

# House Bill 2859

Sponsored by COMMITTEE ON REVENUE

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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

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

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

## ADJUSTMENTS: JULY 1, 2020

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

(2) Notwithstanding subsection (1) of this section, property granted exemption or special assessment by operation of ORS 307.022 before the date specified in subsection (1) of this section shall continue to receive the exemption or special assessment on the same terms, including duration, on which the exemption or special assessment was granted.

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

(2) Notwithstanding subsection (1) of this section, real and personal property granted exemption under ORS 307.115 before the date specified in subsection (1) of this section shall continue to receive the exemption on the same terms, including duration, on which the exemption was granted.

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

(2) Notwithstanding subsection (1) of this section, real and personal property granted exemption under ORS 307.130 before the date specified in subsection (1) of this section shall continue to receive the exemption on the same terms, including duration, on which the exemption was granted.

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

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

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

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

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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

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

**SECTION 9.** **ORS 307.195** applies to property tax years beginning before July 1, 2020.

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

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

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

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

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

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

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

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

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

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

(a) The property is:

(A) Offered for rent; or

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

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

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

(d) The exemption has been approved as provided in **ORS 307.523**, **pursuant to an application filed before July 1, 2020**;

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

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

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

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

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

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

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

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

(a) The property, if unoccupied, is:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 307.523. (1) Application shall be made on or before December 1 of the calendar year immediately  
 30 preceding the first assessment year for which exemption is requested, and shall be accompanied by  
 31 the application fee required under ORS 307.527. However, if the property is acquired after November  
 32 1, the application shall be made within 30 days after the date of acquisition.

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

36 (3) Upon receipt of certification under subsection (2) of this section, the county assessor shall  
 37 exempt the property from taxation to the extent certified by the governing body.

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

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

43 307.529. (1) Except as provided in ORS 307.531, if, after an application for exemption under ORS  
 44 307.517 has been approved under ORS 307.527, the governing body finds that construction or devel-  
 45 opment of the exempt property differs from the construction or development described in the appli-

1 cation for exemption, or is not completed on or before [January] **July** 1, 2020, or that any provision  
 2 of ORS 307.515 to 307.523 is not being complied with, or any provision required by the governing  
 3 body pursuant to ORS 307.515 to 307.523 is not being complied with, the governing body shall give  
 4 notice of the proposed termination of the exemption to the owner, by mailing the notice to the  
 5 last-known address of the owner, and to every known lender, by mailing the notice to the last-known  
 6 address of every known lender. The notice shall state the reasons for the proposed termination and  
 7 shall require the owner to appear at a specified time, not less than 20 days after mailing the notice,  
 8 to show cause, if any, why the exemption should not be terminated.

9 (2) If the owner fails to appear and show cause why the exemption should not be terminated, the  
 10 governing body shall notify every known lender, and shall allow any lender not less than 30 days  
 11 after the date the notice of the failure to appear and show cause is mailed to cure any noncompli-  
 12 ance or to provide assurance adequate to the governing body that all noncompliance shall be rem-  
 13 edied.

14 (3) If the owner fails to appear and show cause why the exemption should not be terminated,  
 15 and the lender fails to cure or give adequate assurance of the cure of any noncompliance, the gov-  
 16 erning body shall adopt an ordinance or resolution stating its findings terminating the exemption.  
 17 A copy of the ordinance or resolution shall be filed with the county assessor, and a copy shall be  
 18 sent to the owner at the owner's last-known address and to the lender at the last-known address of  
 19 the lender within 10 days after its adoption.

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

21 307.535. Notwithstanding any provision of ORS 307.515 to 307.523:

22 (1) If the governing body finds that construction of the housing unit otherwise entitled to ex-  
 23 emption under ORS 307.517 was not completed by [January] **July** 1, 2020, due to circumstances be-  
 24 yond the control of the owner, and that the owner had been acting and could reasonably be expected  
 25 to act in good faith and with due diligence, the governing body may extend the deadline for com-  
 26 pletion of construction for a period not to exceed 12 consecutive months.

27 (2) If property granted exemption under ORS 307.515 to 307.523 is destroyed by fire or act of  
 28 God, or is otherwise no longer capable of owner-occupancy due to circumstances beyond the control  
 29 of the owner, the exemption shall cease but no additional taxes shall be imposed upon the property  
 30 under ORS 307.531 or 307.533.

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

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

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

37 307.637. (1) An exemption for multiple-unit housing may not be granted under ORS 307.600 to  
 38 307.637 unless:

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

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

43 (2) **Notwithstanding subsection (1) of this section, multiple-unit housing granted ex-**  
 44 **emption under ORS 307.612 before the dates specified in subsection (1) of this section shall**  
 45 **continue to receive the exemption on the same terms, including duration, on which the ex-**

1 **emption was granted.**

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

3 307.651. As used in ORS 307.651 to 307.687, unless the context requires otherwise:

4 (1) "Governing body" means the city legislative body having jurisdiction over the property for  
5 which an exemption may be applied for under ORS 307.651 to 307.687.

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

9 (3) "Single-unit housing" means a newly constructed structure having one or more dwelling units  
10 that:

11 (a) Is, or will be, at the time that construction is completed, in conformance with all local plans  
12 and planning regulations, including special or district-wide plans developed and adopted pursuant  
13 to ORS chapters 195, 196, 197 and 227.

14 (b) Is constructed on or after January 1, 1990, and is completed within two years after applica-  
15 tion for exemption is approved under ORS 307.674 or before [*January 1, 2025*] **July 1, 2020**, which-  
16 ever is earlier.

17 (c) Upon completion, is designed for each dwelling unit within the structure to be purchased by  
18 and lived in by one person or one family.

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

20 (e) Is not a floating home, as defined in ORS 830.700, or a manufactured structure, as defined  
21 in ORS 446.561, other than a manufactured home described in ORS 197.307 (8)(a) to (f).

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

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

25 307.664. (1) Each qualified dwelling unit of single-unit housing that qualifies for exemption under  
26 ORS 307.651 to 307.687 shall be exempt from ad valorem taxation for no more than 10 successive tax  
27 years beginning July 1 of the first tax year following approval of the application under ORS 307.674,  
28 as determined under rules adopted by the Department of Revenue. The exemption provided by this  
29 section shall be in addition to any other exemption provided by law for the property. However, the  
30 amount of assessed value exempted under this section may not exceed the real market value of the  
31 structure determined as of the date that the property is inspected for purposes of making a deter-  
32 mination under ORS 307.674.

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

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

37 307.681. (1) Except as provided in ORS 307.684, if, after an application has been approved under  
38 ORS 307.674, the city finds that construction of single-unit housing was not completed within two  
39 years after the date the application was approved or [*on or before January 1, 2025*] **before July 1,**  
40 **2020**, whichever is earlier, or that any provision of ORS 307.651 to 307.687 is not being complied  
41 with, or any provision required by the city pursuant to ORS 307.651 to 307.687 is not being complied  
42 with, the city shall give notice to the owner, mailed to the owner's last-known address, of the pro-  
43 posed termination of the exemption. The notice shall state the reasons for the proposed termination  
44 and shall require the owner to appear at a specified time, not less than 20 days after mailing the  
45 notice, to show cause, if any, why the exemption should not be terminated.

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

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

6 (2) **Notwithstanding subsection (1) of this section, real and personal property of a rural**  
 7 **health care facility granted exemption under ORS 307.804 before the date specified in sub-**  
 8 **section (1) of this section shall continue to receive the exemption on the same terms, in-**  
 9 **cluding duration, on which the exemption was granted.**

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

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

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

15 (2) **Notwithstanding subsection (1) of this section, property of a vertical housing devel-**  
 16 **opment project granted partial exemption under ORS 307.864 pursuant to a certification is-**  
 17 **sued under ORS 307.857 before the date specified in subsection (1) of this section shall**  
 18 **continue to receive the partial exemption on the same terms, including duration, on which**  
 19 **the partial exemption was granted.**

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

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

22 358.499. (1) Property first classified and specially assessed as historic property for a tax year  
 23 beginning on or before July 1, 1994, shall continue to be so classified, specially assessed and re-  
 24 moved from special assessment as provided under ORS 358.487 to 358.543 as those sections were in  
 25 existence and in effect on December 31, 1992.

26 (2) Property may be classified and specially assessed under ORS 358.487 to 358.543 pursuant to  
 27 application filed under ORS 358.487 on or after September 9, 1995, and first applicable for the tax  
 28 year 1996-1997 or any tax year thereafter.

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

31 (b) **Notwithstanding paragraph (a) of this subsection, property granted special assess-**  
 32 **ment as historic property under ORS 358.505 or 358.540 before the date specified in paragraph**  
 33 **(a) of this subsection shall continue to receive the special assessment on the same terms,**  
 34 **including duration, on which the special assessment was granted.**

35 **SECTION 32.** Section 1, chapter 56, Oregon Laws 2016, applies to property tax years be-  
 36 **ginning before July 1, 2020.**

37  
 38 **ADJUSTMENTS: JULY 1, 2022**  
 39

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

41 285C.255. (1)(a) Notwithstanding any other provision of ORS 285C.050 to 285C.250:

42 [(a)] (A) An area may not be designated as an enterprise zone after June 30, [2025] **2022**;

43 [(b)] (B) A business firm may not obtain authorization under ORS 285C.140 after June 30,  
 44 [2025] **2022**; and

45 [(c)] (C) An enterprise zone, except for a reservation enterprise zone or a reservation partner-

1 ship zone, that is in existence on June 29, [2025] **2022**, is terminated on June 30, [2025] **2022**.

2 **(b) Notwithstanding paragraph (a) of this subsection, property granted exemption under**  
 3 **ORS 285C.170 or 285C.175 before the date specified in paragraph (a) of this subsection shall**  
 4 **continue to receive the exemption on the same terms, including duration, on which the ex-**  
 5 **emption was granted.**

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

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

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

10 (A) If located in a reservation enterprise zone or a reservation partnership zone; or

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

12 **SECTION 34. (1) ORS 285C.362 applies to property tax years beginning before July 1, 2022.**

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

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

18 285C.406. In order for a taxpayer to claim the property tax exemption under ORS 285C.409 or  
 19 a corporate excise or income tax credit under ORS 317.124:

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

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

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

27 **(3) Notwithstanding subsection (2)(a) of this section, a facility of a certified business firm**  
 28 **certified under ORS 285C.403 before the date specified in subsection (2)(a) of this section shall**  
 29 **be granted and continue to receive the exemption under ORS 285C.409 on the same terms,**  
 30 **including duration, on which the exemption is first granted.**

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

32 **(2) Notwithstanding subsection (1) of this section, real and personal property assessed**  
 33 **under ORS 307.123 before the date specified in subsection (1) of this section shall continue**  
 34 **to be assessed under ORS 307.123 on the same terms, including duration.**

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

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

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

40 (2) An exemption under ORS 307.175 may not be allowed for tax years beginning after July 1,  
 41 [2017] **2021**.

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

43 **(2) Notwithstanding subsection (1) of this section, property granted exemption under ORS**  
 44 **307.330 before the date specified in subsection (1) of this section shall continue to receive the**  
 45 **exemption on the same terms, including duration, on which the exemption was granted.**

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

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

5       **(2) Notwithstanding subsection (1) of this section, qualified machinery and equipment**  
6 **first granted exemption under ORS 307.455 before the date specified in subsection (1) of this**  
7 **section shall continue to receive the exemption on the same terms, including duration, on**  
8 **which the exemption was granted.**

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

10       **SECTION 42.** Section 2, chapter 783, Oregon Laws 1979, as amended by section 1, chapter 583,  
11 Oregon Laws 1987, section 7, chapter 748, Oregon Laws 1995, section 1, chapter 218, Oregon Laws  
12 2003, section 1, chapter 548, Oregon Laws 2009, and section 1, chapter 213, Oregon Laws 2013, is  
13 amended to read:

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

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

17       308.256. (1) Watercraft of water transportation companies shall be assessed as provided in ORS  
18 308.505 to 308.681.

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

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

21       (a) Watercraft not owned or operated by water transportation companies, as described in ORS  
22 308.515, and that are customarily engaged in the transportation of persons or property for hire  
23 wholly outside the boundaries of this state.

24       (b) Watercraft owned or operated by water transportation companies, as described in ORS  
25 308.515, and not assessed by the Department of Revenue, that are customarily engaged in the  
26 transportation of persons or property for hire wholly or in part outside the boundaries of this state.  
27 The exemption under this paragraph does not apply to watercraft that engage in the transportation  
28 for hire of persons on offshore trips that originate and terminate at the same port, and that have  
29 a valid marine document issued by the United States Coast Guard or any other federal agency that  
30 succeeds the United States Coast Guard in the duty of issuing marine documents.

31       (c) The assessed value of the property of a water transportation company, as described in ORS  
32 308.515, that is not subject to assessment by the Department of Revenue under the provisions of ORS  
33 308.550 (3).

34       (4)(a) Watercraft over 16 feet in length in the process of original construction, or undergoing  
35 major remodeling, renovation, conversion, reconversion or repairs on January 1 are exempt from  
36 taxation. For the purposes of this subsection, the term "major" shall include all remodeling, reno-  
37 vation, conversion, reconversion or repairs to a watercraft in which the expenditures for parts,  
38 materials, labor and accessorial services exceed 10 percent of the market value of the watercraft  
39 immediately prior to the remodeling, renovation, conversion, reconversion or repairs.

40       (b) Watercraft subject to assessment by the Department of Revenue under ORS 308.505 to  
41 308.681 are exempt under paragraph (a) of this subsection only if on or before the due date for filing  
42 the statement described in ORS 308.520 for the year for which exemption is claimed, the owner or  
43 operator files with the department sufficient documentary evidence that the property qualifies for  
44 the exemption.

45       (c) The owner or operator of watercraft subject to local assessment shall file the documentary



1 evidence required under paragraph (b) of this subsection with the county assessor on or before April  
2 1 of the year for which exemption is claimed.

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

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

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

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

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

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

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

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

26 **SECTION 46.** ORS 308.674 applies to property tax years beginning before July 1, 2022.

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

28 (2) Notwithstanding subsection (1) of this section, property granted exemption under ORS  
29 308.677 before the date specified in subsection (1) of this section shall continue to receive the  
30 exemption on the same terms, including duration, on which the exemption was granted.

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

32 **Sec. 3.** (1) Section 1 *[of this 2015 Act]*, **chapter 571, Oregon Laws 2015**, is repealed on *[January*  
33 *2] July 1, 2022.*

34 (2) Notwithstanding subsection (1) of this section, property constituting a solar project that is  
35 exempt from property taxes under section 1 *[of this 2015 Act]*, **chapter 571, Oregon Laws 2015**, on  
36 the date specified in subsection (1) of this section shall continue to be exempt and to pay the fee in  
37 lieu of property taxes for the term specified in the agreement entered into under section 1 *[of this*  
38 *2015 Act]*, **chapter 571, Oregon Laws 2015.**

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

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

42 (2) Notwithstanding the date specified in subsection (1) of this section, newly constructed or  
43 installed industrial improvements that are granted exemption or deferral under an ordinance or re-  
44 solution adopted pursuant to section 1 *[of this 2016 Act]*, **chapter 112, Oregon Laws 2016**, shall  
45 continue to receive the exemption or deferral under the provisions of the ordinance or resolution.

ADJUSTMENTS: JULY 1, 2024

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**SECTION 50.** ORS 307.150 applies to property tax years beginning before July 1, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SECTION 65.** ORS 321.257 to 321.390 apply to property tax years beginning before July 1, 2024.

**SECTION 66.** ORS 321.700 to 321.754 apply to property tax years beginning before July 1, 2024.

**SECTION 67.** ORS 321.805 to 321.855 apply to property tax years beginning before July 1, 2024.

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

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

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

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

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

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

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

ADJUSTMENTS: MULTIPLE YEARS

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

2       307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or  
3 any institution or department thereof or of any county or city, town or other municipal corporation  
4 or political subdivision of this state, held under a lease or other interest or estate less than a fee  
5 simple, by any person whose real property, if any, is taxable, except employees of the state,  
6 municipality or political subdivision as an incident to such employment, shall be subject to assess-  
7 ment and taxation for the assessed or specially assessed value thereof uniformly with real property  
8 of nonexempt ownerships.

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

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

14       (a) Leased for student housing by a school or college to students attending such a school or  
15 college.

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

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

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

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

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

30       (g) Property of a housing authority created under ORS chapter 456 which is leased or rented to  
31 persons of lower income for housing pursuant to the public and governmental purposes of the  
32 housing authority. For purposes of this paragraph, "persons of lower income" has the meaning given  
33 that term in ORS 456.055.

34       (h) Property of any county or city, town or other municipal corporation or political subdivision  
35 of this state that is used for affordable housing or is leased or rented to persons of lower income  
36 for housing pursuant to the public and governmental purposes of the county or city, town or other  
37 municipal corporation or political subdivision of this state. For purposes of this paragraph, "afford-  
38 able housing" and "persons of lower income" have the meanings given those terms in ORS 456.055.  
39 The exemption under this paragraph shall be granted upon compliance with ORS 307.162.

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

41       *[(A) The property is leased or rented for the purpose of providing facilities for health care practi-*  
42 *tioners practicing within the county; and]*

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

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

1 (A) The port:

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

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

4 (B) The property is:

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

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

8 (4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to  
9 285C.635 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371  
10 and that is leased by this state, any institution or department thereof or any county, city, town or  
11 other municipal corporation or political subdivision of this state to an eligible applicant shall be  
12 assessed and taxed in accordance with ORS 307.123. The property's continued eligibility for taxation  
13 and assessment under ORS 307.123 is not affected:

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

15 (b) If any applicable lease or financial agreement is terminated prior to the original date of ex-  
16 piration.

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

21 (6) If the state enters into a lease of property with, or grants an interest or other estate less  
22 than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days  
23 after the date of the lease, or within 30 days after the date the interest or estate less than a fee  
24 simple is created, the state shall file a copy of the lease or other instrument creating or evidencing  
25 the interest or estate with the county assessor. This section applies notwithstanding that the prop-  
26 erty may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise  
27 provided by law.

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

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

32 307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or  
33 any institution or department thereof or of any county or city, town or other municipal corporation  
34 or political subdivision of this state, held under a lease or other interest or estate less than a fee  
35 simple, by any person whose real property, if any, is taxable, except employees of the state,  
36 municipality or political subdivision as an incident to such employment, shall be subject to assess-  
37 ment and taxation for the assessed or specially assessed value thereof uniformly with real property  
38 of nonexempt ownerships.

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

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

44 (a) Leased for student housing by a school or college to students attending such a school or  
45 college.

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

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

6 (d) County fairgrounds and the buildings thereon, in a county holding annual county fairs,  
 7 managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for  
 8 any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational ve-  
 9 hicles or farm machinery or equipment.

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

13 (f) State property that is used by a public university listed in ORS 352.002 or the Oregon Health  
 14 and Science University to provide parking for employees, students or visitors.

15 (g) Property of a housing authority created under ORS chapter 456 which is leased or rented to  
 16 persons of lower income for housing pursuant to the public and governmental purposes of the  
 17 housing authority. For purposes of this paragraph, "persons of lower income" has the meaning given  
 18 that term in ORS 456.055.

19 (h) Property of any county or city, town or other municipal corporation or political subdivision  
 20 of this state that is used for affordable housing or is leased or rented to persons of lower income  
 21 for housing pursuant to the public and governmental purposes of the county or city, town or other  
 22 municipal corporation or political subdivision of this state. For purposes of this paragraph, "afford-  
 23 able housing" and "persons of lower income" have the meanings given those terms in ORS 456.055.  
 24 The exemption under this paragraph shall be granted upon compliance with ORS 307.162.

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

26 *[(A) The property is leased or rented for the purpose of providing facilities for health care practi-*  
 27 *tioners practicing within the county; and]*

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

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

31 **(A) The port:**

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

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

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

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

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

38 (4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to  
 39 285C.635 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371  
 40 and that is leased by this state, any institution or department thereof or any county, city, town or  
 41 other municipal corporation or political subdivision of this state to an eligible applicant shall be  
 42 assessed and taxed in accordance with ORS 307.123. The property's continued eligibility for taxation  
 43 and assessment under ORS 307.123 is not affected:

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

45 (b) If any applicable lease or financial agreement is terminated prior to the original date of ex-

1 piration.

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

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

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

15 **SECTION 75.** ORS 307.110, as amended by section 4, chapter 287, Oregon Laws 2013, and sec-  
 16 tion 73 of this 2017 Act is amended to read:

17 307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or  
 18 any institution or department thereof or of any county or city, town or other municipal corporation  
 19 or political subdivision of this state, held under a lease or other interest or estate less than a fee  
 20 simple, by any person whose real property, if any, is taxable, except employees of the state,  
 21 municipality or political subdivision as an incident to such employment, shall be subject to assess-  
 22 ment and taxation for the assessed or specially assessed value thereof uniformly with real property  
 23 of nonexempt ownerships.

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

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

29 (a) Leased for student housing by a school or college to students attending such a school or  
 30 college.

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

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

36 (d) County fairgrounds and the buildings thereon, in a county holding annual county fairs,  
 37 managed by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for  
 38 any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational ve-  
 39 hicles or farm machinery or equipment.

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

43 (f) State property that is used by a public university listed in ORS 352.002 or the Oregon Health  
 44 and Science University to provide parking for employees, students or visitors.

45 (g) Property of a housing authority created under ORS chapter 456 which is leased or rented to

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

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

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

11 *[(A) The port:]*

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

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

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

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

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

18 (4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to  
 19 285C.635 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371  
 20 and that is leased by this state, any institution or department thereof or any county, city, town or  
 21 other municipal corporation or political subdivision of this state to an eligible applicant shall be  
 22 assessed and taxed in accordance with ORS 307.123. The property’s continued eligibility for taxation  
 23 and assessment under ORS 307.123 is not affected:

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

25 (b) If any applicable lease or financial agreement is terminated prior to the original date of ex-  
 26 piration.

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

31 (6) If the state enters into a lease of property with, or grants an interest or other estate less  
 32 than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days  
 33 after the date of the lease, or within 30 days after the date the interest or estate less than a fee  
 34 simple is created, the state shall file a copy of the lease or other instrument creating or evidencing  
 35 the interest or estate with the county assessor. This section applies notwithstanding that the prop-  
 36 erty may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise  
 37 provided by law.

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

40  
 41 **UNIT CAPTIONS**

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 43 **SECTION 77. The unit captions used in this 2017 Act are provided only for the conven-**  
 44 **ience of the reader and do not become part of the statutory law of this state or express any**  
 45 **legislative intent in the enactment of this 2017 Act.**

**EFFECTIVE DATE OF ACT**

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

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