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# OREGON STATE ASSOCIATION OF COUNTY ASSESSORS

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## **Oregon State Association of County Assessors Issues and Position Paper for 2017 Hospital and Medical Clinic Legislation under ORS 307.130 (Charitable)**

### **Property Tax Exemption Issues Summary for Hospitals and Medical Clinics:**

ORS 307.130 is a broad statute that over the years has taken in a diverse group of organizations and institutions the legislature desired to be exempt from Ad Valorem Property Taxation. This group of organizations and institutions includes Hospitals and Medical Clinics.

The nature of the statute and the lack of clearly defined phrases and qualifying criteria has caused assessors, taxpayers and the courts to interpret the statute differently. These interpretations have caused confusion, difficulty and uncertainty in the administration of this statute. The Department of Revenue through its rule making authority has tried to clarify the words and language in ORS 307.130 based on case law. Even with these clarifications, there are phrases and criteria that are subject to differing opinions and true clarity would require staking out policy positions that may overstep the department's statutory authority.

Over the past year representatives of the Oregon State Association of County Assessors (OSACA) have participated in conversations and meetings regarding the taxable or exempt status of hospitals and/or medical clinics. These discussions were primarily as participants on the Legislative Work Group – Nonprofit Property Tax Exemptions/Taxation. We have also had meetings or conversations with representatives of hospitals and charitable organizations plus representatives of SEIU.

It is because of these conversations and the input we provided that OSACA wants to clarify and state our position on any legislation presented in the 2017 Legislative Session dealing with the taxable or exempt status of Hospitals and/or Medical Clinics.

### **OSACA Position on Property Tax Status of Hospitals and/or Medical Clinics:**

- Whether property is taxable or exempt is strictly a matter of Legislative policy.
- OSACA has no position on what that policy should be.
- OSACA is looking for a "Clear, Bright Line" of legislative policy and qualifying criteria for what properties should be taxable and what properties should be exempt from property taxes.
- OSACA asks the Legislature provide that "Clear, Bright Line" in the policy, intent and qualifying criteria of whatever legislation they approve during the 2017 Legislative Session so Assessors can uniformly, efficiently and effectively administer that policy statewide.