

Enrolled
House Bill 3459

Sponsored by Representative GOMBERG

CHAPTER

AN ACT

Relating to exemption for property of certain charitable retail stores; creating new provisions; amending ORS 307.130; and prescribing an effective date.

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

SECTION 1. ORS 307.130 is amended to read:

307.130. (1) As used in this section:

(a) "Art museum" means a nonprofit corporation organized to display works of art to the public.
(b) "History museum or science museum" means a nonprofit corporation organized to display historical or scientific exhibits, or both, to the public.

(c) "Nonprofit corporation" means a corporation that:

(A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter 65; or

(B) Is organized and operated as described under section 501(c) of the Internal Revenue Code as defined in ORS 305.842.

(d) "Rehabilitation facility" means a facility defined in ORS 344.710 or a facility that provides individuals who have physical, mental or emotional disabilities with occupational rehabilitation activities of an educational or therapeutic nature, even if remuneration is received by the individual.

[(d)] **(e) "Volunteer fire department" means a nonprofit corporation organized to provide fire protection services in a specific response area.**

(f) "Welfare program" means a program to provide food, shelter, clothing or health care, including dental service, to needy persons without charge.

(2) Upon compliance with ORS 307.162, the following property owned or being purchased by art museums, volunteer fire departments, or incorporated literary, benevolent, charitable and scientific institutions shall be exempt from taxation:

(a) Except as provided in ORS 748.414, only [such] real or personal property, or a proportion [thereof, as] **of the property, that** is actually and exclusively occupied or used in the literary, benevolent, charitable or scientific work carried on by such institutions.

(b) Parking lots used for parking or any other use as long as that parking or other use is permitted without charge for no fewer than 355 days during the tax year.

(c) All real or personal property of a rehabilitation facility or any retail outlet [thereof] **of the facility**, including inventory. [As used in this subsection, "rehabilitation facility" means either those facilities defined in ORS 344.710 or facilities which provide individuals who have physical, mental or emotional disabilities with occupational rehabilitation activities of an educational or therapeutic nature, even if remuneration is received by the individual.]

(d) All real and personal property of a retail store dealing exclusively in donated inventory, [where] **if** the inventory is distributed without cost as part of a welfare program or where the proceeds of the sale of any inventory sold to the general public are used to support a welfare program. [As used in this subsection, “welfare program” means the providing of food, shelter, clothing or health care, including dental service, to needy persons without charge.]

(e) All real and personal property of a retail store if:

(A) The retail store deals [primarily and] on a regular basis in **inventory at least one-half of which is** donated and consigned [inventory];

(B) The individuals who operate the retail store are all individuals who work as volunteers; and

(C) The inventory is either distributed without charge as part of a welfare program, or sold to the general public and the sales proceeds used exclusively to support a welfare program. [As used in this paragraph, “primarily” means at least one-half of the inventory.]

(f) The real and personal property of an art museum that is used in conjunction with the public display of works of art or used to educate the public about art, but not including any portion of the art museum’s real or personal property that is used to sell, or hold out for sale, works of art, reproductions of works of art or other items to be sold to the public.

(g) All real and personal property of a volunteer fire department that is used in conjunction with services and activities for providing fire protection to all residents within a fire response area.

(h) All real and personal property, including inventory, of a retail store owned by a nonprofit corporation if:

(A) The retail store deals exclusively in donated inventory; and

(B) Proceeds of the retail store sales are used to support a not-for-profit housing program whose purpose is to:

(i) Acquire property and construct housing for resale to individuals at or below the cost of acquisition and construction; and

(ii) Provide loans bearing no interest to individuals purchasing housing through the program.

(i) All real and personal property, including inventory, of a retail store owned by a nonprofit corporation if:

(A) The retail store deals exclusively in donated inventory;

(B) The retail store operates with substantial support from volunteers; and

(C) All net proceeds of the retail store sales are donated:

(i) To a nonprofit corporation that provides animal rescue services;

(ii) To a manufacturer or provider of goods or services in return for which an entity described in sub-subparagraph (i) of this subparagraph receives an equivalent value of goods or services from the manufacturer or provider;

(iii) To an entity that provides spaying and neutering services for pets of individuals residing in households with an annual household income at or below 80 percent of the area median income; or

(iv) For the purpose of aiding domesticated animals, regardless of whether the animals are in the custody of the county shelter, in furtherance of the purpose for which the nonprofit corporation was organized.

(3)(a) Upon compliance with ORS 307.162, real and personal property owned or leased by a history museum or science museum shall be exempt from property taxes if the property:

(A) Is used to fulfill the mission of the museum as provided in the articles of incorporation and bylaws of the museum; and

(B) Is used or occupied for one or more of the following purposes:

(i) As a food service facility or concession stand selling food and refreshments to museum visitors, volunteers or staff within the museum buildings or on museum grounds.

(ii) As a retail store selling inventory, at least 90 percent of which is museum-related, within the museum buildings or on museum grounds.

(iii) As a parking lot, the use of which is permitted without charge for not fewer than 355 days during the property tax year, for museum visitors, volunteers or staff employed by the museum.

(iv) As a theater located in a museum building showing entertainment or educational features, at least 75 percent of which are museum-related.

(v) As unimproved land that is not specially assessed and that is contiguous with the land on which the museum is situated.

(vi) For displays, storage areas, educational classrooms or meeting areas.

(b) The exemption granted under this subsection does not apply to property used or occupied as a hotel, water park or chapel or for any commercial enterprise.

(4) An art museum or institution shall not be deprived of an exemption under this section solely because its primary source of funding is from one or more governmental entities.

(5) An institution shall not be deprived of an exemption under this section because its purpose or the use of its property is not limited to relieving pain, alleviating disease or removing constraints.

SECTION 2. ORS 307.130, as amended by section 48, chapter 701, Oregon Laws 2015, is amended to read:

307.130. (1) As used in this section:

(a) "Art museum" means a nonprofit corporation organized to display works of art to the public.

(b) "Nonprofit corporation" means a corporation that:

(A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter 65; or

(B) Is organized and operated as described under section 501(c) of the Internal Revenue Code as defined in ORS 305.842.

(c) **"Rehabilitation facility" means a facility defined in ORS 344.710 or a facility that provides individuals who have physical, mental or emotional disabilities with occupational rehabilitation activities of an educational or therapeutic nature, even if remuneration is received by the individual.**

~~[(c)]~~ (d) "Volunteer fire department" means a nonprofit corporation organized to provide fire protection services in a specific response area.

(e) **"Welfare program" means a program to provide food, shelter, clothing or health care, including dental service, to needy persons without charge.**

(2) Upon compliance with ORS 307.162, the following property owned or being purchased by art museums, volunteer fire departments, or incorporated literary, benevolent, charitable and scientific institutions shall be exempt from taxation:

(a) Except as provided in ORS 748.414, only *[such]* real or personal property, or a proportion *[thereof, as]* **of the property, that** is actually and exclusively occupied or used in the literary, benevolent, charitable or scientific work carried on by such institutions.

(b) Parking lots used for parking or any other use as long as that parking or other use is permitted without charge for no fewer than 355 days during the tax year.

(c) All real or personal property of a rehabilitation facility or any retail outlet *[thereof]* **of the facility**, including inventory. *[As used in this subsection, "rehabilitation facility" means either those facilities defined in ORS 344.710 or facilities which provide individuals who have physical, mental or emotional disabilities with occupational rehabilitation activities of an educational or therapeutic nature, even if remuneration is received by the individual.]*

(d) All real and personal property of a retail store dealing exclusively in donated inventory, *[where]* **if** the inventory is distributed without cost as part of a welfare program or where the proceeds of the sale of any inventory sold to the general public are used to support a welfare program. *[As used in this subsection, "welfare program" means the providing of food, shelter, clothing or health care, including dental service, to needy persons without charge.]*

(e) All real and personal property of a retail store if:

(A) The retail store deals *[primarily and]* on a regular basis in **inventory at least one-half of which is** donated and consigned *[inventory]*;

(B) The individuals who operate the retail store are all individuals who work as volunteers; and

(C) The inventory is either distributed without charge as part of a welfare program, or sold to the general public and the sales proceeds used exclusively to support a welfare program. [As used in this paragraph, "primarily" means at least one-half of the inventory.]

(f) The real and personal property of an art museum that is used in conjunction with the public display of works of art or used to educate the public about art, but not including any portion of the art museum's real or personal property that is used to sell, or hold out for sale, works of art, reproductions of works of art or other items to be sold to the public.

(g) All real and personal property of a volunteer fire department that is used in conjunction with services and activities for providing fire protection to all residents within a fire response area.

(h) All real and personal property, including inventory, of a retail store owned by a nonprofit corporation if:

(A) The retail store deals exclusively in donated inventory; and

(B) Proceeds of the retail store sales are used to support a not-for-profit housing program whose purpose is to:

(i) Acquire property and construct housing for resale to individuals at or below the cost of acquisition and construction; and

(ii) Provide loans bearing no interest to individuals purchasing housing through the program.

(i) All real and personal property, including inventory, of a retail store owned by a nonprofit corporation if:

(A) The retail store deals exclusively in donated inventory;

(B) The retail store operates with substantial support from volunteers; and

(C) All net proceeds of the retail store sales are donated:

(i) To a nonprofit corporation that provides animal rescue services;

(ii) To a manufacturer or provider of goods or services in return for which an entity described in sub-subparagraph (i) of this subparagraph receives an equivalent value of goods or services from the manufacturer or provider;

(iii) To an entity that provides spaying and neutering services for pets of individuals residing in households with an annual household income at or below 80 percent of the area median income; or

(iv) For the purpose of aiding domesticated animals, regardless of whether the animals are in the custody of the county shelter, in furtherance of the purpose for which the nonprofit corporation was organized.

(3) An art museum or institution shall not be deprived of an exemption under this section solely because its primary source of funding is from one or more governmental entities.

(4) An institution shall not be deprived of an exemption under this section because its purpose or the use of its property is not limited to relieving pain, alleviating disease or removing constraints.

SECTION 3. The amendments to ORS 307.130 by sections 1 and 2 of this 2017 Act apply to property tax years beginning on or after July 1, 2017.

SECTION 4. 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.

Passed by House June 19, 2017

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 30, 2017

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2017

Approved:

.....M,....., 2017

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2017

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Dennis Richardson, Secretary of State