or any county, city, town or other municipal corporation or political subdivision of this state to an eligible applicant shall be assessed and taxed in accordance with ORS 307.123. The property's continued eligibility for taxation and assessment under ORS 307.123 is not affected:

(a) If the eligible applicant retires the bonds prior to the original dates of maturity; or

(b) If any applicable lease or financial agreement is terminated prior to the original date of expiration.

(5) The provisions of law for liens and the payment and collection of taxes levied against real property of nonexempt ownerships shall apply to all real property subject to the provisions of this section. Taxes remaining unpaid upon the termination of a lease or other interest or estate less than a fee simple, shall remain a lien against the real or personal property.

(6) If the state enters into a lease of property with, or grants an interest or other estate less than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days after the date of the lease, or within 30 days after the date the interest or estate less than a fee simple is created, the state shall file a copy of the lease or other instrument creating or evidencing the interest or estate with the county assessor. This section applies notwithstanding that the property may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise provided by law.

**SECTION 5. The amendments to ORS 307.110 by section 4 of this 2013 Act apply to property tax years beginning on or after July 1, 2023.**

**SECTION 6. Section 3 of this 2013 Act is repealed on January 2, 2015.**

**SECTION 7. This 2013 Act takes effect on the 91st day after the date on which the 2013 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

**Passed by House May 1, 2013**

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Ramona J. Line, Chief Clerk of House

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Tina Kotek, Speaker of House

**Passed by Senate May 28, 2013**

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Peter Courtney, President of Senate

**Received by Governor:**

.....M.,....., 2013

**Approved:**

.....M.,....., 2013

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M.,....., 2013

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Kate Brown, Secretary of State