

House Bill 4106

Sponsored by Representatives WEIDNER, GOMBERG, WILLIAMSON; Representatives BERGER, MCKEOWN, PARRISH, WITT (Pre-session filed.)

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**.

Exempts from property taxation real and personal property of history museum, natural history museum or science museum that is land on which museum is situated or that is used in conjunction with public displays, used to educate public, used to sell goods related to displays or educational purpose of museum, used to sell goods and services providing refreshment to public while visiting museum or used as theater for presentations about history or science. Denies exemption if real or personal property used in sales of goods or services is leased to for-profit entity. Provides that history museum, natural history museum or science museum may not be deprived of exemption solely because primary funding is from governmental entities.

Applies to property tax years beginning on or after July 1, 2014.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax exemption for museums; creating new provisions; amending ORS 307.130;
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.130 is amended 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) "History museum, natural history museum or science museum" means a nonprofit**
9 **corporation organized to display historical or scientific exhibits, or both, to the public.**

10 *[(b) "Internal Revenue Code" means the federal Internal Revenue Code as amended and in effect*
11 *on January 3, 2013.]*

12 (c) "Nonprofit corporation" means a corporation that:

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

15 (B) Is organized and operated as described under section 501(c) of the **federal** Internal Revenue
16 Code, **as amended and in effect on January 3, 2013.**

17 **(d) "Rehabilitation facility" means a facility as defined in ORS 344.710 or a facility that**
18 **provides individuals who have physical, mental or emotional disabilities with occupational**
19 **rehabilitation activities of an educational or therapeutic nature, even if remuneration is re-**
20 **ceived by the individual.**

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

23 **(f) "Welfare program" means a program to provide food, shelter, clothing or health care,**
24 **including dental service, to needy persons without charge.**

25 (2) Upon compliance with ORS 307.162, the following property owned or being purchased by art
26 museums, **history museums, natural history museums, science museums,** volunteer fire de-

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 partments, or incorporated literary, benevolent, charitable and scientific institutions shall be exempt
 2 from taxation:

3 (a) Except as provided in ORS 748.414, only such real or personal property, or proportion
 4 **[thereof] of the property, [as] that** is actually and exclusively occupied or used in the literary, be-
 5 nevolent, charitable or scientific work carried on by such institutions.

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

8 (c) All real or personal property of a rehabilitation facility or any retail outlet **[thereof] of the**
 9 **facility**, including inventory. *[As used in this subsection, "rehabilitation facility" means either those*
 10 *facilities defined in ORS 344.710 or facilities which provide individuals who have physical, mental or*
 11 *emotional disabilities with occupational rehabilitation activities of an educational or therapeutic nature,*
 12 *even if remuneration is received by the individual.]*

13 (d) All real and personal property of a retail store dealing exclusively in donated inventory,
 14 **[where] if** the inventory is distributed without cost as part of a welfare program or where the pro-
 15 ceeds of the sale of any inventory sold to the general public are used to support a welfare program.
 16 *[As used in this subsection, "welfare program" means the providing of food, shelter, clothing or health*
 17 *care, including dental service, to needy persons without charge.]*

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

19 (A) The retail store deals *[primarily and]* on a regular basis in **inventory at least one-half of**
 20 **which is** donated and consigned *[inventory]*;

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

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

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

29 **(g) The real and personal property of a history museum, natural history museum or**
 30 **science museum that is the land on which the museum is situated, including open land not**
 31 **in agricultural use, or that is used:**

32 **(A) In conjunction with the public displays of the museum;**

33 **(B) To educate the public about history or science;**

34 **(C) To sell or hold out for sale goods related to the displays or educational purpose of the**
 35 **museum, or goods and services providing refreshment to the public while visiting the mu-**
 36 **seum, unless the real or personal property used in such sales is leased to a for-profit entity;**
 37 **or**

38 **(D) As a theater for presentations about history or science.**

39 *[(g)]* **(h)** All real and personal property of a volunteer fire department that is used in conjunction
 40 with services and activities for providing fire protection to all residents within a fire response area.

41 *[(h)]* **(i)** All real and personal property, including inventory, of a retail store owned by a
 42 nonprofit corporation if:

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

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

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

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

4 (3) An art museum, **history museum, natural history museum or science museum** or insti-
5 tution shall not be deprived of an exemption under this section solely because its primary source
6 of funding is from one or more governmental entities.

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

9 **SECTION 2. (1) Except as provided in subsection (2) of this section, the amendments to**
10 **ORS 307.130 by section 1 of this 2014 Act apply to property tax years beginning on or after**
11 **July 1, 2014.**

12 **(2) The amendments to ORS 307.130 by section 1 of this 2014 Act apply to property tax**
13 **years beginning on or after July 1, 2011, and before July 1, 2014, with respect to any property**
14 **tax disputes that are materially affected by the amendments to ORS 307.130 by section 1 of**
15 **this 2014 Act and that are not final on the effective date of this 2014 Act.**

16 **SECTION 3. This 2014 Act takes effect on the 91st day after the date on which the 2014**
17 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

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