

# Senate Bill 967

Sponsored by Senator BOQUIST

## 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 taxes real and personal property of history museum or science museum if property is used to fulfill museum's mission and is used or occupied for certain other museum-related purposes. Provides that exemption does not apply to property used or occupied as hotel, water park or chapel, or for any commercial enterprise.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to tax exemption for property of certain museums; 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) "History museum or science museum" means a nonprofit corporation organized to**  
10 **display historical or scientific exhibits, or both, to the public.**

11 [(b)] (c) "Nonprofit corporation" means a corporation that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 **(3)(a) Upon compliance with ORS 307.162, real and personal property owned or leased by**  
 27 **a history museum or science museum shall be exempt from property taxes if the property:**

28 **(A) Is used to fulfill the mission of the museum as provided in the articles of incorpo-**  
 29 **ration and bylaws of the museum; and**

30 **(B) Is used or occupied for one or more of the following purposes:**

31 **(i) As a food service facility or concession stand selling food and refreshments to mu-**  
 32 **seum visitors, volunteers or staff within the museum buildings or on museum grounds.**

33 **(ii) As a retail store selling inventory, at least 75 percent of which is museum-related,**  
 34 **within the museum buildings or on museum grounds.**

35 **(iii) As a parking lot, the use of which is permitted without charge for not fewer than**  
 36 **355 days during the property tax year, for museum visitors, volunteers or staff employed by**  
 37 **the museum.**

38 **(iv) As a theater located in a museum building showing entertainment or educational**  
 39 **features at least 75 percent of which are museum-related.**

40 **(v) As unimproved land that is not specially assessed and that is contiguous with the land**  
 41 **on which the museum is situated.**

42 **(vi) For displays, storage areas, educational classrooms or meeting areas.**

43 **(b) The exemption granted under this subsection does not apply to property used or oc-**  
 44 **cupied as a hotel, water park or chapel or for any commercial enterprise.**

45 [(3)] (4) An art museum or institution shall not be deprived of an exemption under this section

1 solely because its primary source of funding is from one or more governmental entities.

2 [(4)] (5) An institution shall not be deprived of an exemption under this section because its  
3 purpose or the use of its property is not limited to relieving pain, alleviating disease or removing  
4 constraints.

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

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

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