

A-Engrossed
House Bill 2610

Ordered by the House February 26
Including House Amendments dated February 26

Sponsored by Representative GALLEGOS; Representatives DOHERTY, LIVELY, REARDON, SMITH WARNER, VEGA PEDERSON (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.

Adds agricultural workforce housing to property used in relation to agricultural work that is eligible for property tax exemption.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to agricultural workforce housing; creating new provisions; amending ORS 307.480, 307.485,
3 307.490, 307.495 and 307.500; and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.480 is amended to read:

6 307.480. As used in ORS 307.480 to 307.510 unless the context requires otherwise:

7 **(1) "Agricultural workforce housing" means housing:**

8 **(a) That is limited to occupancy by agricultural workers, including agricultural workers**
9 **who are retired or disabled, and the immediate family members of the agricultural workers;**
10 **and**

11 **(b) No dwelling unit of which is occupied by a relative of the owner or operator of the**
12 **agricultural workforce housing, other than a manufactured dwelling in a manufactured**
13 **dwelling park nonprofit cooperative as defined in ORS 62.803.**

14 **(2) "Eligible agricultural workforce housing" means agricultural workforce housing that:**

15 **(a) Is owned or operated by a nonprofit corporation as a nonprofit facility;**

16 **(b) Is not provided in connection with the recruitment or employment of agricultural**
17 **workers; and**

18 **(c) Complies with all applicable local, state and federal building codes.**

19 *[(1)]* **(3) "Eligible child care facility" means a child care facility that is:**

20 **(a) Certified under ORS 329A.030 and 329A.250 to 329A.450 [and];**

21 **(b) Owned or operated by a nonprofit corporation as a nonprofit facility [which is]; and**

22 **(c) Operated in conjunction or cooperation with an eligible farm labor camp.**

23 *[(2)]* **(4) "Eligible farm labor camp" means a farm labor camp that:**

24 **(a) Is owned or operated by a nonprofit corporation as a nonprofit facility [which]; and**

25 **(b) Complies with the [health code for farm labor camps] safety and health standards for ag-**
26 **ricultural labor housing and related facilities adopted under the Oregon Safe Employment Act.**

27 *[(3)]* **(5) "Farm labor camp" means any place, area or piece of land where housing[,] or sleeping**

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 places [or *camping grounds*] are owned or maintained:

2 (a) By a person engaged in the business of providing housing[,] or sleeping places [or *camping*
3 *grounds*] for employees or prospective employees of another person and the immediate families of
4 the employees or prospective employees if the employees or prospective employees are or will be
5 engaged in agricultural work. Eligible farm labor camps may provide housing to workers not cur-
6 rently engaged in agricultural work if agricultural work is not available and employees or prospec-
7 tive employees are required [to] either **to** engage in agricultural work or **to** leave the farm labor
8 camp once agricultural work becomes available in the area.

9 (b) In connection with any work or place where agricultural work is being performed, whether
10 the housing[,] or sleeping places [or *camping grounds*] are owned or maintained by the employer or
11 by another person.

12 [(4)] (6) ["*Owned or operated*"] "**Owned or operated** by a nonprofit corporation as a nonprofit
13 facility" includes, but is not limited to:

14 (a) The possession or operation of **agricultural workforce housing**, child care facility or farm
15 labor camp property by a nonprofit corporation pursuant to a written lease or lease-purchase
16 agreement if:

17 (A) The nonprofit corporation is obligated under the terms of the lease or lease-purchase
18 agreement to pay the ad valorem taxes on the property used in operating the **agricultural**
19 **workforce housing, child care facility or** farm labor camp [or *child care facility*]; or

20 (B) The rent payable by the nonprofit corporation has been established to reflect the savings
21 resulting from the exemption from taxation.

22 (b) The possession or operation of the property by a partnership of which the nonprofit corpo-
23 ration is:

24 (A) [Either] A general partner or the general manager; and

25 (B) Responsible for the day-to-day operation of the property.

26 [(5)] (7)(a) "Rental" means the net amount of income from [the] **eligible agricultural workforce**
27 **housing, an** eligible child care facility or [from the] **an** eligible farm labor camp after deduction of
28 costs paid or incurred in the operation of the **housing**, facility or camp [including, but].

29 (b) **Deductible costs under this subsection:**

30 (A) **Include, but are** not limited to, salaries or other compensation, insurance, utilities, garbage
31 disposal, supplies, repairs and maintenance, interest and capital costs [(whether), **whether** capital-
32 ized and depreciated or amortized or deducted [currently) but not including the] **currently**.

33 (B) **Do not include** in lieu taxes imposed under ORS 307.490.

34 **SECTION 2.** ORS 307.485 is amended to read:

35 307.485. Subject to ORS 307.490 and 307.495, there shall be exempt from taxation the assessed
36 value of all real and personal property of **eligible agricultural workforce housing, an eligible**
37 **child care facility or** an eligible farm labor camp[, or an eligible child care facility].

38 **SECTION 3.** ORS 307.490 is amended to read:

39 307.490. (1) In lieu of real and personal property taxes, each nonprofit corporation [eligible for
40 a] **granted** tax exemption under ORS 307.485 shall:

41 (a) Pay to the treasurer of the county on or before November 15 an amount equal to 10 percent
42 of the rentals for the period ending the preceding October 15[, *submitting*]; and

43 (b) **Submit** with the remittance a form supplied by the Department of Revenue [*stating*] **that**
44 **states** the rental **income** and [*certifying*]:

45 (A) **If for agricultural workforce housing, certifies compliance with all applicable local,**

1 **state and federal building codes; or**

2 **(B) If for a child care facility or farm labor camp that is offered in connection with**
3 **recruitment or employment of agricultural workers, certifies** compliance with the requirements
4 of the State Fire Marshal, the local health officer or the Office of Child Care, as applicable.

5 (2) The treasurer shall, with the assistance of the assessor, allocate the money received by the
6 treasurer under subsection (1) of this section, to the districts in which the exempt property is lo-
7 cated in the same proportion that the tax rate for the current tax year for each district bears to the
8 total tax rate for all districts.

9 (3) The moneys received by the district shall be considered as a budget resource for the next
10 ensuing fiscal year.

11 **SECTION 4.** ORS 307.495 is amended to read:

12 307.495. (1)(a) A nonprofit corporation claiming exemption under ORS 307.485 shall file with the
13 county assessor two copies of a written claim for exemption on or before April 1 of each assessment
14 year for which the exemption is claimed.

15 (b) Notwithstanding paragraph (a) of this subsection, if the property for which exemption is
16 claimed is acquired after March 1 and before July 1, the claim shall be filed within 30 days after
17 acquisition.

18 (2) The claim shall:

19 (a) Designate the property for which exemption is claimed;

20 (b) State the facts that make the property eligible within the definitions of ORS 307.480; and

21 (c) Include all verifications required under subsection (3) of this section.

22 (3) The claim for exemption under this section must include written verification:

23 (a) *[By the State Fire Marshal that the property is in compliance with applicable laws and rules*
24 *relating to safety from fire.]* **If for agricultural workforce housing, by the owner of the agricul-**
25 **tural workforce housing that the agricultural workforce housing is in compliance with all**
26 **applicable local, state and federal building codes.**

27 *[(b) If for a farm labor camp, by the appropriate authority under the Oregon Safe Employment Act*
28 *that the farm labor camp is in compliance with the health code for farm labor camps.]*

29 *[(c)]* **(b)** If for a child care facility, in whole or in part, by the Office of Child Care that the child
30 care facility is certified.

31 **(c) If for a farm labor camp, by the appropriate authority under the Oregon Safe Em-**
32 **ployment Act that the farm labor camp is in compliance with the safety and health standards**
33 **for agricultural labor housing and related facilities adopted under the Oregon Safe Employ-**
34 **ment Act.**

35 (4) Verification of compliance under subsection *[(3)(b)]* **(3)(c)** of this section may be denied if
36 access to the farm labor camp for purposes of inspection is denied to the appropriate authority.

37 (5) If any verification required under subsection (3) of this section is refused by the appropriate
38 authority or is otherwise not included with a claim for exemption, the county assessor shall deny
39 the claim and cause the nonprofit corporation to be billed for the real and personal property taxes
40 *[it would otherwise be liable to pay].*

41 (6) An exemption may not be allowed for any year subsequent to the first year unless the
42 **nonprofit** corporation submits to the assessor details as to the rentals for the prior year and proof
43 that the payments required by ORS 307.490 have been made.

44 **SECTION 5.** ORS 307.500 is amended to read:

45 307.500. *[(1) Immediately]* Upon receipt of *[the]* **a** claim, or any subsequent rental statement, filed

1 under ORS 307.495, the county assessor [*shall promptly transmit one copy of the claim to*] **may re-**
2 **quest** the Department of Revenue **to review the information included in the rental statement.**
3 **The department may verify and modify the information.**

4 *[(2) The rent subsequently reported for the eligible child care facility or eligible farm labor camp*
5 *for which the claim is made under ORS 307.485 is subject to verification and modification by the De-*
6 *partment of Revenue.]*

7 **SECTION 6. (1)(a) To receive a refund under this section, an application must be filed**
8 **with the county assessor within 60 days after the effective date of this 2015 Act.**

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

10 **(A) Contain information necessary to substantiate the claim for a refund and any other**
11 **information required by the county assessor.**

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

13 **(2) For property tax years beginning on or after July 1, 2014, and before July 1, 2016:**

14 **(a) If property taxes on property that is exempt by operation of the amendments to ORS**
15 **307.480, 307.485, 307.490, 307.495 and 307.500 by sections 1 to 5 of this 2015 Act have not been**
16 **paid, the taxes and any interest on the taxes are abated.**

17 **(b) If property taxes on property that is exempt by operation of the amendments to ORS**
18 **307.480, 307.485, 307.490, 307.495 and 307.500 by sections 1 to 5 of this 2015 Act have been paid,**
19 **the tax collector of the county in which the property is located shall notify the governing**
20 **body of the county of any refund required by operation of the amendments to ORS 307.480,**
21 **307.485, 307.490, 307.495 and 307.500 by sections 1 to 5 of this 2015 Act.**

22 **(3)(a) Upon receipt of notice from the tax collector under subsection (2)(b) of this section,**
23 **the governing body shall cause a refund of any amount of property taxes and interest on the**
24 **property taxes that have been paid to be made from the refund reserve account, if the county**
25 **has established a refund reserve account under ORS 311.807, or from the unsegregated tax**
26 **collections account described in ORS 311.385.**

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

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

30 **SECTION 7. The amendments to ORS 307.480, 307.485, 307.490, 307.495 and 307.500 by**
31 **sections 1 to 5 of this 2015 Act apply to property tax years beginning on or after July 1, 2014.**

32 **SECTION 8. This 2015 Act takes effect on the 91st day after the date on which the 2015**
33 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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