

**PROPOSED AMENDMENTS TO
SENATE BILL 938**

1 On page 1 of the printed bill, delete lines 4 through 28 and delete page
2 2 and insert:

3 **“SECTION 1. (1)(a) The governing body of a city or county may**
4 **adopt an ordinance or resolution granting a property tax exemption**
5 **for newly constructed or installed improvements located within the**
6 **boundaries of the city or county, respectively, that are classified as**
7 **industrial under rules established by the Department of Revenue pur-**
8 **suant to ORS 308.215 (1)(a)(C).**

9 **“(b) The terms of the exemption must conform to the provisions**
10 **of this section. In addition, the ordinance or resolution adopted under**
11 **this subsection may include requirements for the exemption related**
12 **to economic development that do not conflict with the provisions of**
13 **this section.**

14 **“(2) The exemption may be granted only for newly constructed or**
15 **installed industrial improvements that have, as of the first assessment**
16 **date after the improvements are first placed in service, a real market**
17 **value within a range specified by the city or county in the ordinance**
18 **or resolution. The range must be between \$2 million and \$25 million,**
19 **inclusive.**

20 **“(3)(a) The exemption shall be granted:**

21 **“(A) Beginning with the first property tax year that begins after the**
22 **ordinance or resolution is adopted;**

1 **“(B) Only for newly constructed or installed industrial improve-**
2 **ments that are first placed in service after the ordinance or resolution**
3 **is adopted; and**

4 **“(C) At a progressively decreasing percentage of assessed value over**
5 **a period of three to five years.**

6 **“(b) Except as provided in paragraph (c) of this subsection, the ex-**
7 **emption shall be granted according to the following schedule:**

8 **“(A) 100 percent exemption for the first property tax year described**
9 **in paragraph (a)(A) of this subsection;**

10 **“(B) 80 percent exemption for the second property tax year;**

11 **“(C) 60 percent exemption for the third property tax year;**

12 **“(D) 40 percent exemption for the fourth property tax year;**

13 **“(E) 20 percent exemption for the fifth property tax year; and**

14 **“(F) 0 percent exemption for the sixth and all subsequent property**
15 **tax years.**

16 **“(c) The city or county may specify in the ordinance or resolution**
17 **the number of years for which the exemption shall be granted and the**
18 **percentage of exemption granted in each year of the exemption. The**
19 **exemption percentage may be reduced to zero percent for the fourth**
20 **and all subsequent property tax years.**

21 **“(4) The exemption granted under an ordinance or resolution**
22 **adopted pursuant to this section shall apply:**

23 **“(a) To the tax levy of the city or county that adopted the ordinance**
24 **or resolution; or**

25 **“(b) To the tax levy of all taxing districts in which property granted**
26 **exemption is located if, upon request of the city or county that**
27 **adopted the ordinance or resolution, the rates of taxation of the taxing**
28 **districts whose governing bodies agree to grant the exemption, when**
29 **combined with the rate of taxation of the city or county, equal 51**
30 **percent or more of the total combined rate of taxation on the property**

1 **granted exemption.**

2 **“(5) All eligible newly constructed or installed industrial improve-**
3 **ments for which an application has been approved under subsection**
4 **(7) of this section shall be granted exemption under this section on the**
5 **same terms provided in the ordinance or resolution as adopted or**
6 **amended by the city or county and in effect on the date the application**
7 **is submitted pursuant to subsection (6) of this section.**

8 **“(6)(a) The city or county granting the exemption shall prescribe:**

9 **“(A) Application forms;**

10 **“(B) The information required to be included in the application;**

11 **“(C) The respective responsibilities of the city or county, as appli-**
12 **cable, and the county assessor for making determinations with respect**
13 **to the information; and**

14 **“(D) The deadline and fee, if any, for late filing.**

15 **“(b) Applications must be submitted for review to the county**
16 **assessor on or before March 1 preceding the property tax year to which**
17 **the application relates.**

18 **“(7)(a) The county assessor shall reject an application submitted**
19 **pursuant to subsection (6) of this section if the application does not**
20 **meet the requirements of the ordinance or resolution adopted by the**
21 **city or county.**

22 **“(b) If the application meets the requirements of the ordinance or**
23 **resolution, the county assessor shall submit the application to the**
24 **governing body of the city or county for approval.**

25 **“(8)(a) Property granted an exemption pursuant to this section is**
26 **not eligible for any other property tax exemption or special assess-**
27 **ment.**

28 **“(b) Property that has received another property tax exemption or**
29 **special assessment is not eligible for exemption pursuant to this sec-**
30 **tion.**

1 “(c) Paragraphs (a) and (b) of this subsection do not apply to the
2 exemption granted under ORS 307.330.

3 “(9)(a) Property granted an exemption pursuant to this section:

4 “(A) May be owned or leased by the applicant.

5 “(B) Must be used for the purpose, and at the location, identified
6 in the application through the final year of the exemption.

7 “(b) If the county assessor discovers that the property is not used
8 for the purpose, or at the location, identified in the application in any
9 year through the final year of the exemption, the property shall be
10 immediately disqualified for the exemption and shall be assessed and
11 taxed in the same manner as other property is assessed and taxed.

12 “(10)(a) A city or county may adopt at any time an ordinance or
13 resolution amending the terms of the exemption granted under this
14 section or terminating the exemption within the city or county.

15 “(b) Notwithstanding an ordinance or resolution adopted under
16 paragraph (a) of this subsection, newly constructed or installed in-
17 dustrial improvements that have been granted an exemption pursuant
18 to this section shall continue to receive the exemption under the terms
19 in effect at the time the exemption was first granted.

20 “SECTION 2. (1) Notwithstanding section 1 (3)(a) of this 2015 Act,
21 section 1 of this 2015 Act may apply to newly constructed or installed
22 industrial improvements for which the first assessment date after the
23 improvements were first placed in service was January 1, 2014, or
24 January 1, 2015.

25 “(2)(a) If the exemption is made applicable to property described in
26 subsection (1) of this section, the exemption shall be granted according
27 to the exemption schedule in effect under section 1 (3)(b) or (c) of this
28 2015 Act, counting the tax year that began on July 1, 2014, or July 1,
29 2015, as applicable, as the first year for purposes of the exemption
30 schedule.

1 **“(b) Notwithstanding paragraph (a) of this subsection, an exemption**
2 **may not be granted retroactively for any exemption schedule year that**
3 **ended before July 1 of the first property tax year that begins after the**
4 **ordinance or resolution granting the exemption is adopted pursuant**
5 **to section 1 of this 2015 Act and a refund may not be issued for such**
6 **exemption schedule years.**

7 **“SECTION 3. (1) Section 1 of this 2015 Act is repealed on January**
8 **2, 2026.**

9 **“(2) Notwithstanding the date specified in subsection (1) of this**
10 **section, newly constructed or installed industrial improvements that**
11 **are granted an exemption under an ordinance or resolution adopted**
12 **pursuant to section 1 of this 2015 Act shall continue to receive the**
13 **exemption under the provisions of the ordinance or resolution.**

14 **“SECTION 4. This 2015 Act takes effect on the 91st day after the**
15 **date on which the 2015 regular session of the Seventy-eighth Legisla-**
16 **tive Assembly adjourns sine die.”.**

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