

House Bill 3459

Sponsored by Representative GOMBERG

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**.

Exempts from property taxation real and personal property, including inventory, of retail store owned by nonprofit corporation if retail store deals exclusively in donated inventory, individuals who operate retail store, other than manager and bookkeeper, work as volunteers and all net proceeds of retail store sales are donated to animal shelter, to entity that provides spaying and neutering services for pets of individuals in low-income households or to assist low-income households in obtaining veterinary care for pets.

Applies to property tax years beginning on or after July 1, 2017.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to exemption for property of certain charitable retail stores; creating new provisions;
3 amending ORS 307.130; and prescribing an effective date.

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

5 **SECTION 1.** ORS 307.130 is amended to read:

6 307.130. (1) As used in this section:

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

8 (b) "History museum or science museum" means a nonprofit corporation organized to display
9 historical or scientific exhibits, or both, to the public.

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

11 (A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter
12 65; or

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

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

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

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

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

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

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.

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

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

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

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

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

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

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

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

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

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

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

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

31 (i) Acquire property and construct housing for resale to individuals at or below the cost of ac-
 32 quisition and construction; and

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

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

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

37 (B) **Other than a manager and a bookkeeper, the individuals who operate the retail store**
 38 **work as volunteers; and**

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

40 (i) **To an animal shelter;**

41 (ii) **To an entity that provides spaying and neutering services for pets of individuals in**
 42 **low-income households; or**

43 (iii) **To assist low-income households in obtaining veterinary care for pets.**

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

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

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

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

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

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

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

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

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

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

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

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

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

23 307.130. (1) As used in this section:

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

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

26 (A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter
 27 65; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (i) Acquire property and construct housing for resale to individuals at or below the cost of ac-
 30 quisition and construction; and

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

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

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

35 (B) **Other than a manager and a bookkeeper, the individuals who operate the retail store**
 36 **work as volunteers; and**

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

38 (i) **To an animal shelter;**

39 (ii) **To an entity that provides spaying and neutering services for pets of individuals in**
 40 **low-income households; or**

41 (iii) **To assist low-income households in obtaining veterinary care for pets.**

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

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

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

3 **SECTION 4.** This 2017 Act takes effect on the 91st day after the date on which the 2017
4 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

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