

**HB 2047 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 3/6

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**WHAT THE MEASURE DOES:**

Exempts from taxation real property owned, being purchased or leased by a nonprofit health clinic if real property is occupied or used to provide health services, administrative services necessary to provide the health services and is a federally qualified health center or is occupied or used to serve patients at least 40% of whom are not charged or charged using a sliding scale based on income of patient, uninsured, or recipients of medical assistance. Requires annual application be submitted to county assessor to qualify for exemption. Removes from qualification for exemption under ORS 307.130, property of a nonprofit health clinic that is eligible for exemption under Section 1 of measure. Makes a series of conforming and non-substantive statutory changes. Changes relating to exemption become effective beginning with 2017-18 property tax year.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

ORS 307.130 is a relatively broad exemption available to various types of nonprofit institutions including: hospitals and health organizations, social welfare organizations, museums and specified charitable retail stores. To qualify for exemption, organizations must initially apply to the assessor of the county in which the property resides. So long as ownership of all property included in the initial application remains unchanged, a new claim is not required.

Per ORS 30.792, "Health clinic" as defined in measure means a public health clinic or a health clinic operated by a charitable organization that provides primarily primary physical health, dental or mental health services to low-income patients without charge or using a sliding fee scale based on the income of the patient. These clinics do not include clinics operated by hospitals, intermediate care facilities or long term care facilities.