

# House Bill 2690

Sponsored by Representative GOMBERG (Presession 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 land acquired and held by nonprofit corporation for building residences to be sold to individuals whose income is not greater than 80 percent of area median income.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to exemption of land held for low-income housing; creating new provisions; amending ORS  
3 307.130; and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.130, as amended by section 16, chapter 52, Oregon Laws 2014, is amended  
6 to read:

7 307.130. (1) As used in this section:

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

9 (b) "Nonprofit corporation" means a corporation that:

10 (A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter  
11 65; or

12 (B) Is organized and operated as described under section 501(c) of the Internal Revenue Code  
13 as defined in section 15, chapter 52, Oregon Laws 2014.

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

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

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

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

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

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

30 (c) All real or personal property of a rehabilitation facility or any retail outlet [*thereof*] **of the**

**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 **facility**, including inventory. [*As used in this subsection, “rehabilitation facility” means either those*  
 2 *facilities defined in ORS 344.710 or facilities which provide individuals who have physical, mental or*  
 3 *emotional disabilities with occupational rehabilitation activities of an educational or therapeutic nature,*  
 4 *even if remuneration is received by the individual.*]

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

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

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

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

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

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

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

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

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

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

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

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

31 (i) **Land acquired and held by a nonprofit corporation for the purpose of building on the**  
 32 **land residences to be sold to individuals whose income is not greater than 80 percent of area**  
 33 **median income, adjusted for family size, as determined by the Housing and Community Ser-**  
 34 **vices Department.**

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

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

39 **SECTION 2. The amendments to ORS 307.130 by section 1 of this 2015 Act apply to**  
 40 **property tax years beginning on or after July 1, 2015.**

41 **SECTION 3. This 2015 Act takes effect on the 91st day after the date on which the 2015**  
 42 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**