

HB 3459 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 6/6

WHAT THE MEASURE DOES:

Expands existing property tax exemption available under ORS 307.130 to include all real and personal property of a retail store owned by a nonprofit corporation if retail store deals exclusively in donated inventory and other than a manager and a bookkeeper, individuals who operate store work as volunteers. Requires all net proceeds of the retail store sales to be donated to: an animal shelter, an entity that provides spaying and neutering services for pets of low-income individuals or households, or to assist low-income households in obtaining veterinary care for pets. Makes series of non substantive structural statutory changes. Applies to property tax years beginning on or after July 1, 2017.

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. For a retail store to be exempt from property taxation under existing law, statute requires the proceeds of the sale of any inventory sold to the general public to be used to support a welfare program. Welfare program is defined as "a program to provide food, shelter, clothing or health care, including dental service, to needy person without charge". Retail stores may also be exempt if proceeds of the retail store sales are used to support a not-for-profit housing program. Retail stores selling inventory, at least 90 percent of which is museum-related, within the museum buildings or on museum grounds is also exempt.

House bill 3459 would expand exemption to include retail stores that donate all net proceeds of the retail store to: an animal shelter, an entity that provides spaying and neutering services for pets of low-income individuals or households, or to assist low-income households in obtaining veterinary care for pets.