

Background

The property tax exemption created in SB 919-1 would be subject to Oregon Constitution, Article XI, Section 11(1)(c)(E). The Department of Revenue has two technical suggestions to reconcile the bill with the constitution.

Administrative Topics

First, Article XI, Section 11 of the constitution – derived from 1997’s Measure 50 – requires the same recalculation of maximum-assessed value for properties going into and out of exemptions as for special assessments. Thus, the phrase “would have had if it had never been granted the exemption” in subsection 7 should instead read: “a maximum assessed value as determined under ORS 308.156(5).” The same reference to ORS 308.156(5) is required in subsection 8(b)(B), for the same reason.

Second, with the exemption being required of all counties, the bill either must appropriate money to the Property Tax Expenditure Account, per ORS 306.353, or include language saying the statewide mandate is “notwithstanding ORS 306.353.”

Agency Contact

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