

Requested by Senator JAMA

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 919**

1 On page 1 of the printed A-engrossed bill, delete lines 4 through 25 and
2 delete pages 2 and 3 and insert:

3 **“SECTION 1. (1) As used in sections 1 to 4 of this 2023 Act:**

4 **“(a) ‘Adopting jurisdiction’ means the governing body of a city or**
5 **county that adopts an exemption law.**

6 **“(b) ‘Eligible property’ means property described in subsection (3)**
7 **of this section.**

8 **“(c) ‘Exemption law’ means an ordinance or resolution adopted**
9 **pursuant to subsection (2) of this section.**

10 **“(2)(a) The governing body of a city or county may adopt by ordi-**
11 **nance or resolution a law granting a property tax exemption for**
12 **property described in subsection (3) of this section.**

13 **“(b) The ordinance or resolution may include any other conditions**
14 **for the exemption that do not conflict with sections 1 to 4 of this 2023**
15 **Act.**

16 **“(3) Property of an owner, lessee or other person responsible for**
17 **paying the taxes on the property is eligible for exemption under this**
18 **section if the property is:**

19 **“(a)(A) A newly constructed accessory dwelling unit as defined in**
20 **ORS 215.501; or**

21 **“(B) A duplex, triplex or quadplex that has been newly converted**

1 **from a single-family dwelling; and**

2 **“(b) During the period of the exemption:**

3 **“(A) Used as the occupant’s primary residence; and**

4 **“(B) Not rented out for consideration as transient lodging for any**
5 **duration.**

6 **“(4) For purposes of this section, property shall be considered newly**
7 **constructed or newly converted if, following the completion of the**
8 **construction or conversion, a certificate of occupancy was issued for**
9 **the property at any time within the 12-month period immediately**
10 **preceding the date on which an application for the exemption is first**
11 **filed under section 2 of this 2023 Act.**

12 **“(5)(a) Eligible property shall be exempt from taxation for an initial**
13 **property tax year and for the four succeeding property tax years,**
14 **provided the conditions for eligibility are met for each year, including**
15 **the filing of timely applications.**

16 **“(b) Only one exemption may be granted per tax account.**

17 **“(6)(a) An exemption law may not take effect unless:**

18 **“(A) Upon request of the adopting jurisdiction, the governing bodies**
19 **of the other taxing districts having territory within the boundaries of**
20 **the city or county vote to approve the exemption; and**

21 **“(B) The combined rates of taxation of the city or county and all**
22 **approving taxing districts equal 51 percent or more of the total com-**
23 **bined rate of taxation on the eligible property.**

24 **“(b) If the exemption law takes effect, the exemption shall apply to**
25 **all property tax levies of all taxing districts in which the exempt**
26 **property is located.**

27 **“(c) The decisions of the taxing districts under paragraph (a) of this**
28 **subsection may not be changed but are not binding with respect to an**
29 **exemption law amended by the adopting jurisdiction pursuant to sub-**
30 **section (7) of this section.**

1 “(7)(a) An adopting jurisdiction may adopt at any time an ordinance
2 or resolution amending the terms of an exemption law adopted pur-
3 suant to this section, subject to the approval of the taxing districts
4 under subsection (6)(a) of this section, or repealing the exemption law.

5 “(b) Notwithstanding paragraph (a) of this subsection, property that
6 has been granted an exemption under the exemption law before the
7 effective date of the amendment shall continue to receive the ex-
8 emption under the terms in effect at the time the exemption was first
9 granted.

10 “(8) The exemption granted under this section is in addition to and
11 not in lieu of any other property tax limit, exemption or partial ex-
12 emption, special assessment or deferral.

13 “(9) ORS 315.037 does not apply to this section.

14 “SECTION 2. (1)(a) An adopting jurisdiction shall prescribe ex-
15 emption application forms and the information required to be included
16 in the application.

17 “(b) If eligible property is located in a city and county, each of
18 which is an adopting jurisdiction, the applicant shall elect the ex-
19 emption the applicant wishes to receive for the eligible property by
20 submitting the application to the appropriate governing body.

21 “(2) An application for exemption for eligible property must:

22 “(a) Be in writing on the form supplied by the city or county;

23 “(b) Describe the property;

24 “(c) Recite all facts establishing the eligibility of the property for
25 the exemption; and

26 “(d) Have attached:

27 “(A) Any information or documentation required by the adopting
28 jurisdiction; and

29 “(B) A written declaration by the applicant, subject to penalties for
30 false swearing, that the statements contained in the application are

1 true.

2 “(3) An application for an initial year of the exemption must be filed
3 with the adopting jurisdiction in which the eligible property is located:

4 “(a) If the certificate of occupancy for the eligible property is issued
5 on or after July 1 and on or before March 1 of the immediately suc-
6 ceeding calendar year, after January 1 and on or before April 1 im-
7 mediately preceding the property tax year for which the exemption is
8 claimed; or

9 “(b) If the certificate of occupancy is issued after March 1 and be-
10 fore July 1, after April 1 immediately preceding the property tax year
11 for which the exemption is claimed and on or before August 1 of the
12 property tax year for which the exemption is claimed.

13 “(4) Applications for the succeeding years of the exemption must
14 be filed annually with the adopting jurisdiction after January 1 and
15 on or before April 1 immediately preceding the property tax year for
16 which the exemption is claimed.

17 **“SECTION 3. (1) Within 60 days after receiving an application sub-**
18 **mitted under section 2 of this 2023 Act, the adopting jurisdiction shall**
19 **determine whether the property to which the application relates is el-**
20 **igible property located within the boundaries of the city or county and**
21 **whether the application complies with the adopting jurisdiction’s ex-**
22 **emption law and sections 1 to 4 of this 2023 Act.**

23 “(2)(a)(A) If the adopting jurisdiction determines that the property
24 or application does not meet all the requirements described in sub-
25 section (1) of this section, the application shall be rejected and the
26 applicant shall be notified of the decision and the reasons for the de-
27 cision.

28 “(B) Any person aggrieved by the denial of an application for ex-
29 emption under this section may appeal to the Oregon Tax Court in the
30 manner provided under ORS 305.404 to 305.560.

1 **“(b) If the adopting jurisdiction determines that the property and**
2 **application meet all the requirements described in subsection (1) of**
3 **this section, the adopting jurisdiction shall, as soon as practicable:**

4 **“(A) Approve the application and notify the applicant of its deci-**
5 **sion; and**

6 **“(B) File notice of the approval, and any additional information**
7 **required under the exemption law or sections 1 to 4 of this 2023 Act,**
8 **with the assessor of the county in which the eligible property is lo-**
9 **cated.**

10 **“(3) For each property tax year that eligible property is granted**
11 **exemption, the county assessor shall enter on the assessment and tax**
12 **roll that the eligible property is subject to potential additional taxes**
13 **as provided under section 4 of this 2023 Act, by adding the notation**
14 **‘potential additional taxes.’**

15 **“(4) If eligible property is transferred to new ownership within the**
16 **five-year period of the exemption, the exemption may continue for the**
17 **remaining number of years granted if:**

18 **“(a) The property continues to qualify as eligible property; and**

19 **“(b) Timely applications are filed under section 2 of this 2023 Act.**

20 **“SECTION 4. (1) Upon the earlier of the date on which the five-year**
21 **period of exemption granted under an exemption law expires, or new**
22 **property or new improvements as defined in ORS 308.149 are added to**
23 **the tax account that includes exempt eligible property, the eligible**
24 **property shall:**

25 **“(a) Have for the immediately succeeding property tax year a max-**
26 **imum assessed value as determined under ORS 308.156 (5); and**

27 **“(b) Be assessed and taxed as other property similarly situated is**
28 **assessed and taxed.**

29 **“(2) Subsection (3) of this section applies if, as of January 1 of any**
30 **assessment year within the five-year period of the exemption, the eli-**

1 **gible property:**

2 **“(a) Is no longer occupied as the primary residence of any individ-**
3 **ual; or**

4 **“(b) Has been rented out for consideration as transient lodging for**
5 **any duration.**

6 **“(3)(a) Upon discovery by the adopting jurisdiction, or notice from**
7 **the taxpayer to the adopting jurisdiction, that a circumstance listed**
8 **in subsection (2) of this section has occurred, the adopting jurisdiction**
9 **shall notify the county assessor of the circumstance.**

10 **“(b) Upon receipt of the notice, the county assessor shall:**

11 **“(A) Immediately terminate the property’s exemption;**

12 **“(B) For the immediately succeeding property tax year, determine**
13 **the maximum assessed value of the property under ORS 308.156 (5);**

14 **“(C) Assess and tax the property as other property similarly situ-**
15 **ated is assessed and taxed; and**

16 **“(D) Notwithstanding ORS 311.235, add to the general property tax**
17 **roll for the property tax year next following the date of termination,**
18 **to be collected and distributed in the same manner as other ad**
19 **valorem property taxes, an amount equal to the difference between the**
20 **taxes assessed against the eligible property during the period of the**
21 **exemption and the taxes that would have been assessed against the**
22 **property if it had never been granted the exemption, for each of the**
23 **years for which the eligible property was granted the exemption.**

24 **“(4) Additional taxes collected under this section shall be deemed**
25 **to have been imposed in the year to which the additional taxes relate.**

26 **“SECTION 5. Sections 1 to 4 of this 2023 Act apply to property tax**
27 **years beginning on or after July 1, 2024.**

28 **“SECTION 6. This 2023 Act takes effect on the 91st day after the**
29 **date on which the 2023 regular session of the Eighty-second Legislative**
30 **Assembly adjourns sine die.”.**

