

D R A F T

SUMMARY

Creates or adjusts sunset dates for certain property tax expenditure provisions.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax expenditures; creating new provisions; amending
3 ORS 285C.255, 285C.406, 307.110, 307.517, 307.518, 307.523, 307.529, 307.535,
4 307.637, 307.651, 307.664, 307.681, 308.256 and 358.499 and section 2, chapter
5 783, Oregon Laws 1979, section 6, chapter 660, Oregon Laws 1985, section
6 2, chapter 256, Oregon Laws 2001, section 5, chapter 422, Oregon Laws
7 2001, section 13, chapter 119, Oregon Laws 2005, section 7, chapter 637,
8 Oregon Laws 2005, section 4, chapter 656, Oregon Laws 2011, section 3,
9 chapter 571, Oregon Laws 2015, section 8, chapter 96, Oregon Laws 2016,
10 and section 6, chapter 112, Oregon Laws 2016; and prescribing an effective
11 date.

12 **Be It Enacted by the People of the State of Oregon:**

ADJUSTMENTS: JULY 1, 2020

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14
15
16 **SECTION 1. (1) ORS 307.022 applies to property tax years beginning**
17 **before July 1, 2020.**

18 **(2) Notwithstanding subsection (1) of this section, property granted**
19 **exemption or special assessment by operation of ORS 307.022 before the**
20 **date specified in subsection (1) of this section shall continue to receive**

1 **the exemption or special assessment on the same terms, including**
2 **duration, on which the exemption or special assessment was granted.**

3 **SECTION 2. (1) ORS 307.115 applies to property tax years beginning**
4 **before July 1, 2020.**

5 **(2) Notwithstanding subsection (1) of this section, real and personal**
6 **property granted exemption under ORS 307.115 before the date speci-**
7 **fied in subsection (1) of this section shall continue to receive the ex-**
8 **emption on the same terms, including duration, on which the**
9 **exemption was granted.**

10 **SECTION 3. (1) ORS 307.130 applies to property tax years beginning**
11 **before July 1, 2020.**

12 **(2) Notwithstanding subsection (1) of this section, real and personal**
13 **property granted exemption under ORS 307.130 before the date speci-**
14 **fied in subsection (1) of this section shall continue to receive the ex-**
15 **emption on the same terms, including duration, on which the**
16 **exemption was granted.**

17 **SECTION 4. ORS 307.136 applies to property tax years beginning**
18 **before July 1, 2020.**

19 **SECTION 5. ORS 307.140 applies to property tax years beginning**
20 **before July 1, 2020.**

21 **SECTION 6. ORS 307.145 applies to property tax years beginning**
22 **before July 1, 2020.**

23 **SECTION 7. ORS 307.147 applies to property tax years beginning**
24 **before July 1, 2020.**

25 **SECTION 8. Section 5, chapter 422, Oregon Laws 2001, is amended to**
26 **read:**

27 **Sec. 5.** *[Section 4 of this 2001 Act]* **ORS 307.157** applies to property owned
28 or being purchased by an incorporated eleemosynary or charitable institution
29 on or after January 1, 2001, and before January 1, 2011, and to property tax
30 years beginning on or after July 1, 2001, and before July 1, [2021] **2020.**

31 **SECTION 9. ORS 307.195 applies to property tax years beginning**

1 before July 1, 2020.

2 **SECTION 10.** ORS 307.242 applies to property tax years beginning
3 before July 1, 2020.

4 **SECTION 11.** ORS 307.250 applies to property tax years beginning
5 before July 1, 2020.

6 **SECTION 12.** ORS 307.286 applies to property tax years beginning
7 before July 1, 2020.

8 **SECTION 13.** ORS 307.370 applies to property tax years beginning
9 before July 1, 2020.

10 **SECTION 14.** ORS 307.471 applies to property tax years beginning
11 before July 1, 2020.

12 **SECTION 15.** ORS 307.485 applies to property tax years beginning
13 before July 1, 2020.

14 **SECTION 16.** (1) ORS 307.513 applies to property tax years beginning
15 before July 1, 2020.

16 (2) Notwithstanding subsection (1) of this section, land granted ex-
17 emption under ORS 307.513 before the date specified in subsection (1)
18 of this section shall continue to receive the exemption on the same
19 terms, including duration, on which the exemption was granted.

20 **SECTION 17.** ORS 307.517 is amended to read:

21 307.517. (1) Property or a portion of the property is exempt from taxation
22 as provided under ORS 307.515 to 307.523 if:

23 (a) The property is:

24 (A) Offered for rent; or

25 (B) Held for the purpose of developing low income rental housing, for a
26 period not exceeding a reasonable maximum period, if any, adopted by the
27 governing body;

28 (b) The property, if occupied, is occupied solely by low income persons;

29 (c) The required rent payment reflects the full value of the property tax
30 exemption;

31 (d) The exemption has been approved as provided in ORS 307.523, **pur-**

1 **suant to an application filed before July 1, 2020;**

2 (e) The housing units on the property were constructed after the local
3 governing body adopted the provisions of ORS 307.515 to 307.523; and

4 (f) The information disclosed on the application filed pursuant to ORS
5 307.521 meets any other criteria adopted by the governing body.

6 (2) A governing body that adopts the provisions of ORS 307.515 to 307.523
7 may adopt additional criteria for exemption that do not conflict with the
8 criteria described in subsection (1)(a) to (e) of this section.

9 (3) For the purposes of subsection (1) of this section, a person that has
10 only a leasehold interest in property is deemed to be a purchaser of that
11 property if:

12 (a) The person is obligated under the terms of the lease to pay the ad
13 valorem taxes on the real and personal property used in this activity on that
14 property; or

15 (b) The rent payable has been established to reflect the savings resulting
16 from the exemption from taxation.

17 **SECTION 18.** ORS 307.518 is amended to read:

18 307.518. (1) Property or a portion of property is exempt from taxation as
19 provided under ORS 307.515 to 307.523 if:

20 (a) The property, if unoccupied, is:

21 (A) Offered for rental solely as a residence for low income persons; or

22 (B) Held for the purpose of developing low income rental housing, for a
23 period not exceeding a reasonable maximum period, if any, adopted by the
24 governing body;

25 (b) The property, if occupied, is occupied solely as a residence for low
26 income persons;

27 (c) An exemption for the property has been approved as provided under
28 ORS 307.523, pursuant to an application filed before [*January*] **July 1, 2020;**

29 (d) The property is owned or being purchased by a nonprofit corporation
30 organized in a manner that meets the criteria for a public benefit corporation
31 or a religious corporation, both terms as defined in ORS 65.001;

1 (e) The property is owned or being purchased by a nonprofit corporation
2 that expends no more than 10 percent of the nonprofit corporation's annual
3 income from residential rentals for purposes other than the acquisition,
4 maintenance or repair of residential rental property for low income persons
5 or for the provision of on-site child care services for the residents of the
6 rental property; and

7 (f) The information disclosed on the application filed pursuant to ORS
8 307.521 meets any other criteria adopted by the governing body.

9 (2) A governing body that adopts the provisions of ORS 307.515 to 307.523
10 may adopt additional criteria for exemption that do not conflict with the
11 criteria described in subsection (1)(a) to (e) of this section.

12 (3) For the purposes of this section, a nonprofit corporation that has only
13 a leasehold interest in property is considered to be a purchaser of that
14 property if:

15 (a) The nonprofit corporation is obligated under the terms of the lease to
16 pay the ad valorem taxes on the real and personal property used in the rental
17 activity on that property; or

18 (b) The rent payable has been established to reflect the savings resulting
19 from the exemption from taxation.

20 (4) A partnership shall be considered a nonprofit corporation for purposes
21 of this section if:

22 (a) A nonprofit corporation is a general partner of the partnership; and

23 (b) The nonprofit corporation is responsible for the day-to-day operation
24 of the property that is the subject of the exemption under ORS 307.515 to
25 307.523.

26 **SECTION 19.** ORS 307.523 is amended to read:

27 307.523. (1) Application shall be made on or before December 1 of the
28 calendar year immediately preceding the first assessment year for which ex-
29 emption is requested, and shall be accompanied by the application fee re-
30 quired under ORS 307.527. However, if the property is acquired after
31 November 1, the application shall be made within 30 days after the date of

1 acquisition.

2 (2) Within 60 days of the filing of an application under ORS 307.521, the
3 governing body shall take final action upon the application as provided un-
4 der ORS 307.527, and certify the results of the action to the county assessor,
5 as set forth in ORS 307.512.

6 (3) Upon receipt of certification under subsection (2) of this section, the
7 county assessor shall exempt the property from taxation to the extent certi-
8 fied by the governing body.

9 (4) **Notwithstanding the dates specified in ORS 307.517 and 307.518,**
10 **property granted exemption pursuant to an application filed under**
11 **ORS 307.517 or 307.518 before July 1, 2020, shall continue to receive the**
12 **exemption on the same terms, including duration, on which the ex-**
13 **emption was granted.**

14 **SECTION 20.** ORS 307.529 is amended to read:

15 307.529. (1) Except as provided in ORS 307.531, if, after an application for
16 exemption under ORS 307.517 has been approved under ORS 307.527, the
17 governing body finds that construction or development of the exempt prop-
18 erty differs from the construction or development described in the applica-
19 tion for exemption, or is not completed on or before [*January*] **July 1, 2020,**
20 or that any provision of ORS 307.515 to 307.523 is not being complied with,
21 or any provision required by the governing body pursuant to ORS 307.515 to
22 307.523 is not being complied with, the governing body shall give notice of
23 the proposed termination of the exemption to the owner, by mailing the no-
24 tice to the last-known address of the owner, and to every known lender, by
25 mailing the notice to the last-known address of every known lender. The
26 notice shall state the reasons for the proposed termination and shall require
27 the owner to appear at a specified time, not less than 20 days after mailing
28 the notice, to show cause, if any, why the exemption should not be termi-
29 nated.

30 (2) If the owner fails to appear and show cause why the exemption should
31 not be terminated, the governing body shall notify every known lender, and

1 shall allow any lender not less than 30 days after the date the notice of the
2 failure to appear and show cause is mailed to cure any noncompliance or to
3 provide assurance adequate to the governing body that all noncompliance
4 shall be remedied.

5 (3) If the owner fails to appear and show cause why the exemption should
6 not be terminated, and the lender fails to cure or give adequate assurance
7 of the cure of any noncompliance, the governing body shall adopt an ordi-
8 nance or resolution stating its findings terminating the exemption. A copy
9 of the ordinance or resolution shall be filed with the county assessor, and
10 a copy shall be sent to the owner at the owner's last-known address and to
11 the lender at the last-known address of the lender within 10 days after its
12 adoption.

13 **SECTION 21.** ORS 307.535 is amended to read:

14 307.535. Notwithstanding any provision of ORS 307.515 to 307.523:

15 (1) If the governing body finds that construction of the housing unit
16 otherwise entitled to exemption under ORS 307.517 was not completed by
17 [*January*] **July** 1, 2020, due to circumstances beyond the control of the
18 owner, and that the owner had been acting and could reasonably be expected
19 to act in good faith and with due diligence, the governing body may extend
20 the deadline for completion of construction for a period not to exceed 12
21 consecutive months.

22 (2) If property granted exemption under ORS 307.515 to 307.523 is de-
23 stroyed by fire or act of God, or is otherwise no longer capable of owner-
24 occupancy due to circumstances beyond the control of the owner, the
25 exemption shall cease but no additional taxes shall be imposed upon the
26 property under ORS 307.531 or 307.533.

27 **SECTION 22.** Section 6, chapter 660, Oregon Laws 1985, as amended by
28 section 1, chapter 108, Oregon Laws 1993, section 1, chapter 215, Oregon
29 Laws 2003, and section 1, chapter 191, Oregon Laws 2011, is amended to read:

30 **Sec. 6.** ORS 307.540 to 307.548 apply to tax years beginning on or after
31 January 1, 1985, and before July 1, [2027] **2020**.

1 **SECTION 23.** ORS 307.637 is amended to read:

2 307.637. (1) An exemption for multiple-unit housing may not be granted
3 under ORS 307.600 to 307.637 unless:

4 [(1)] (a) In the case of multiple-unit housing described in ORS 307.603
5 (5)(a), the application for exemption is made to the city or county [*on or be-*
6 *fore January 1, 2022*] **before July 1, 2020.**

7 [(2)] (b) In the case of multiple-unit housing described in ORS 307.603
8 (5)(b), the construction, addition or conversion is completed [*on or before*
9 *January 1, 2022*] **before July 1, 2020.**

10 **(2) Notwithstanding subsection (1) of this section, multiple-unit**
11 **housing granted exemption under ORS 307.612 before the dates speci-**
12 **fied in subsection (1) of this section shall continue to receive the ex-**
13 **emption on the same terms, including duration, on which the**
14 **exemption was granted.**

15 **SECTION 24.** ORS 307.651 is amended to read:

16 307.651. As used in ORS 307.651 to 307.687, unless the context requires
17 otherwise:

18 (1) “Governing body” means the city legislative body having jurisdiction
19 over the property for which an exemption may be applied for under ORS
20 307.651 to 307.687.

21 (2) “Qualified dwelling unit” means a dwelling unit that, upon completion,
22 has a market value (land and improvements) of no more than 120 percent,
23 or a lesser percentage as adopted by the governing body by resolution, of the
24 median sales price of dwelling units located within the city.

25 (3) “Single-unit housing” means a newly constructed structure having one
26 or more dwelling units that:

27 (a) Is, or will be, at the time that construction is completed, in conform-
28 ance with all local plans and planning regulations, including special or
29 district-wide plans developed and adopted pursuant to ORS chapters 195, 196,
30 197 and 227.

31 (b) Is constructed on or after January 1, 1990, and is completed within two

1 years after application for exemption is approved under ORS 307.674 or be-
2 fore [*January 1, 2025*] **July 1, 2020**, whichever is earlier.

3 (c) Upon completion, is designed for each dwelling unit within the struc-
4 ture to be purchased by and lived in by one person or one family.

5 (d) Upon completion, has one or more qualified dwelling units within the
6 single-unit housing.

7 (e) Is not a floating home, as defined in ORS 830.700, or a manufactured
8 structure, as defined in ORS 446.561, other than a manufactured home de-
9 scribed in ORS 197.307 (8)(a) to (f).

10 (4) "Structure" does not include the land or any site development **made**
11 to the land, as those terms are defined in ORS 307.010.

12 **SECTION 25.** ORS 307.664 is amended to read:

13 307.664. (1) Each qualified dwelling unit of single-unit housing that qual-
14 ifies for exemption under ORS 307.651 to 307.687 shall be exempt from ad
15 valorem taxation for no more than 10 successive tax years beginning July 1
16 of the first tax year following approval of the application under ORS 307.674,
17 as determined under rules adopted by the Department of Revenue. The ex-
18 emption provided by this section shall be in addition to any other exemption
19 provided by law for the property. However, the amount of assessed value
20 exempted under this section may not exceed the real market value of the
21 structure determined as of the date that the property is inspected for pur-
22 poses of making a determination under ORS 307.674.

23 **(2) Notwithstanding ORS 307.651, qualified dwelling units of single-**
24 **unit housing granted exemption before July 1, 2020, shall continue to**
25 **receive the exemption on the same terms, including duration, on**
26 **which the exemption was granted.**

27 **SECTION 26.** ORS 307.681 is amended to read:

28 307.681. (1) Except as provided in ORS 307.684, if, after an application has
29 been approved under ORS 307.674, the city finds that construction of single-
30 unit housing was not completed within two years after the date the appli-
31 cation was approved or [*on or before January 1, 2025*] **before July 1, 2020,**

1 whichever is earlier, or that any provision of ORS 307.651 to 307.687 is not
2 being complied with, or any provision required by the city pursuant to ORS
3 307.651 to 307.687 is not being complied with, the city shall give notice to the
4 owner, mailed to the owner's last-known address, of the proposed termination
5 of the exemption. The notice shall state the reasons for the proposed termi-
6 nation and shall require the owner to appear at a specified time, not less
7 than 20 days after mailing the notice, to show cause, if any, why the ex-
8 emption should not be terminated.

9 (2) If the owner fails to show cause why the exemption should not be
10 terminated, the city shall adopt an ordinance or resolution stating its
11 findings and terminating the exemption. A copy of the ordinance or resol-
12 ution shall be filed with the county assessor and a copy sent to the owner
13 at the owner's last-known address within 10 days after its adoption.

14 **SECTION 27. (1) ORS 307.804 applies to property tax years beginning**
15 **before July 1, 2020.**

16 (2) **Notwithstanding subsection (1) of this section, real and personal**
17 **property of a rural health care facility granted exemption under ORS**
18 **307.804 before the date specified in subsection (1) of this section shall**
19 **continue to receive the exemption on the same terms, including du-**
20 **ration, on which the exemption was granted.**

21 **SECTION 28. ORS 307.811 applies to property tax years beginning**
22 **before July 1, 2020.**

23 **SECTION 29. Section 13, chapter 119, Oregon Laws 2005, as amended by**
24 **section 4, chapter 507, Oregon Laws 2015, is amended to read:**

25 **Sec. 13. (1)** The Housing and Community Services Department may not
26 issue a certification under ORS 307.841 to 307.867 on or after [*January 1,*
27 *2026*] **July 1, 2020.**

28 (2) **Notwithstanding subsection (1) of this section, property of a**
29 **vertical housing development project granted partial exemption under**
30 **ORS 307.864 pursuant to a certification issued under ORS 307.857 before**
31 **the date specified in subsection (1) of this section shall continue to**

1 receive the partial exemption on the same terms, including duration,
2 on which the partial exemption was granted.

3 **SECTION 30. ORS 308.490 applies to property tax years beginning**
4 **before July 1, 2020.**

5 **SECTION 31.** ORS 358.499 is amended to read:

6 358.499. (1) Property first classified and specially assessed as historic
7 property for a tax year beginning on or before July 1, 1994, shall continue
8 to be so classified, specially assessed and removed from special assessment
9 as provided under ORS 358.487 to 358.543 as those sections were in existence
10 and in effect on December 31, 1992.

11 (2) Property may be classified and specially assessed under ORS 358.487
12 to 358.543 pursuant to application filed under ORS 358.487 on or after Sep-
13 tember 9, 1995, and first applicable for the tax year 1996-1997 or any tax year
14 thereafter.

15 (3)(a) Property may not be classified and specially assessed pursuant to
16 application filed under ORS 358.487 or 358.540 if the application is filed on
17 or after July 1, 2020.

18 **(b) Notwithstanding paragraph (a) of this subsection, property**
19 **granted special assessment as historic property under ORS 358.505 or**
20 **358.540 before the date specified in paragraph (a) of this subsection**
21 **shall continue to receive the special assessment on the same terms,**
22 **including duration, on which the special assessment was granted.**

23 **SECTION 32. Section 1, chapter 56, Oregon Laws 2016, applies to**
24 **property tax years beginning before July 1, 2020.**

25

26 **ADJUSTMENTS: JULY 1, 2022**

27

28 **SECTION 33.** ORS 285C.255 is amended to read:

29 285C.255. (1)(a) Notwithstanding any other provision of ORS 285C.050 to
30 285C.250:

31 [(a)] (A) An area may not be designated as an enterprise zone after June

1 30, [2025] **2022**;

2 [(b)] (B) A business firm may not obtain authorization under ORS
3 285C.140 after June 30, [2025] **2022**; and

4 [(c)] (C) An enterprise zone, except for a reservation enterprise zone or
5 a reservation partnership zone, that is in existence on June 29, [2025] **2022**,
6 is terminated on June 30, [2025] **2022**.

7 (b) **Notwithstanding paragraph (a) of this subsection, property**
8 **granted exemption under ORS 285C.170 or 285C.175 before the date**
9 **specified in paragraph (a) of this subsection shall continue to receive**
10 **the exemption on the same terms, including duration, on which the**
11 **exemption was granted.**

12 (2) Notwithstanding subsection (1) of this section:

13 (a) A reservation enterprise zone may be designated, and a reservation
14 partnership zone may be cosponsored, under ORS 285C.306 after June 30,
15 [2025] **2022**; and

16 (b) A business firm may obtain authorization under ORS 285C.140 after
17 June 30, [2025] **2022**:

18 (A) If located in a reservation enterprise zone or a reservation partner-
19 ship zone; or

20 (B) As allowed under ORS 285C.245 (1)(b).

21 **SECTION 34. (1) ORS 285C.362 applies to property tax years begin-**
22 **ning before July 1, 2022.**

23 (2) **Notwithstanding subsection (1) of this section, property of an**
24 **authorized business firm granted exemption under ORS 285C.362 before**
25 **the date specified in subsection (1) of this section shall continue to**
26 **receive the exemption on the same terms, including duration, on**
27 **which the exemption was granted.**

28 **SECTION 35. ORS 285C.406 is amended to read:**

29 285C.406. In order for a taxpayer to claim the property tax exemption
30 under ORS 285C.409 or a corporate excise or income tax credit under ORS
31 317.124:

1 (1) The written agreement between the business firm and the rural en-
2 terprise zone sponsor that is required under ORS 285C.403 (3)(c) must be
3 entered into prior to the termination of the enterprise zone under ORS
4 285C.245; and

5 (2)(a) For the purpose of the property tax exemption, the business firm
6 must obtain certification under ORS 285C.403 on or before June 30, [2025]
7 **2022**; or

8 (b) For the purpose of the corporate excise or income tax credit, the
9 business firm must obtain certification under ORS 285C.403 on or before June
10 30, 2018.

11 **(3) Notwithstanding subsection (2)(a) of this section, a facility of a**
12 **certified business firm certified under ORS 285C.403 before the date**
13 **specified in subsection (2)(a) of this section shall be granted and con-**
14 **tinue to receive the exemption under ORS 285C.409 on the same terms,**
15 **including duration, on which the exemption is first granted.**

16 **SECTION 36. (1) ORS 307.123 applies to property tax years beginning**
17 **before July 1, 2022.**

18 **(2) Notwithstanding subsection (1) of this section, real and personal**
19 **property assessed under ORS 307.123 before the date specified in sub-**
20 **section (1) of this section shall continue to be assessed under ORS**
21 **307.123 on the same terms, including duration.**

22 **SECTION 37. ORS 307.171 applies to property tax years beginning**
23 **before July 1, 2022.**

24 **SECTION 38. Section 4, chapter 656, Oregon Laws 2011, as amended by**
25 **section 28, chapter 193, Oregon Laws 2013, is amended to read:**

26 **Sec. 4.** (1) The amendments to ORS 307.175 by section 3, chapter 656,
27 Oregon Laws 2011, apply to tax years beginning on or after July 1, 2011.

28 (2) An exemption under ORS 307.175 may not be allowed for tax years
29 beginning after July 1, [2017] **2021.**

30 **SECTION 39. (1) ORS 307.330 applies to property tax years beginning**
31 **before July 1, 2022.**

1 **(2) Notwithstanding subsection (1) of this section, property granted**
2 **exemption under ORS 307.330 before the date specified in subsection**
3 **(1) of this section shall continue to receive the exemption on the same**
4 **terms, including duration, on which the exemption was granted.**

5 **SECTION 40.** Section 7, chapter 637, Oregon Laws 2005, as amended by
6 section 1, chapter 656, Oregon Laws 2011, and section 1, chapter 210, Oregon
7 Laws 2013, is amended to read:

8 **Sec. 7. (1)** Property may not qualify for a first year of exemption under
9 ORS 307.455 for a tax year beginning on or after July 1, [2020] **2022.**

10 **(2) Notwithstanding subsection (1) of this section, qualified ma-**
11 **chinery and equipment first granted exemption under ORS 307.455 be-**
12 **fore the date specified in subsection (1) of this section shall continue**
13 **to receive the exemption on the same terms, including duration, on**
14 **which the exemption was granted.**

15 **SECTION 41.** **ORS 307.580 applies to property tax years beginning**
16 **before July 1, 2022.**

17 **SECTION 42.** Section 2, chapter 783, Oregon Laws 1979, as amended by
18 section 1, chapter 583, Oregon Laws 1987, section 7, chapter 748, Oregon
19 Laws 1995, section 1, chapter 218, Oregon Laws 2003, section 1, chapter 548,
20 Oregon Laws 2009, and section 1, chapter 213, Oregon Laws 2013, is amended
21 to read:

22 **Sec. 2.** Cargo containers, as defined in ORS 307.835, are exempt from
23 taxation for tax years beginning on or after July 1, 1974, but prior to July
24 1, [2020] **2022.**

25 **SECTION 43.** ORS 308.256 is amended to read:

26 308.256. (1) Watercraft of water transportation companies shall be as-
27 sessed as provided in ORS 308.505 to 308.681.

28 (2) Watercraft described in ORS 308.260 shall be assessed as provided in
29 ORS 308.260.

30 (3) The following watercraft shall be exempt from taxation:

31 (a) Watercraft not owned or operated by water transportation companies,

1 as described in ORS 308.515, and that are customarily engaged in the trans-
2 portation of persons or property for hire wholly outside the boundaries of
3 this state.

4 (b) Watercraft owned or operated by water transportation companies, as
5 described in ORS 308.515, and not assessed by the Department of Revenue,
6 that are customarily engaged in the transportation of persons or property for
7 hire wholly or in part outside the boundaries of this state. The exemption
8 under this paragraph does not apply to watercraft that engage in the trans-
9 portation for hire of persons on offshore trips that originate and terminate
10 at the same port, and that have a valid marine document issued by the
11 United States Coast Guard or any other federal agency that succeeds the
12 United States Coast Guard in the duty of issuing marine documents.

13 (c) The assessed value of the property of a water transportation company,
14 as described in ORS 308.515, that is not subject to assessment by the De-
15 partment of Revenue under the provisions of ORS 308.550 (3).

16 (4)(a) Watercraft over 16 feet in length in the process of original con-
17 struction, or undergoing major remodeling, renovation, conversion, recon-
18 version or repairs on January 1 are exempt from taxation. For the purposes
19 of this subsection, the term “major” shall include all remodeling, renovation,
20 conversion, reconversion or repairs to a watercraft in which the expenditures
21 for parts, materials, labor and accessorial services exceed 10 percent of the
22 market value of the watercraft immediately prior to the remodeling, reno-
23 vation, conversion, reconversion or repairs.

24 (b) Watercraft subject to assessment by the Department of Revenue under
25 ORS 308.505 to 308.681 are exempt under paragraph (a) of this subsection
26 only if on or before the due date for filing the statement described in ORS
27 308.520 for the year for which exemption is claimed, the owner or operator
28 files with the department sufficient documentary evidence that the property
29 qualifies for the exemption.

30 (c) The owner or operator of watercraft subject to local assessment shall
31 file the documentary evidence required under paragraph (b) of this sub-

1 section with the county assessor on or before April 1 of the year for which
2 exemption is claimed.

3 (5) All other watercraft not otherwise specifically exempt from taxation
4 nor licensed in lieu thereof shall be assessed in the county in which they are
5 customarily moored when not in service or if there is no customary place
6 of moorage in the county in which their owner or owners reside or, if neither
7 situs applies, then in the county in which any one of the owners maintains
8 a place of business.

9 (6) Watercraft described in subsection (5) of this section shall be assessed
10 at assessed value, except as follows:

11 (a) Ships and vessels whose home ports are in the State of Oregon and
12 that ply the high seas or between the high seas and inland water ports or
13 terminals shall be assessed at four percent of the assessed value thereof.

14 (b) Vessels that are self-propelled, offshore oil drilling rigs whose home
15 ports are in the State of Oregon shall be assessed at four percent of the as-
16 sessed value thereof.

17 (c) All other ships and vessels whose home ports are in the State of
18 Oregon shall be assessed at 40 percent of the assessed value thereof.

19 *[(7) The assessor shall cancel the assessment in whole or proportionate part*
20 *on all parts and materials in the inventory of shipyards and ship repair fa-*
21 *ilities as of January 1 of the assessment year, but only upon receipt prior to*
22 *April 1 of the assessment year of sufficient documentary proof that prior to*
23 *April 1 of the assessment year the parts or materials so assessed were phys-*
24 *ically attached to or incorporated in watercraft undergoing major remodeling,*
25 *renovation, conversion, reconversion or repairs as described in subsection (4)*
26 *of this section, within the boundaries of this state.]*

27 **SECTION 44. The amendments to ORS 308.256 by section 43 of this**
28 **2017 Act apply to property tax years beginning on or after July 1, 2022.**

29 **SECTION 45. ORS 308.671 applies to property tax years beginning**
30 **before July 1, 2022.**

31 **SECTION 46. ORS 308.674 applies to property tax years beginning**

1 **before July 1, 2022.**

2 **SECTION 47. (1) ORS 308.677 applies to property tax years beginning**
3 **before July 1, 2022.**

4 **(2) Notwithstanding subsection (1) of this section, property granted**
5 **exemption under ORS 308.677 before the date specified in subsection**
6 **(1) of this section shall continue to receive the exemption on the same**
7 **terms, including duration, on which the exemption was granted.**

8 **SECTION 48.** Section 3, chapter 571, Oregon Laws 2015, is amended to
9 read:

10 **Sec. 3.** (1) Section 1 [*of this 2015 Act*], **chapter 571, Oregon Laws 2015,**
11 is repealed on [*January 2*] **July 1, 2022.**

12 (2) Notwithstanding subsection (1) of this section, property constituting
13 a solar project that is exempt from property taxes under section 1 [*of this*
14 *2015 Act*], **chapter 571, Oregon Laws 2015,** on the date specified in sub-
15 section (1) of this section shall continue to be exempt and to pay the fee in
16 lieu of property taxes for the term specified in the agreement entered into
17 under section 1 [*of this 2015 Act*], **chapter 571, Oregon Laws 2015.**

18 **SECTION 49.** Section 6, chapter 112, Oregon Laws 2016, is amended to
19 read:

20 **Sec. 6.** (1) Sections 1 to 5 [*of this 2016 Act*], **chapter 112, Oregon Laws**
21 **2016,** are repealed on [*January 2, 2024*] **July 1, 2022.**

22 (2) Notwithstanding the date specified in subsection (1) of this section,
23 newly constructed or installed industrial improvements that are granted ex-
24 emption or deferral under an ordinance or resolution adopted pursuant to
25 section 1 [*of this 2016 Act*], **chapter 112, Oregon Laws 2016,** shall continue
26 to receive the exemption or deferral under the provisions of the ordinance
27 or resolution.

28

29 **ADJUSTMENTS: JULY 1, 2024**

30

31 **SECTION 50. ORS 307.150 applies to property tax years beginning**

1 before July 1, 2024.

2 SECTION 51. ORS 307.160 applies to property tax years beginning
3 before July 1, 2024.

4 SECTION 52. ORS 307.390 applies to property tax years beginning
5 before July 1, 2024.

6 SECTION 53. ORS 307.391 applies to property tax years beginning
7 before July 1, 2024.

8 SECTION 54. ORS 307.394 applies to property tax years beginning
9 before July 1, 2024.

10 SECTION 55. ORS 307.397 applies to property tax years beginning
11 before July 1, 2024.

12 SECTION 56. ORS 307.398 applies to property tax years beginning
13 before July 1, 2024.

14 SECTION 57. ORS 307.827 applies to property tax years beginning
15 before July 1, 2024.

16 SECTION 58. ORS 307.831 applies to property tax years beginning
17 before July 1, 2024.

18 SECTION 59. ORS 308A.050 to 308A.128 apply to property tax years
19 beginning before July 1, 2024.

20 SECTION 60. ORS 308A.250 to 308A.259 apply to property tax years
21 beginning before July 1, 2024.

22 SECTION 61. ORS 308A.300 to 308A.330 apply to property tax years
23 beginning before July 1, 2024.

24 SECTION 62. ORS 308A.350 to 308A.383 apply to property tax years
25 beginning before July 1, 2024.

26 SECTION 63. ORS 308A.403 to 308A.430 apply to property tax years
27 beginning before July 1, 2024.

28 SECTION 64. ORS 308A.450 to 308A.465 apply to property tax years
29 beginning before July 1, 2024.

30 SECTION 65. ORS 321.257 to 321.390 apply to property tax years be-
31 ginning before July 1, 2024.

1 **SECTION 66. ORS 321.700 to 321.754 apply to property tax years be-**
2 **ginning before July 1, 2024.**

3 **SECTION 67. ORS 321.805 to 321.855 apply to property tax years be-**
4 **ginning before July 1, 2024.**

5 **SECTION 68. ORS 508.270 applies to property tax years beginning**
6 **before July 1, 2024.**

7 **SECTION 69. Section 2, chapter 256, Oregon Laws, 2001, as amended by**
8 **section 2, chapter 771, Oregon Laws 2003, is amended to read:**

9 **Sec. 2.** (1) Section 1 (1), chapter 256, Oregon Laws 2001, applies to tax
10 years beginning on or after July 1, 1998, and before July 1, [2021] **2024.**

11 (2) Section 1 (2), chapter 256, Oregon Laws 2001, applies to tax years be-
12 ginning on or after July 1, 1999, and before July 1, [2021] **2024.**

13 **SECTION 70. Section 8, chapter 96, Oregon Laws 2016, is amended to**
14 **read:**

15 **Sec. 8.** (1) Sections 1 to 7 [*of this 2016 Act*], **chapter 96, Oregon Laws**
16 **2016,** are repealed on [*January 2, 2027*] **July 1, 2024.**

17 (2) Notwithstanding subsection (1) of this section, property that has been
18 granted a property tax incentive program benefit under sections 1 to 7 [*of*
19 *this 2016 Act*], **chapter 96, Oregon Laws 2016,** before the date specified in
20 subsection (1) of this section, shall continue to receive the benefit for the
21 period of time for which the benefit was granted.

22

23

ADJUSTMENTS: MULTIPLE YEARS

24

25 **SECTION 71. ORS 307.110 is amended to read:**

26 307.110. (1) Except as provided in ORS 307.120, all real and personal
27 property of this state or any institution or department thereof or of any
28 county or city, town or other municipal corporation or political subdivision
29 of this state, held under a lease or other interest or estate less than a fee
30 simple, by any person whose real property, if any, is taxable, except em-
31 ployees of the state, municipality or political subdivision as an incident to

1 such employment, shall be subject to assessment and taxation for the as-
2 sessed or specially assessed value thereof uniformly with real property of
3 nonexempt ownerships.

4 (2) Each leased or rented premises not exempt under ORS 307.120 and
5 subject to assessment and taxation under this section which is located on
6 property used as an airport and owned by and serving a municipality or port
7 shall be separately assessed and taxed.

8 (3) Nothing contained in this section shall be construed as subjecting to
9 assessment and taxation any publicly owned property described in subsection
10 (1) of this section that is:

11 (a) Leased for student housing by a school or college to students attend-
12 ing such a school or college.

13 (b) Leased to or rented by persons, other than sublessees or subrenters,
14 for agricultural or grazing purposes and for other than a cash rental or a
15 percentage of the crop.

16 (c) Utilized by persons under a land use permit issued by the Department
17 of Transportation for which the department's use restrictions are such that
18 only an administrative processing fee is able to be charged.

19 (d) County fairgrounds and the buildings thereon, in a county holding
20 annual county fairs, managed by the county fair board under ORS 565.230,
21 if utilized, in addition to county fair use, for any of the purposes described
22 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or
23 farm machinery or equipment.

24 (e) The properties and grounds managed and operated by the State Fair
25 Council under ORS chapter 565, if utilized, in addition to the purpose of
26 holding the Oregon State Fair, for horse stalls or for storage for recreational
27 vehicles or farm machinery or equipment.

28 (f) State property that is used by a public university listed in ORS 352.002
29 or the Oregon Health and Science University to provide parking for em-
30 ployees, students or visitors.

31 (g) Property of a housing authority created under ORS chapter 456 which

1 is leased or rented to persons of lower income for housing pursuant to the
2 public and governmental purposes of the housing authority. For purposes of
3 this paragraph, “persons of lower income” has the meaning given that term
4 in ORS 456.055.

5 (h) Property of any county or city, town or other municipal corporation
6 or political subdivision of this state that is used for affordable housing or
7 is leased or rented to persons of lower income for housing pursuant to the
8 public and governmental purposes of the county or city, town or other mu-
9 nicipal corporation or political subdivision of this state. For purposes of this
10 paragraph, “affordable housing” and “persons of lower income” have the
11 meanings given those terms in ORS 456.055. The exemption under this para-
12 graph shall be granted upon compliance with ORS 307.162.

13 *[(i) Property of a health district if:]*

14 *[(A) The property is leased or rented for the purpose of providing facilities*
15 *for health care practitioners practicing within the county; and]*

16 *[(B) The county is a frontier rural practice county under rules adopted by*
17 *the Office of Rural Health.]*

18 *[(j)] (i) Property of a port if:*

19 (A) The port:

20 (i) Is organized under ORS chapter 777; and

21 (ii) Has a board of commissioners appointed by the Governor; and

22 (B) The property is:

23 (i) Located in a county with a population of less than 450,000; and

24 (ii) Used or held for future use by a person other than the port pursuant
25 to an agreement that obligates the person to provide common carrier rail
26 freight service to shippers.

27 (4) Property determined to be an eligible project for tax exemption under
28 ORS 285C.600 to 285C.635 and 307.123 that was acquired with revenue bonds
29 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any
30 institution or department thereof or any county, city, town or other municipi-
31 pal corporation or political subdivision of this state to an eligible applicant

1 shall be assessed and taxed in accordance with ORS 307.123. The property's
2 continued eligibility for taxation and assessment under ORS 307.123 is not
3 affected:

4 (a) If the eligible applicant retires the bonds prior to the original dates
5 of maturity; or

6 (b) If any applicable lease or financial agreement is terminated prior to
7 the original date of expiration.

8 (5) The provisions of law for liens and the payment and collection of taxes
9 levied against real property of nonexempt ownerships shall apply to all real
10 property subject to the provisions of this section. Taxes remaining unpaid
11 upon the termination of a lease or other interest or estate less than a fee
12 simple, shall remain a lien against the real or personal property.

13 (6) If the state enters into a lease of property with, or grants an interest
14 or other estate less than a fee simple in property to, a person whose real
15 property, if any, is taxable, then within 30 days after the date of the lease,
16 or within 30 days after the date the interest or estate less than a fee simple
17 is created, the state shall file a copy of the lease or other instrument creat-
18 ing or evidencing the interest or estate with the county assessor. This sec-
19 tion applies notwithstanding that the property may otherwise be entitled to
20 an exemption under this section, ORS 307.120 or as otherwise provided by
21 law.

22 **SECTION 72. The amendments to ORS 307.110 by section 71 of this**
23 **2017 Act apply to property tax years beginning on July 1, 2020.**

24 **SECTION 73.** ORS 307.110, as amended by section 4, chapter 287, Oregon
25 Laws 2013, is amended to read:

26 307.110. (1) Except as provided in ORS 307.120, all real and personal
27 property of this state or any institution or department thereof or of any
28 county or city, town or other municipal corporation or political subdivision
29 of this state, held under a lease or other interest or estate less than a fee
30 simple, by any person whose real property, if any, is taxable, except em-
31 ployees of the state, municipality or political subdivision as an incident to

1 such employment, shall be subject to assessment and taxation for the as-
2 sessed or specially assessed value thereof uniformly with real property of
3 nonexempt ownerships.

4 (2) Each leased or rented premises not exempt under ORS 307.120 and
5 subject to assessment and taxation under this section which is located on
6 property used as an airport and owned by and serving a municipality or port
7 shall be separately assessed and taxed.

8 (3) Nothing contained in this section shall be construed as subjecting to
9 assessment and taxation any publicly owned property described in subsection
10 (1) of this section that is:

11 (a) Leased for student housing by a school or college to students attend-
12 ing such a school or college.

13 (b) Leased to or rented by persons, other than sublessees or subrenters,
14 for agricultural or grazing purposes and for other than a cash rental or a
15 percentage of the crop.

16 (c) Utilized by persons under a land use permit issued by the Department
17 of Transportation for which the department's use restrictions are such that
18 only an administrative processing fee is able to be charged.

19 (d) County fairgrounds and the buildings thereon, in a county holding
20 annual county fairs, managed by the county fair board under ORS 565.230,
21 if utilized, in addition to county fair use, for any of the purposes described
22 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or
23 farm machinery or equipment.

24 (e) The properties and grounds managed and operated by the State Fair
25 Council under ORS chapter 565, if utilized, in addition to the purpose of
26 holding the Oregon State Fair, for horse stalls or for storage for recreational
27 vehicles or farm machinery or equipment.

28 (f) State property that is used by a public university listed in ORS 352.002
29 or the Oregon Health and Science University to provide parking for em-
30 ployees, students or visitors.

31 (g) Property of a housing authority created under ORS chapter 456 which

1 is leased or rented to persons of lower income for housing pursuant to the
2 public and governmental purposes of the housing authority. For purposes of
3 this paragraph, “persons of lower income” has the meaning given that term
4 in ORS 456.055.

5 (h) Property of any county or city, town or other municipal corporation
6 or political subdivision of this state that is used for affordable housing or
7 is leased or rented to persons of lower income for housing pursuant to the
8 public and governmental purposes of the county or city, town or other mu-
9 nicipal corporation or political subdivision of this state. For purposes of this
10 paragraph, “affordable housing” and “persons of lower income” have the
11 meanings given those terms in ORS 456.055. The exemption under this para-
12 graph shall be granted upon compliance with ORS 307.162.

13 *[(i) Property of a health district if:]*

14 *[(A) The property is leased or rented for the purpose of providing facilities*
15 *for health care practitioners practicing within the county; and]*

16 *[(B) The county is a frontier rural practice county under rules adopted by*
17 *the Office of Rural Health.]*

18 **(i) Property of a port if:**

19 **(A) The port:**

20 **(i) Is organized under ORS chapter 777; and**

21 **(ii) Has a board of commissioners appointed by the Governor; and**

22 **(B) The property is:**

23 **(i) Located in a county with a population of less than 450,000; and**

24 **(ii) Used or held for future use by a person other than the port**
25 **pursuant to an agreement that obligates the person to provide com-**
26 **mon carrier rail freight service to shippers.**

27 (4) Property determined to be an eligible project for tax exemption under
28 ORS 285C.600 to 285C.635 and 307.123 that was acquired with revenue bonds
29 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any
30 institution or department thereof or any county, city, town or other municipi-
31 pal corporation or political subdivision of this state to an eligible applicant

1 shall be assessed and taxed in accordance with ORS 307.123. The property's
2 continued eligibility for taxation and assessment under ORS 307.123 is not
3 affected:

4 (a) If the eligible applicant retires the bonds prior to the original dates
5 of maturity; or

6 (b) If any applicable lease or financial agreement is terminated prior to
7 the original date of expiration.

8 (5) The provisions of law for liens and the payment and collection of taxes
9 levied against real property of nonexempt ownerships shall apply to all real
10 property subject to the provisions of this section. Taxes remaining unpaid
11 upon the termination of a lease or other interest or estate less than a fee
12 simple, shall remain a lien against the real or personal property.

13 (6) If the state enters into a lease of property with, or grants an interest
14 or other estate less than a fee simple in property to, a person whose real
15 property, if any, is taxable, then within 30 days after the date of the lease,
16 or within 30 days after the date the interest or estate less than a fee simple
17 is created, the state shall file a copy of the lease or other instrument creat-
18 ing or evidencing the interest or estate with the county assessor. This sec-
19 tion applies notwithstanding that the property may otherwise be entitled to
20 an exemption under this section, ORS 307.120 or as otherwise provided by
21 law.

22 **SECTION 74. The amendments to ORS 307.110 by section 73 of this**
23 **2017 Act apply to the property tax year beginning on July 1, 2023.**

24 **SECTION 75.** ORS 307.110, as amended by section 4, chapter 287, Oregon
25 Laws 2013, and section 73 of this 2017 Act is amended to read:

26 307.110. (1) Except as provided in ORS 307.120, all real and personal
27 property of this state or any institution or department thereof or of any
28 county or city, town or other municipal corporation or political subdivision
29 of this state, held under a lease or other interest or estate less than a fee
30 simple, by any person whose real property, if any, is taxable, except em-
31 ployees of the state, municipality or political subdivision as an incident to

1 such employment, shall be subject to assessment and taxation for the as-
2 sessed or specially assessed value thereof uniformly with real property of
3 nonexempt ownerships.

4 (2) Each leased or rented premises not exempt under ORS 307.120 and
5 subject to assessment and taxation under this section which is located on
6 property used as an airport and owned by and serving a municipality or port
7 shall be separately assessed and taxed.

8 (3) Nothing contained in this section shall be construed as subjecting to
9 assessment and taxation any publicly owned property described in subsection
10 (1) of this section that is:

11 (a) Leased for student housing by a school or college to students attend-
12 ing such a school or college.

13 (b) Leased to or rented by persons, other than sublessees or subrenters,
14 for agricultural or grazing purposes and for other than a cash rental or a
15 percentage of the crop.

16 (c) Utilized by persons under a land use permit issued by the Department
17 of Transportation for which the department's use restrictions are such that
18 only an administrative processing fee is able to be charged.

19 (d) County fairgrounds and the buildings thereon, in a county holding
20 annual county fairs, managed by the county fair board under ORS 565.230,
21 if utilized, in addition to county fair use, for any of the purposes described
22 in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or
23 farm machinery or equipment.

24 (e) The properties and grounds managed and operated by the State Fair
25 Council under ORS chapter 565, if utilized, in addition to the purpose of
26 holding the Oregon State Fair, for horse stalls or for storage for recreational
27 vehicles or farm machinery or equipment.

28 (f) State property that is used by a public university listed in ORS 352.002
29 or the Oregon Health and Science University to provide parking for em-
30 ployees, students or visitors.

31 (g) Property of a housing authority created under ORS chapter 456 which

1 is leased or rented to persons of lower income for housing pursuant to the
2 public and governmental purposes of the housing authority. For purposes of
3 this paragraph, “persons of lower income” has the meaning given that term
4 in ORS 456.055.

5 (h) Property of any county or city, town or other municipal corporation
6 or political subdivision of this state that is used for affordable housing or
7 is leased or rented to persons of lower income for housing pursuant to the
8 public and governmental purposes of the county or city, town or other mu-
9 nicipal corporation or political subdivision of this state. For purposes of this
10 paragraph, “affordable housing” and “persons of lower income” have the
11 meanings given those terms in ORS 456.055. The exemption under this para-
12 graph shall be granted upon compliance with ORS 307.162.

13 *[(i) Property of a port if:]*

14 *[(A) The port:]*

15 *[(i) Is organized under ORS chapter 777; and]*

16 *[(ii) Has a board of commissioners appointed by the Governor; and]*

17 *[(B) The property is:]*

18 *[(i) Located in a county with a population of less than 450,000; and]*

19 *[(ii) Used or held for future use by a person other than the port pursuant*
20 *to an agreement that obligates the person to provide common carrier rail*
21 *freight service to shippers.]*

22 (4) Property determined to be an eligible project for tax exemption under
23 ORS 285C.600 to 285C.635 and 307.123 that was acquired with revenue bonds
24 issued under ORS 285B.320 to 285B.371 and that is leased by this state, any
25 institution or department thereof or any county, city, town or other munic-
26 ipal corporation or political subdivision of this state to an eligible applicant
27 shall be assessed and taxed in accordance with ORS 307.123. The property’s
28 continued eligibility for taxation and assessment under ORS 307.123 is not
29 affected:

30 (a) If the eligible applicant retires the bonds prior to the original dates
31 of maturity; or

1 (b) If any applicable lease or financial agreement is terminated prior to
2 the original date of expiration.

3 (5) The provisions of law for liens and the payment and collection of taxes
4 levied against real property of nonexempt ownerships shall apply to all real
5 property subject to the provisions of this section. Taxes remaining unpaid
6 upon the termination of a lease or other interest or estate less than a fee
7 simple, shall remain a lien against the real or personal property.

8 (6) If the state enters into a lease of property with, or grants an interest
9 or other estate less than a fee simple in property to, a person whose real
10 property, if any, is taxable, then within 30 days after the date of the lease,
11 or within 30 days after the date the interest or estate less than a fee simple
12 is created, the state shall file a copy of the lease or other instrument creat-
13 ing or evidencing the interest or estate with the county assessor. This sec-
14 tion applies notwithstanding that the property may otherwise be entitled to
15 an exemption under this section, ORS 307.120 or as otherwise provided by
16 law.

17 **SECTION 76. The amendments to ORS 307.110 by section 75 of this**
18 **2017 Act apply to the property tax years beginning on or after July 1,**
19 **2024.**

20

21

UNIT CAPTIONS

22

23 **SECTION 77. The unit captions used in this 2017 Act are provided**
24 **only for the convenience of the reader and do not become part of the**
25 **statutory law of this state or express any legislative intent in the**
26 **enactment of this 2017 Act.**

27

28

EFFECTIVE DATE OF ACT

29

30 **SECTION 78. This 2017 Act takes effect on the 91st day after the**
31 **date on which the 2017 regular session of the Seventy-ninth Legislative**

1 **Assembly adjourns sine die.**

2 _____