

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*

A Statement of Need and Fiscal Impact accompanies this form.

Department of Revenue, Property Tax Division	150
Agency and Division	Administrative Rules Chapter Number
Debra L Buchanan	503-945-8653
Rules Coordinator	Telephone

955 Center St NE Salem OR 97301

RULE CAPTION

Value transmittal, veterans program requirements, exemption requirements, certification, standing for appeal and historic property
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

November 23, 2009	10:00	Fishbowl Conference Rm, 955 Center St NE Salem OR 97301	Staff
Hearing Date	Time	Location	Hearings Officer

Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

ADOPT: 150-307.547; 150-309.100-(D); 150-358.505

AMEND: 150-306.126(2); 150-307.330; 150-307.270(1)-(A); 150-308.875-(A); 150-311.668(1)(a)-(A); 150-311.668(1)(a)-(B); 150-311.688; 150-311.689; 150-311.691; 150-311.706

REPEAL:

RENUMBER:

AMEND & RENUMBER: 150-307.250(1)(b) to 150-307.260(3)

Stat. Auth. : ORS 305.100; 358.505

Other Auth.:

Stats. Implemented: ORS 306.126; 307.260; 307.270; 307.330; 307.547; 308.875; 309.100; 311.668; 311.688; 311.689; 311.691; 311.706; 358.505

RULE SUMMARY

150-306.126(2), *Transmission of the Values for Principal and Secondary Industrial Properties*, is amended to specify the types of information included in the Value Transmittal Sheet, which is sent to county assessors for all Principle and Secondary Industrial properties valued by the department.

150 307.250(1)(b) is amended and renumbered to 150-307.260(3), *Physician Certification of Disability for Exemption*. The amendment clarifies the filing requirements related to the physician's certificate annual filing requirements once the veteran has filed for the property tax exemption as described under ORS 307.250(1)(b) and is age 65.

150-307.270(1)-(A), *Property to Which Veteran's Exemption Applies*, is amended to define "by reason of health" and "basic life needs" for purposes of this exemption. The rule also expands reasons for which a taxpayer may be away from home by reason of health and continue to qualify for the exemption. The rule includes an example of a qualifying temporary absence and an example of an absence by reason of health.

150-307.330, *Exemption of Buildings, Structures and Machinery or Equipment during Construction*, clarifies which property is eligible for exemption under the "Commercial Facilities Under Construction" statute, ORS 307.330. The rule is amended to clearly provide that "modification" of an existing building or structure does

not qualify for exemption under ORS 307.330 as the statute states that only “each new building or structure or an addition to an existing building or structure is exempt from taxation.” The amendment also reflects an Oregon Tax Court decision (*North Harbour Corporation v. DOR*) by making clear that the statute does not exclude a one-time income from the sale of property and may apply to property such as a condominium development.

150-307.547, *Certification of Nonprofit Corporation Low Income Housing Exemption to County Assessor*, specifies a latest date by which the governing body must certify the Nonprofit Corporation Low Income Housing property tax exemption to the county assessor.

150-308.875-(A), *Manufactured Structure Classified as Real or Personal Property*, conforms the rule to statutory changes made by the 2009 legislature to ORS 308.875.

150-309.100-(D), *Definition of Person Who Holds an Interest in the Property and Procedures for Transfers of Ownership or Interest*, is amended to clarify what is meant by “a person who holds an interest” for purposes of appealing to a local board of property tax appeals (BOPTA). The proposed rule provides that a petitioner must: (1) Be an owner or “person who holds an interest” at the time the petition is filed; (2) Have held an interest in the property that obligates the person to pay the taxes imposed on the property on or after July 1 but prior to the time the petition is filed; or (3) Have gained standing as one of the above by the last day for filing a petition with BOPTA.

150-311.668(1)(a)-(A), *Requirements to Qualify for Senior Citizen’s Property Tax Deferral* - The rule is amended to reflect 2007 legislation (HB 2007), which authorized creation of registered domestic partnerships and provided that registered domestic partners have the same privileges, immunities, rights, benefits and responsibilities as married persons.

150-311.668(1)(a)-(B), *Requirements to Qualify for Disabled Citizen’s Property Tax Deferral* - The rule is amended to reflect 2007 legislation (HB 2007), which authorized creation of registered domestic partnerships and provided that registered domestic partners have the same privileges, immunities, rights, benefits and responsibilities as married persons.

150-311.688, *Election by Spouse to Continue Tax Deferral* - The rule is amended to reflect 2007 legislation (HB 2007), which authorized creation of registered domestic partnerships and provided that registered domestic partners have the same privileges, immunities, rights, benefits and responsibilities as married persons.

150-311.691, *Taxes Unpaid Before Approval of Senior Deferral Application* - The rule is amended to reflect 2007 legislation (HB 2007), which authorized creation of registered domestic partnerships and provided that registered domestic partners have the same privileges, immunities, rights, benefits and responsibilities as married persons.

150-311.706, *Requirements to Qualify for Senior Citizen’s Special Assessment Deferral* - The rule is amended to reflect 2007 legislation (HB 2007), which authorized creation of registered domestic partnerships and provided that registered domestic partners have the same privileges, immunities, rights, benefits and responsibilities as married persons.

150-311.689, *Annual Income Requirements to Continue Property Tax Deferral*, is amended to reflect a court ruling stating that income of a claimant’s spouse cannot be considered in the determination of the deferral claimant’s individual federal adjusted gross income, if the deferral claimant’s spouse does not file a joint claim for deferral.

150-358.505 *Determining Value of Historic Property Qualified for Special Assessment*, clarifies the correct procedure for calculating specially assessed and maximum specially assessed values for historic property.

The Agency requests public comment on whether other options should be considered for achieving the rule’s substantive goals while reducing the negative economic impact of the rule on business.

November 23, 2009, close of public hearing

Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator)

Debra L Buchanan

10/15/2009

Signature

Printed name

Date

*Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Revenue, Property Tax Division

150

Agency and Division

Administrative Rules Chapter Number

Value transmittal, veterans program requirements, exemption requirements, certification, standing for appeal and historic property
Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: Adoption of administrative rules related to property taxes

Statutory Authority: ORS 305.100; 358.505

Other Authority:

Stats. Implemented: ORS 306.126; 307.260; 307.270; 307.330; 307.547; 308.875; 309.100; 311.668; 311.688; 311.689; 311.691; 311.706; 358.505

Need for the Rule(s):

150-306.126(2) is needed to specify the types of information included in the Value Transmittal Sheet, which is sent to county assessors for all industrial properties appraised by the department.

150-307.260(3) Although the description of the qualification for the veteran's partial exemption requirements are in ORS 307.250, the age requirement for filing a physician's certificate with the Exemption Claim form is in ORS 307.260(3). Therefore, this amendment will renumbered the rule from 150-307.250(1)(b) to 150-307.260(3) to reflect the relevant statute. The amendment will clarify that a qualifying veteran must continue to file a physician's certificate, which certifies their rate of disability, with the Exemption Claim form annually up to and including age 65. Once the veteran reaches the age of 66, they no longer are required to file the physician's certificate, providing the certificate was filed the previous year, but must continue to file the Exemption Claim form.

150-307.270(1)-(A) *Property to Which Veteran's Exemption Applies* is needed to provide additional definition of reasons a veteran may be absent from a homestead while still qualifying for a property tax partial exemption.

150-307.330 *Exemption of Buildings, Structures and Machinery or Equipment during Construction* is amended to clarify what property is eligible for exemption under the "Commercial Facilities Under Construction" statute, ORS 307.330. The rule is amended to clearly provide that "modification" of an existing building or structure does not qualify for exemption under ORS 307.330 as the statute states that only "each new building or structure or an addition to an existing building or structure is exempt from taxation." The amendment is also needed to incorporate findings from a 2002 Oregon Tax Court decision, (*North Harbour Corporation v. DOR*), which held that ORS 307.330(1)(d) applies to "any property that is built to produce income, whether from the one-time sale of property or an ongoing stream of income from lease or use in business." The amendment makes it clear that the statute does not exclude a one-time income from the sale of property and may apply to property such as a condominium development.

150-307.547 *Certification of Nonprofit Corporation Low Income Housing Exemption to County Assessor* specifies a latest date by which the governing body must certify the Nonprofit Corporation Low Income Housing property tax exemption to the county assessor. ORS 307.547 directs the governing body to determine within 30 days of the filing of the application whether the applicant qualifies for the exemption, but gives no date for certifying to the assessor that all or a portion of the property is exempt. The statute also directs the county assessor to exempt the property from taxation upon receipt of the certification to the extent certified by the governing body. By specifying a date by rule, it ensures the assessor receives the certification of exemption prior to the September 25th deadline, when all changes to value on the assessment roll must be completed.

150-308.875-(A) *Manufactured Structure Classified as Real or Personal Property* amendments are needed to conform to 2009 statutory changes.

150-309.100-(D), *Definition of Person Who Holds an Interest in the Property and Procedures for Transfers of Ownership or Interest*, is needed to clarify who is considered a "person who holds an interest" for purposes of filing

appeals to a local board of property tax appeals (BOPTA). Petitions that have been filed over the last two years indicate that a rule is needed to give clear guidance to local boards when they must determine whether a petitioner has legal standing to appeal.

150-311.668(1)(a)-(A), *Requirements to Qualify for Senior Citizen's Property Tax Deferral* - Amendments to the rule to conform to 2007 legislation (HB 2007) authorizing registered domestic partnerships.

150-311.668(1)(a)-(B), *Requirements to Qualify for Disabled Citizen's Property Tax Deferral* - Amendments to the rule to conform to 2007 legislation (HB 2007) authorizing registered domestic partnerships.

150-311.688, *Election by Spouse to Continue Tax Deferral* - Amendments to the rule to conform to 2007 legislation (HB 2007) authorizing registered domestic partnerships.

150-311.691, *Taxes Unpaid Before Approval of Senior Deferral Application* - Amendments to the rule conform to 2007 legislation (HB 2007) authorizing registered domestic partnerships.

150-311.706, *Requirements to Qualify for Senior Citizen's Special Assessment Deferral* - Amendments to the rule conform to 2007 legislation (HB 2007) authorizing registered domestic partnerships.

150-311.689, *Annual Income Requirements to Continue Property Tax Deferral*, needs amendment to reflect a court decision clarifying the calculation of Federally Adjusted Gross Income.

150-358.505, *Determining Value of Historic Property Qualified for Special Assessment* is needed to detail procedures used to determine the specially assessed and maximum specially assessed values for properties in the Historic Property Special Assessment program. New legislation significantly changed the program and this rule will clarify the correct procedure for calculating specially assessed and maximum specially assessed values for historic property to ensure uniformity in the taxation of historic property state-wide.

Documents Relied Upon, and where they are available:

None

Fiscal and Economic Impact:

The department's rules generally do not have a fiscal or economic impact beyond what is imposed by the statute that the rule is intended to implement.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

150-306.126(2); 150-307.260(3), 150-307.270(1)-(A); 150-307.330; 150-307.547; 150-308.875-(A); 150-311.668(1)(a)-(A); 150-311.668(1)(a)-(B); 150-311.688; 150-311.689; 150-311.691; and 150-311.706 are expected to have no impact on the entities listed.

150-309.100-(D) - County clerks, BOPTA clerks, and assessors may be affected by the rule. It would not affect any small businesses.

150-358.505 - County assessors must implement the changes in the law.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:

150-358.505 -According to the 2007-09 Tax Expenditure Report published by the Legislative Revenue Office, there are approximately 1,075 historic properties participating in the program. Commercial projects account for 37 percent of all projects but they represent a much higher percentage of the total assessed value (65 percent). Participating properties are in almost every county, but they are concentrated in Multnomah County, accounting for 41 percent of all projects and 80 percent of the total assessed value.

The remainder of the rules are not expected to impact small businesses.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

150-358.505 - County assessors may have some personnel training and information technology costs needed to calculate the value changes on these properties. The rule should not increase the day to day administrative burden already required by the changes in the law.

The remainder of the rules are not expected to increase or decrease these costs.

c. Equipment, supplies, labor and increased administration required for compliance:

150-358.505 - County assessors may have some personnel training and information technology costs needed to calculate the value changes on these properties. The rule should not increase the day to day administrative burden already required by the changes in the law.

How were small businesses involved in the development of this rule?

150-358.505 - It is unknown how many small businesses may own property eligible for or receiving the special assessment for historic property. The rule is not expected to impact business activities, only guide the assessors in calculating values of property approved for this special assessment.

The remaining rules are not expected to affect small businesses and their involvement was not necessary.

Administrative Rule Advisory Committee consulted?: No, except for 150-307.547. Upon request of the Multnomah County Assessor, the Department of Revenue facilitated discussions to assist in resolving certain housing property tax exemption program issues that arose between the Multnomah County Assessor, Portland Development Commission, and the City of Portland's Bureau of Planning. The Nonprofit Corporation Low Income Housing program was part of these discussions.

If not, why?: The department conducts a public hearing for each administrative rule that is proposed to be adopted, amended, or repealed by the department. Copies of these rules are sent directly to various state tax consultant groups, some enrolled agents, the OR Society of Certified Public Accountants, OR Forest Industries Council, Associated OR Industries, Association of OR Counties and all County Assessors' offices.

	Debra L Buchanan	10/15/2009
Signature	Printed name	Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310. ARC 925-2007



ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. OAR 150-307.547	Last Revised Date October 26, 2009
	Page Page 1 of 1	
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To specify a latest date by which the governing body must certify the Nonprofit Corporation Low Income Housing exemption from taxation to the county assessor.

1 **150-307.547**

2 **Certification of Nonprofit Corporation Low Income Housing Exemption to County Assessor**

3 If the governing body determines the property that is the subject of the application filed under ORS
4 307.545 qualifies for exemption from taxation, the governing body must certify the exemption to the
5 county assessor:

6 (1) On or before August 1 of the tax year for which the nonprofit corporation low income housing
7 exemption is granted when the application is filed on or before April 1 preceding the tax year for which
8 the exemption is claimed; or

9 (2) On or before September 1 of the tax year for which the nonprofit corporation low income housing
10 exemption is granted when the application is filed within 30 days after acquiring property after April 1
11 and before July 1 preceding the tax year for which the exemption is claimed.

12 **Stat. Auth.:** ORS 305.100

13 **Stats. Implemented:** ORS 307.547

ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. OAR 150-309.100-(D)	
	Page Page 1 of 3	Last Revised Date October 28, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To define the meaning of the term “person who holds an interest in the property that obligates the person to pay the taxes imposed on the property” as it pertains to filing petitions to the board of property tax appeals (BOPTA) under ORS 309.100. Also to provide guidance regarding standing to appeal to BOPTA when ownership or interest in property is transferred.

1 **150-309.100-(D)**

2 **Definition of Person Who Holds an Interest in the Property and Procedures for Transfers of**
3 **Ownership or Interest**

4 This rule supplements the definition of “petitioner” found in OAR 150-309.100(3)-(C).

5 (1) The petitioner in an appeal to the board of property tax appeals (BOPTA) under ORS 309.100 must
6 possess or acquire legal standing to appeal during the petition filing period. The petition filing period
7 begins the date following the date the tax statements are mailed for the current tax year and ends
8 December 31 or the last day for filing a petition under ORS 305.820.

9 (2) For purposes of appealing to BOPTA, a person who holds an interest in the property as described in
10 subsection (3) of this rule, that obligates the person to pay the taxes imposed on the property shall be
11 defined as a person or entity that:

12 (a) Holds an interest in the property that obligates the person or entity to pay all or a portion of the taxes
13 imposed on the property for the current tax year at the time the petition is filed; or

14 (b) Has held an interest in the property that obligated the person or entity to pay all or a portion of the
15 taxes imposed on the property for the current tax year after July 1 but prior to the time the petition is
16 filed; or

17 (c) Will hold an interest in the property by the last day for filing a petition with BOPTA that will obligate
18 the person or entity to pay all or a portion of the taxes imposed on the property for the current tax year.

19 (3) Standing to appeal to BOPTA as a person who holds an interest other than an ownership interest must
20 be established through an intervening instrumentality such as a contract or lease that proves the person or
21 entity is obligated to pay all or a portion of the taxes imposed on the property for the current tax year.

22 Escrow instructions signed by a seller in a transaction that is consummated during the period from July 1
23 through the last day for filing a petition with BOPTA may also be used to establish such an interest.

24 (4) When an ownership or other interest is transferred on or after July 1 but prior to the end of the
25 petition filing period or a question arises regarding ownership or the existence of a present obligation to

ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-309.100-(D)	
	Page Page 2 of 3	Last Revised Date October 28, 2009
New Rule	NOTICE OF INTENDED ACTION	
Permanent Rule	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To define the meaning of the term “person who holds an interest in the property that obligates the person to pay the taxes imposed on the property” as it pertains to filing petitions to the board of property tax appeals (BOPTA) under ORS 309.100. Also to provide guidance regarding standing to appeal to BOPTA when ownership or interest in property is transferred.

- 1 pay taxes, BOPTA must determine whether the petitioner has standing to appeal. The following
- 2 examples are intended to give guidance to the clerk for purposes of determining whether a *Notice of*
- 3 *Defective Petition* should be sent under OAR 150-309.100(3)-(B) and to the board in its final
- 4 determination regarding the standing of the petitioner:
- 5 Example 1: The clerk of the board receives a petition on November 5 and reviews the petition on
- 6 November 20 according to the guidelines in OAR 150-309.100(3)-(C) and this rule. When the clerk
- 7 reviews the petition, the county records indicate that the petitioner sold the property on October 30.
- 8 Because the petitioner did not own the property when the petition was filed, the petitioner must establish
- 9 standing as a person who holds an interest in the property that obligates the petitioner to pay the taxes
- 10 imposed on the property for the current tax year. The petitioner can do so by submitting a copy of the
- 11 escrow instructions or other document that shows the petitioner must pay all or a portion of the property
- 12 taxes for the current tax year.
- 13 Example 2: The clerk of the board receives a petition on October 29 and reviews the petition on
- 14 November 19 according to the guidelines in OAR 150-309.100(3)-(C) and this rule. When the clerk
- 15 reviews the petition, the county records indicate that the petitioner sold the property on August 13.
- 16 Because the petitioner did not own the property when the petition was filed, the petitioner must establish
- 17 standing as a person who holds an interest in the property that obligates the petitioner to pay the taxes
- 18 imposed on the property for the current tax year. Even though the petitioner sold the property prior to the
- 19 beginning of the petition filing period, the petition will be allowed if the petitioner has a present
- 20 obligation to pay the taxes as demonstrated by a copy of the escrow instructions or other document that
- 21 shows the petitioner must pay all or a portion of the property taxes for the current tax year.
- 22 Example 3: The clerk of the board receives a petition on December 4. The clerk reviews the petition on
- 23 December 10. The petitioner has included a copy of an earnest money agreement to purchase property
- 24 with a projected closing date of December 28. The clerk sends a *Notice of Defective Petition* on
- 25 December 17 asking the petitioner to provide proof that the petitioner owned the property on December



ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. OAR 150-309.100-(D)	
	Page Page 3 of 3	Last Revised Date October 28, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To define the meaning of the term “person who holds an interest in the property that obligates the person to pay the taxes imposed on the property” as it pertains to filing petitions to the board of property tax appeals (BOPTA) under ORS 309.100. Also to provide guidance regarding standing to appeal to BOPTA when ownership or interest in property is transferred.

- 1 31 or the last day for filing a petition under ORS 305.820. The petitioner is given 20 days as provided in
- 2 OAR 150-309.100(3)-(B) to provide proof of ownership. The clerk also has the option of waiting until
- 3 after December 31 to send the notice to allow more time for county ownership records to be updated. If
- 4 proof is provided (or county records are updated) that confirms the petitioner owned the property by
- 5 December 31, the petitioner has standing to appeal to BOPTA as the owner of the property.
- 6 Example 4: The clerk of the board receives a petition on December 23. The petitioner includes a copy of
- 7 an earnest money agreement to purchase property with a projected closing date of January 19. The
- 8 language of the earnest money agreement does not include a present obligation for the petitioner to pay
- 9 the taxes imposed on the property. The petitioner lacks standing to appeal because the petitioner will not
- 10 own or hold an interest in the property that obligates the petitioner to pay the taxes imposed on the
- 11 property until after the deadline for filing a petition with BOPTA.
- 12 (5) Lenders that hold an interest in property as security against a loan generally lack standing to appeal
- 13 to BOPTA. See OAR 150-309.100(3)-(C) subsection (3)(b). However, in the event of a default or
- 14 foreclosure proceeding, the lender may acquire standing if specific language in the contract allows or
- 15 requires the lender to assume the tax obligation or through actual assumption of ownership prior to the
- 16 deadline for filing a petition.
- 17 **Stat. Auth.:** ORS 305.100
- 18 **Stats. Implemented:** ORS 309.100

ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. 150-358.505	Last Revised Date August 18, 2009
	Page Page 1 of 7	
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: Describe how the special assessed value of property entitled to historic property special assessment is calculated.

1 **150-358.505**

2 **Determining Value of Historic Property Qualified for Special Assessment**

3 (1) For purposes of this rule,

4 (a) "Assessed Value" (AV) is defined in ORS 308.146.

5 (b) "Maximum Assessed Value" (MAV) is defined in ORS 308.146 without application of ORS
6 308.146(4).

7 (c) "Changed Property Ratio" (CPR) is the ratio described in OAR 150-308.156.

8 (d) "Internal ratio" (IR) is the quotient of MAV/RMV for an individual property, as if the property is not
9 specially assessed. The ratio cannot be more than 1.0.

10 (e) "Maximum Specially Assessed Value" (MSAV) means maximum assessed value for property subject
11 to special assessment.

12 (f) "Real Market Value" (RMV) is defined in ORS 308.205(1).

13 (2) This rule applies to initial and second qualifying periods beginning on or after July 1, 2010, with
14 application being made on or after September 28, 2009.

15 (3) When a property is subject to historic property special assessment, the county assessor must:

16 (a) Include a "Historic property – potential additional tax" notation on the tax roll.

17 (b) Maintain the RMV and a MAV as if the property were not specially assessed. The RMV and MAV
18 as if the property were not specially assessed must be adjusted to include any changes in value as
19 addressed in ORS 308.146, 308.149, 308.153, 308.156, and 308.159 (commonly referred to as exception
20 value).

21 (c) Calculate MSAV of the property annually while the property remains in the program.

22 (4) Calculate first period values for SAV, MSAV and AV.

23 (a) Step 1: Calculate the property's SAV to be used throughout the entire first 10 year period of historic
24 property special assessment.

ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. 150-358.505	
	Page Page 2 of 7	Last Revised Date August 18, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: Describe how the special assessed value of property entitled to historic property special assessment is calculated.

- 1 (A) The SAV equals the AV of the property in the tax year in which application is submitted pursuant to
2 ORS 358.487.
- 3 (B) If the property is specially assessed or exempt in the tax year during which an application is made,
4 SAV equals the RMV for that tax year multiplied by the CPR for that tax year.
- 5 (b) Step 2: Calculate MSAV for the first year of special assessment by multiplying the SAV by the IR.
6 The MSAV is recalculated in the second and subsequent years and equals the greater of:
- 7 (A) The AV for the prior year multiplied by 103 percent; or
8 (B) The MSAV for the prior year
- 9 (c) Step 3: Calculate the AV, which is the lesser of the:
- 10 (A) SAV calculated in step 1;
11 (B) MSAV calculated in step 2; or
12 (C) The RMV.
- 13 *Example 1:*
- 14 The State Historic Preservation Officer (SHPO), in January 2010, notifies the assessor that the owner of
15 an old warehouse applied for historic property special assessment in October 2009 and qualified for that
16 special assessment. The value of the warehouse as reflected on the 2009-10 tax roll is: RMV \$400,000;
17 MAV \$302,380; AV \$302,380. The first year of special assessment is 2010-11. The RMV for 2010-11 is
18 \$416,000.
- 19 (a) Step 1: Calculate the SAV. $SAV = AV$ in the tax year the application is submitted = \$302,380
20 (b) Step 2: Calculate MSAV for first year of special assessment.
- 21 (A) $2010-11\ MAV = AV \times 1.03$, $\$302,380 \times 1.03 = \$311,451$
22 (B) $IR = MAV / RMV$, $\$311,451 / \$416,000 = 0.749$
23 (C) $MSAV = SAV * IR$, $\$302,380 * 0.749 = \$226,482$
- 24 (c) Step 3: Calculate the AV for the current year. It is the lesser of SAV (\$302,380), MSAV (\$226,482)

ADMINISTRATIVE RULE REVIEW

	Rule No. 150-358.505	
New Rule	Page Page 3 of 7	Last Revised Date August 18, 2009
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Permanent Rule	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: Describe how the special assessed value of property entitled to historic property special assessment is calculated.

- 1 or RMV (\$416,000). AV = \$226,482.
- 2 *Example 2:*
- 3 SHPO, in January 2010, notifies the assessor that the owner of an old mansion no longer used by the Elks
- 4 as a clubhouse that will be first disqualified from exemption for 2010-11 applied for historic property
- 5 special assessment in October 2009 and that the property is qualified for special assessment for 2010-11.
- 6 The CPR for this classification of property, had it been taxable in 2009-10, was 0.656, and the property's
- 7 RMV for 2009-10 was \$300,000. The first year of special assessment is 2010-11. The RMV for 2010-11
- 8 is calculated at \$295,000 and the countywide CPR for this property classification for 2010-11 is 0.650.
- 9 Other than the disqualification from exemption and the qualification for historic special assessment, there
- 10 have been no changes to the property for 2010-11.
- 11 (a) Step 1: Calculate MAV for 2010-11 pursuant to ORS 308.156 as a result of disqualification from
- 12 exemption.
- 13 (A) MAV = RMV x CPR, \$295,000 x 0.650 = \$191,750
- 14 (b) Step 2: Calculate SAV
- 15 (A) SAV = RMV x CPR from the tax year of application, \$300,000 x 0.656 = \$196,800
- 16 (c) Step 3: Calculate MSAV for first year of special assessment
- 17 (A) MSAV = SAV x IR, \$196,800 x (\$191,750 / \$295,000) = \$127,920
- 18 (d) Step 4: Calculate AV
- 19 (A) AV = lesser of SAV (step 2) or MSAV (step 3) or RMV. AV = \$127,920.
- 20 (5) Calculate Second period values for SAV, MSAV and AV.
- 21 (a) Step 1: Calculate SAV for the first year of a second qualifying period.
- 22 (A) The SAV equals the RMV of the property for the assessment year in which the application is made.
- 23 (B) The SAV will remain constant throughout the second ten-year period of special assessment.
- 24 (b) Step 2: Calculate the MSAV for the first year of the second qualifying period of special assessment

ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. 150-358.505	
	Page Page 4 of 7	Last Revised Date August 18, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: Describe how the special assessed value of property entitled to historic property special assessment is calculated.

- 1 by multiplying the SAV by the internal ratio. The MSAV is recalculated in the second and subsequent
- 2 years and equals the greater of:
- 3 (A) The AV for the prior year multiplied by 103 percent; or
- 4 (B) The MSAV for the prior year
- 5 (c) Step 3: Calculate the AV, which is the lesser of the:
- 6 (A) SAV calculated in step 1;
- 7 (B) MSAV calculated in step 2; or
- 8 (C) The RMV.
- 9 *Example 3:*
- 10 SHPO approves an application filed in March 2020 and qualifies a renovated chateau for a second 10
- 11 year period of special assessment beginning with the 2020-21 tax year. The first historic property special
- 12 assessment period ended in the 2018-19 tax year. For 2020-21, the RMV is \$825,000, and MAV without
- 13 special assessment would be \$509,850.
- 14 (a) Step 1: Calculate SAV.
- 15 $SAV = RMV$ for assessment year in which application made. $SAV = \$825,000$
- 16 (b) Step 2: Calculate MSAV for the first year of special assessment.
- 17 $MSAV = SAV \times IR$, $\$825,000 \times (\$509,850 / \$825,000) = \$509,850$
- 18 (c) $AV =$ lesser of SAV (step 1), MSAV (step 2), or RMV. $AV = \$509,850$.
- 19 (6) When a building that is certified for historic property special assessment is divided into
- 20 condominium units:
- 21 (a) The original account is deleted and each condominium becomes a new account.
- 22 (b) Each new account is appraised to establish a new RMV and calculate a new MAV.
- 23 (c) SAV and MSAV of the original account are apportioned between the new accounts but the total SAV
- 24 and MSAV does not change as a result of the conversion to condominiums.

ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. 150-358.505	Last Revised Date August 18, 2009
	Page Page 5 of 7	
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: Describe how the special assessed value of property entitled to historic property special assessment is calculated.

- 1 (d) The initial sale of each condominium unit by the developer disqualifies that unit from special
2 assessment.
- 3 (e) Upon disqualification, the condominium unit is immediately requalified without further application
4 for the remaining term of the original building's current 10 year period of historic property special
5 assessment.
- 6 (f) Upon requalification, the SAV of the condominium unit equals its RMV for the tax year in which the
7 sale of the unit occurred multiplied by the CPR for that tax year.
- 8 (g) The MSAV for the condominium unit for the first year after initial sale are calculated as described in
9 step 3, using the MAV and RMV of the unit to determine the IR.
- 10 (h) The AV for the condominium unit for the first year after initial sale is calculated based on the lower
11 of the SAV, MSAV, or RMV of the unit for that year.
- 12 *Example 4:*
- 13 An account with an old warehouse building is qualified by SHPO for historic property special
14 assessment. Its RMV, MAV, MSAV, SAV, and AV have been calculated as described in previous
15 examples. The building is then converted to condominium units. When the condominium conversion is
16 complete and all approvals are in place, each condominium unit becomes a separate account. New RMV
17 and MAV are calculated for each account. Existing SAV and MSAV of the original warehouse account
18 are apportioned between the new accounts. Total SAV and MSAV do not change as a result of the
19 condominium conversion.
- 20 Account (tax lot) 00100, old warehouse building, is in its fourth year of its historic property special
21 assessment. Its most recent tax roll values are as follows: RMV = \$400,000; MAV if not specially
22 assessed = \$300,000, SAV = \$225,000; MSAV = \$179,020; AV = \$179,020. CPR for this class of
23 property is 0.750. The warehouse has now met all requirements for condominium and the 25 units worth
24 \$1,000,000 each are certified for sale. Account 00100 is deleted and replaced with account (tax lot)



ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. 150-358.505	Last Revised Date August 18, 2009
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Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: Describe how the special assessed value of property entitled to historic property special assessment is calculated.

1 90001 through account (tax lot) 90025. All units are identical in this building and each account has an
2 RMV of \$1,000,000. Total RMV of the building is now \$25,000,000 and MAV is \$18,750,000. Each
3 account has a SAV of \$9,000 and a MSAV of \$7,160.

4 Total value of the building and site as condominiums (account 00100 deleted):

5 $RMV = \text{unit value} * \text{number of units}, \$1,000,000 * 25 = \$25,000,000$

6 $MAV = RMV * CPR, \$25,000,000 * 0.750 = \$18,750,000$

7 Value of each unit (each new account, 90001 through 90025):

8 $RMV = \$1,000,000$

9 $MAV = RMV * CPR, \$1,000,000 * 0.750 = \$750,000$

10 $SAV = \text{total building SAV apportioned by unit value}, \$225,000 / (\$25,000,000 / \$1,000,000) = \$9,000$

11 $MSAV = \text{total building MSAV apportioned by unit value}, \$179,020 / (\$25,000,000 / \$1,000,000) =$

12 $\$7,160$

13 $AV = \$7,160$

14 *Example 5:*

15 A condominium unit in the building described in example 4 is sold by the developer for \$1,000,000 on
16 July 20, 2015. The unit is disqualified from the historic property special assessment due to the sale and
17 then immediately requalified for the remaining term. Upon requalification, the SAV, MSAV, and AV are
18 calculated for this unit. As of January 1, 2015 the individual unit had an RMV of \$1,000,000 and an
19 MAV of \$750,000. Historic property special assessed values are reflected in an SAV of \$750,000 and an
20 MSAV of \$562,500. The SAV calculated for the 2015-16 tax year will remain the same, frozen,
21 throughout the remaining years of the building's 10 year term.

22 Unit values:

23 $RMV = \$1,000,000$

24 $MAV = RMV * CPR, \$1,000,000 * 0.750 = \$750,000$



ADMINISTRATIVE RULE REVIEW

New Rule	Rule No. 150-358.505	Last Revised Date August 18, 2009
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Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: Describe how the special assessed value of property entitled to historic property special assessment is calculated.

- 1 SAV = RMV * CPR, \$1,000,000 * 0.750 = \$750,000
- 2 MSAV = SAV * IR, \$750,000 * (\$750,000 / \$1,000,000) = \$562,500
- 3 AV = \$562,500
- 4 The building was in its 4th year of its 10 year historic property special assessment term; the new SAV for
- 5 the condominium unit will remain the same, \$750,000, for the remaining years of the building special
- 6 assessment or until the building is otherwise disqualified.
- 7 The remaining accounts in the building are not affected by this sale.
- 8 **Stat. Auth.:** ORS 305.100, 358.505
- 9 **Stats. Implemented:** ORS 358.505



ADMINISTRATIVE RULE REVIEW

Amended Rule
Permanent Rule

Rule No. OAR 150-306.126(2)	
Page Page 1 of 1	Last Revised Date July 29, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To specify the types of information included in the Value Transmittal Sheet, which is sent to county assessors for all Principle and Secondary Industrial properties valued by the department.

1 **150-306.126(2)**

2 **Transmission of the Values for Principal and Secondary Industrial Properties**

3 ~~(1) For the tax years beginning July 1, 1998, (1) The department shall~~ will transmit the real market values
4 of principal and secondary industrial accounts to the assessor prior to July 1 of each year.

5 ~~(a)(2) For each real property account, the real market values transmitted to the assessor by the department~~
6 ~~shall~~ will include:

7 (a) The total real market value of all improvements as of January 1; and

8 ~~(b) For purposes of calculating maximum assessed value, (t)The real market value of all new~~
9 ~~improvements net of additions minus retirements as of January 1 for purposes of calculating maximum~~
10 ~~assessed value for the current assessment year.~~

11 ~~(43) For each personal property account, the real market values transmitted to the assessor by the~~
12 ~~department shall~~ will include: the total real market value of all personal property assets as of January 1
13 for the current assessment year.

14 ~~(a)The total real market value of all personal property assets; and~~

15 ~~(b)For purposes of calculating maximum assessed value, the real market value of all new improvements~~
16 ~~net of retirements.~~

17 **Stat. Auth:** ORS 305.100

18 **Stats. Implemented:** ORS 306.126



ADMINISTRATIVE RULE REVIEW

Amended Rule

Permanent Rule

Rule No. OAR 150-307.330	
Page Page 1 of 4	Last Revised Date October 28, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To define generic statutory terms and clarify what type of real and personal property may qualify for Commercial Facilities Under Construction exemption.

1 **150-307.330**

2 **Exemption of Buildings, Structures and Machinery or Equipment during Construction**

3 (1) Definitions for purposes of ORS 307.330 and this rule:

4 (a) "Addition" means any enlargement of an existing building or structure. This includes the construction
5 of additional stories or the erection of a new wing on an existing building.

6 (b) "Building" means all real property improvements erected upon the land such as hotels, office
7 buildings, retail stores, condominiums and manufacturing plants and includes heating and ventilating
8 systems, elevators, and similar equipment normally installed as part of the building construction.

9 (c) "Completed" means the building, structure or addition is ready for its intended use or occupancy.

10 (d) "In the process of construction" means that construction of the new building, structure or addition has
11 begun, but is not yet completed, and typically the foundation is partially or wholly laid. Site preparation
12 or demolition of an existing building or structure is not considered part of the construction process.

13 (e) "In use or occupancy" means the property is being utilized in the manner for which the completed
14 building, structure or addition was intended.

15 (f) "Land" means land in its natural state and includes site development such as fill, excavation, grading
16 and leveling.

17 (g) "Machinery or equipment" includes machinery or equipment housed within the building, structure or
18 addition for the purpose of manufacturing or otherwise processing raw or finished materials.

19 (h) "Modernization" means to take corrective measures to bring a property into conformity with changes
20 in style.

21 (i) "Structure" means all real property improvements, other than buildings, and includes improvements
22 such as ramps, loading docks, wharfs, and paved areas used for parking or storage.

23 (j) "Testing" means a limited trial production run as a check of equipment and system performance, but
24 does not include the processing of a substantial quantity of finished and marketable products that are, or
25 can be, sold through the usual channels of trade.

26 (4) Property Subject to Exemption: plain eligible for exemption:

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-307.330	
	Page Page 2 of 4	Last Revised Date October 28, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
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PURPOSE: To define generic statutory terms and clarify what type of real and personal property may qualify for Commercial Facilities Under Construction exemption.

- 1 ~~(a) Building or structure whether new or existing, includes all real property improvements erected upon~~
2 ~~the land. New building, structure or addition to an existing building or structure that is in the process of~~
3 ~~construction on January 1 of each assessment year in which exemption is claimed. Hotels, office~~
4 ~~buildings, retail stores, and manufacturing plants are typical examples of the type of buildings subject to~~
5 ~~the exemption. Related improvements such as ramps, loading docks, wharfs, and paved areas used for~~
6 ~~parking or storage are examples of structures subject to the exemption. The building, structure or addition~~
7 ~~must be intended primarily for the furtherance of the production of income, whether from a one-time sale~~
8 ~~of property or an ongoing stream of income. For example, a new condominium project being constructed~~
9 ~~for future sale to purchasers, who may live on the property or rent the property to others, will qualify for~~
10 ~~exemption.~~
- 11 (b) Machinery or equipment located at the construction site or installed in or affixed to a building,
12 structure or addition. Testing of equipment is allowable during the period of construction.
- 13 (c) All personal property that would qualify as real property under OAR 150-307.010(1) that is situated
14 at the place of construction on January 1 of each assessment year in which exemption is claimed.
- 15 (3) Manufacturing facilities may claim exemption for no more than two consecutive years. Conditions for
16 exemption must exist on January 1 of each assessment year in which exemption is claimed.
- 17 (4) Property not eligible for exemption:
- 18 ~~(a) Land. Fills, excavations, or grading and leveling associated with preparation of the site for~~
19 ~~construction are part of the land and are not subject to exemption.~~
- 20 ~~(b) Addition to an existing building or structure, includes any enlargement or modification of such~~
21 ~~building or structure. An example of enlargement of a building would be the construction of additional~~
22 ~~stories or the erection of a new wing on a building already standing on the site. Modification of a~~
23 ~~building occurs when all or part of the existing structure is used in the erection of a new building. For~~
24 ~~example, the walls of an existing theater building are used in the construction of a retail store. In order to~~
25 ~~qualify for the exemption, the modification must change the nature of the building or structure. Merely~~
26 ~~adding a new store front or modernizing an existing building is not enough to qualify for exemption.~~
- 27 (b) Modernization of an existing building or structure.

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-307.330	
	Page Page 3 of 4	Last Revised Date October 28, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
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PURPOSE: To define generic statutory terms and clarify what type of real and personal property may qualify for Commercial Facilities Under Construction exemption.

- 1 ~~(c) Installation of additional equipment Heating equipment, elevators, ventilating systems and similar~~
2 ~~equipment installed in a building subsequent to after its original construction, does not qualify for further~~
3 ~~exemption. For example, installation of an air conditioning system or an elevator in an existing building~~
4 ~~does not qualify the building for exemption.~~
- 5 (d) Property constructed for residential occupancy by the owner.
- 6 (e) Nonmanufacturing facilities, of any kind, completed less than one year from the date construction
7 began.
- 8 (5) No exemption may be allowed if use or occupancy is made of the building, structure or addition, or
9 any part thereof, on or before January 1 of any assessment year in which exemption is claimed.
- 10 (a) If the building, structure or addition is completed and ready for use or occupancy on January 1,
11 although not in use, it is taxable.
- 12 (b) If the building, structure or addition is completed and leased on January 1, but not occupied by the
13 lessee, it is taxable.
- 14 ~~(e) Machinery or equipment which qualifies for exemption includes all machinery or equipment installed~~
15 ~~in or affixed to such building, structure or addition, and all personal property that would qualify as real~~
16 ~~property under OAR 150-307.010(1) when installed or affixed which is actually situated at the place of~~
17 ~~construction on January 1, of each year in which the exemption is claimed.~~
- 18 ~~Machinery or equipment subject to exemption includes mechanical items associated with the building~~
19 ~~such as heating equipment, elevators, ventilating systems, and similar equipment normally installed as~~
20 ~~part of the building construction. Machinery and equipment housed within the building for the purpose of~~
21 ~~manufacturing, or otherwise processing raw or finished materials, is also subject to exemption.~~
- 22 (2) Conditions of Exemption:
- 23 (a) The building, structure or addition must be in the process of construction on January 1, of each year in
24 which the exemption is claimed. Construction is in process once work has begun or the foundation for
25 the building, structure, or addition was partially or wholly laid. Land is not a part of this exemption.
26 Therefore, site preparation is not considered as any part of the process of construction. If the building,

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-307.330	
	Page Page 4 of 4	Last Revised Date October 28, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
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PURPOSE: To define generic statutory terms and clarify what type of real and personal property may qualify for Commercial Facilities Under Construction exemption.

- 1 ~~structure, or addition has been completed and is ready for use or occupancy on January 1, although not in~~
2 ~~use, it is taxable. If completed and leased on January 1, but not occupied by the lessee, it is taxable.~~
3 ~~(b) The exemption for manufacturing facilities cannot be claimed for more than two years. If claimed for~~
4 ~~two years, they must be successive. Conditions for exemption must exist on January 1, of each year in~~
5 ~~which exemption is claimed.~~
6 ~~(c) The building, structure or addition must be intended primarily for the furtherance of the production of~~
7 ~~income.~~
8 ~~(d) No exemption may be allowed if use or occupancy is made of the building, structure or addition, or~~
9 ~~any part thereof, on or before January 1, of any year in which the exemption is claimed. Use or~~
10 ~~occupancy refers to that commercial use or occupancy for which the building is intended upon~~
11 ~~completion. For example, the use of a warehouse for storage of materials or the rental of an apartment in~~
12 ~~a new apartment building will defeat the exemption. Testing of equipment preparatory to operation is~~
13 ~~allowable during the period of construction. "Testing" can include a limited trial production run as a~~
14 ~~check of equipment and system performance. "Testing" in the context used does not contemplate the~~
15 ~~processing in substantial quantity of finished and marketable products that are or can be disposed of~~
16 ~~through the usual channels of trade.~~
17 ~~(e) In the case of nonmanufacturing facilities, an exemption cannot be claimed if the facility is occupied~~
18 ~~or used within one year from the date the construction began. "Construction" does not include demolition~~
19 ~~of existing buildings.~~
20 ~~(f) All of the conditions listed in this section are mandatory and a failure to meet any one of such~~
21 ~~conditions results in denial of any exemption.~~

22 NOTE: The date change first applies to the 1992-93 taxyear.

23 **Stat. Auth.:** ORS 305.100

24 **Stats. Implemented:** ORS 307.330



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. 150-307.270(1)-(A)	
	Page Page 1 of 2	Last Revised Date October 26, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: The rule clarifies permitted situations where a veteran continues to qualify for the veteran’s property tax exemption when the claimant is temporarily absent from their primary residence or absent due to reasons of health.

1 **150-307.270(1)-(A)**

2 **Property to which Veteran’s Exemption Applies**

3 (1) Definitions for the purpose of this rule:

4 (a) “Basic life needs” include, but are not limited to, preparation of meals, personal hygiene, or daily care
5 of oneself.

6 (b) “By reason of health” means to obtain medical care or to receive basic life needs.

7 (c) “Temporary absence” means absence with the intention to reoccupy the homestead, similar to a
8 domicile. Examples include but are not limited to temporary vacation, business travel, or military service.

9 (2) If a qualified veteran or surviving spouse owns only an undivided interest in a property and the
10 remaining interest is owned by a nonspouse or a nonveteran, the veteran is entitled to a tax exemption
11 only to the extent of the veteran's actual ownership interest in the homestead property.

12 Example 1: A qualified veteran owns an undivided one-half interest in a manufactured structure that has
13 an assessed value of \$10,000. The remaining undivided one-half interest is in the name of the veteran's
14 son. The veteran ~~shall~~ will be allowed an exemption of \$5,000, which is one-half the assessed value of
15 the manufactured structure. The remaining undivided interest is not entitled to an exemption unless the
16 person owning the remaining one-half interest is a qualified ~~war~~ veteran who also occupies the same
17 homestead property.

18 (23) Only one exemption for each qualified veteran is allowed in any tax year. Two or more qualified
19 veterans may each receive an exemption on the same homestead property if each veteran owns, lives on
20 the property, and files timely.

21 (34) The right to claim the exemption shall will not be lost if the ~~owner~~ claimant is temporarily absent
22 from the property, or is ~~confined to a nursing home, or other long-term care facility~~ required to live away
23 from the homestead by reason of health unless the property is rented to another for longer than one year
24 during the owner’s absence or confinement. Examples of absence by reason of health may include, but
25 are not limited to:

26 (a) Confinement to a nursing home or other long-term care facility; or

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. 150-307.270(1)-(A)	
	Page Page 2 of 2	Last Revised Date October 26, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
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PURPOSE: The rule clarifies permitted situations where a veteran continues to qualify for the veteran's property tax exemption when the claimant is temporarily absent from their primary residence or absent due to reasons of health.

- 1 (b) Receiving care at a family member's or other individual's home.
- 2 Example 2: An Oregon resident who qualifies for the veteran's property tax exemption on their
- 3 homestead stays in Arizona for a few months during the year. Although temporarily absent from their
- 4 homestead, it continues to qualify as their primary residence because the claimant has the intention of
- 5 returning.
- 6 Example 3: Due to failing health, the claimant moves to her daughter's home. After eighteen months, it
- 7 becomes apparent it is unlikely the claimant will ever be able to return to her own home. Although the
- 8 claimant did not remain in her home, the property continues to qualify as her primary residence and is
- 9 eligible for the exemption because the claimant was absent by reason of health.
- 10 (6) If the assessor is notified or has reason to believe the claimant is not living at the primary residence
- 11 by reason of health, the assessor may request documentation that proves continued eligibility for the
- 12 exemption. An example of documentation is a letter from a medical provider stating the claimant is
- 13 unable to provide their own basic life needs.
- 14 **Stat. Auth.:** ORS 305.100
- 15 **Stats. Implemented:** ORS 307.270

ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. 150-308.875-(A)	
	Page Page 1 of 2	Last Revised Date August 11, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To explain the circumstances in which a manufactured structure is treated as real property for the purposes of assessment and tax collection. This amendment is to add a third circumstance that was added by HB 2255 (2009), namely, when the owner is a member of a manufactured structure nonprofit cooperative that owns the land on which the structure is located.

1 **150-308.875-(A)**

2 **Manufactured Structure Classified as Real or Personal Property**

3 (1) When the records in the assessor's office or the ownership document issued by Building Codes
4 Division of the Department of Consumer and Business Services (DCBS) do not identify the same
5 ownership for a manufactured structure as for the land upon which the structure is located, the assessor
6 must classify the manufactured structure as personal property. However, if the taxpayer submits
7 documentation establishing that the ownership of the manufactured structure and land upon which the
8 structure is located is the same, the assessor must classify the manufactured structure as real property.

9 *Example 1:* The land is in the name of Pat Public, Inc., a corporation, and the manufactured structure is in
10 the name of Pat Public. Because a corporation is a different legal entity than an individual, the ownership
11 is not the same, so the manufactured structure must be classified as personal property.

12 *Example 2:* A husband and wife are owners of a parcel of land upon which a manufactured structure is
13 located. The ownership document for the manufactured structure is in the husband's name only. The
14 ownership is not the same and the manufactured structure must be classified as personal property.

15 *Example 3:* Pat Public owns a manufactured structure and is buying on contract the parcel of land upon
16 which the structure is located. For purposes of ORS 308.875 the ownership is the same and the
17 manufactured structure must be classified as real property.

18 (2) When the owner of a manufactured structure has a leasehold estate of 20 years or more, and the lease
19 specifically permits the owner to record that lease in the county deed records, the owner may complete an
20 application as prescribed by DCBS to have the home classified as real property. If the assessor
21 determines that the manufactured structure qualifies for recording as required by ORS 446.626, and the
22 lease has subsequently been recorded in the county deed records, the assessor must then classify the
23 home as real property.

24 (3) When the owner of a manufactured structure is a member of a manufactured dwelling park nonprofit
25 cooperative formed under ORS 62.800 to 62.815 that owns the land on which the manufactured structure



ADMINISTRATIVE RULE REVIEW

	Rule No. 150-308.875-(A)	
Amended Rule	Page Page 2 of 2	Last Revised Date August 11, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To explain the circumstances in which a manufactured structure is treated as real property for the purposes of assessment and tax collection. This amendment is to add a third circumstance that was added by HB 2255 (2009), namely, when the owner is a member of a manufactured structure nonprofit cooperative that owns the land on which the structure is located.

1 is located, the owner may complete an application as prescribed by DCBS to have the home classified as
2 real property. If the assessor determines that the manufactured structure qualifies for recording as
3 required by ORS 446.626, the assessor must then classify the home as real property.

4 **Stat. Auth.:** ORS 305.100

5 **Stats. Implemented:** ORS 308.875



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-311.668(1)(a)-(A)	
	Page Page 1 of 2	Last Revised Date October 28, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To comply with HB 2007 (2007 Legislature) by expanding the definition of spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

1 **150-311.668(1)(a)-(A)**

2 **Requirements to Qualify for Senior Citizen's Property Tax Deferral**

3 (1) For the purposes of this rule, "registered domestic partnership" has the meaning given that term in
4 section 3, chapter 99, Oregon Laws 2007, as amended by section 1, Oregon Laws 2009, chapter 561, and
5 the partnership must meet the provisions of section 1 to 9 of the same 2007 Act, as amended.

6 (2) Applicants for Senior Citizens Property Tax Deferral must file an application with the county assessor
7 between January 1 and April 15 and meet the following requirements:

8 ~~(1)(3)~~ A sole property owner, ~~or~~ a qualifying spouse, or registered domestic partner may apply as an
9 individual applicant. The individual who files the application must:

10 (a) Be 62 years of age or older on April 15 of the year in which the claim is filed;

11 (b) Live on the homestead, except for an absence due to health related reasons; and

12 (c) Individually, or with his or her spouse or registered domestic partner, either own or be purchasing the
13 fee-simple estate under a recorded instrument of sale.

14 ~~(2)(4)~~ Joint property owners, other than spouses or registered domestic partners, must apply as joint
15 applicants. All applicants must:

16 (a) Be 62 years of age or older on April 15 of the year in which the claim is filed;

17 (b) Live on the homestead, except for an absence due to health related reasons, and

18 (c) Either own or be purchasing the fee simple estate with a right of survivorship under a recorded
19 instrument of sale.

20 ~~(3)(5)~~ The combined household income, as defined in ORS 310.630(7), for individuals and their spouses
21 or all joint applicants, must be less than the following limits:

22 (a) For applications filed in the calendar year ~~2008-9~~ for the deferral of 2008-9-2009-10 property taxes, the
23 total household income limit for the income tax year ~~2007-8~~ is \$37,500-39,000.

24 (b) For applications filed in the calendar year ~~2009-10~~ and later, the total household income limit for the
25 prior year is adjusted, based on the application of the U.S. City Average Consumer Price Index as
26 provided in ORS 311.668(7). The Department of Revenue will publish the total household income limit



ADMINISTRATIVE RULE REVIEW

Amended Rule

Permanent Rule

Rule No. OAR 150-311.668(1)(a)-(A)	
Page Page 2 of 2	Last Revised Date October 28, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To comply with HB 2007 (2007 Legislature) by expanding the definition of spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

1 each year in the deferral application booklet.

2 | ~~(4)(6)~~ To confirm that the taxpayer meets the qualifications for the program, the department may request
3 from the applicant additional written information relating to program eligibility. Failure to provide the
4 information as requested may result in denial of tax deferral.

5 | ~~(5)(7)~~ The department will review information submitted on the application.

6 (a) If the department determines that the property and applicant(s) qualify for deferral, it will send a
7 preliminary notice of approval by July 1. The notice will inform that applicant that the approval is based
8 on information provided on the application, and that if the department discovers additional information
9 that indicates the person or property does not qualify for deferral the application will be denied.

10 (b) If the department determines that the property or applicant(s) do not qualify for deferral, it will send a
11 Notice of Denial.

12 | ~~(6)(8)~~ By December 15 of each year, the department will send a notice to each person who has applied
13 for deferral. The notice will:

14 (a) Inform the applicant whether the property taxes have or have not been deferred in the current year,
15 and

16 (b) Include the total amount of deferred taxes, interest and fees remaining unpaid on the account,

17 | ~~(7)(9)~~ The applicant will have 90 days from the date he or she becomes aware of the denial, or no later
18 than one year from the date of the determination, whichever comes first, to appeal to the Oregon Tax
19 Court as provided in ORS 305.280.

20 **Stat. Auth.:** ORS 305.100 & 311.668

21 **Stats. Implemented:** ORS 311.668



ADMINISTRATIVE RULE REVIEW

Amended Rule
Permanent Rule

Rule No. OAR 150-311.668(1)(a)-(B)	
Page Page 1 of 2	Last Revised Date October 28, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To comply with HB 2007 (2007 Legislature) by expanding the definition of spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

150-311.668(1)(a)-(B)

Requirements to Qualify for Disabled Citizen's Property Tax Deferral

(1) For the purposes of this rule, "registered domestic partnership" has the meaning given that term in section 3, chapter 99, Oregon Laws 2007, as amended by section 1, Oregon Laws 2009, chapter 561, and the partnership must meet the provisions of section 1 to 9 of the same 2007 Act, as amended.

(2) Applicants for Disabled Citizens Property Tax Deferral must file an application with the county assessor between January 1 and April 15 and meet the following requirements of this rule:

(3) A sole property owner, or a qualifying spouse, or registered domestic partner, may apply as an individual applicant. The individual who files the application must:

(a) Live on the homestead, except for an absence due to health related reasons.

(b) Individually, or with his or her spouse or registered domestic partner, either own the fee simple estate, or be purchasing the fee simple estate under a recorded instrument of sale; and

(c) Be eligible to receive, or receiving, federal Social Security benefits due to disability or blindness on or before April 15 of the year in which the claim is filed.

(4) Joint property owners, other than spouses or registered domestic partners, must apply as joint applicants. At least one applicant must be eligible to receive, or be receiving, federal Social Security benefits due to disability or blindness on or before April 15 of the year in which the application is filed.

All owners must:

(a) Own or be purchasing the fee simple estate with rights of survivorship under a recorded instrument of sale;

(b) Live on the homestead, except for an absence due to health related reasons.

(5) The combined household income, as defined in ORS 310.630(7), for individuals and their spouses, or all joint applicants, must be less than the following limits:

(a) For applications filed in the calendar year 2008~~9~~ for the deferral of 2008~~9~~-2009~~10~~ property taxes, the total household income limit for the income tax year 2007~~8~~ is \$37,500~~39,000~~.

(b) For applications filed in the calendar year 2009~~10~~ and later, the total household income limit for the



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Rule No. OAR 150-311.668(1)(a)-(B)	
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PURPOSE: To comply with HB 2007 (2007 Legislature) by expanding the definition of spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

- 1 prior year is adjusted, based on the application of the U.S. City Average Consumer Price Index as
2 provided in ORS 311.668(7). The Department of Revenue will publish the total household income limit
3 each year in the deferral application booklet.
- 4 | ~~(4)~~(6) To confirm that the applicant meets the qualifications for the program, the department may request
5 from the applicant additional written information relating to program eligibility. Failure to provide the
6 information as requested may result in denial of tax deferral.
- 7 | ~~(5)~~(7) The department will review information submitted on the application.
- 8 (a) If the department determines that the property and applicant(s) qualify for deferral, it will send a
9 preliminary notice of approval by July 1. The notice will inform that applicant that the approval is based
10 on information provided on the application, and if the department discovers additional information that
11 indicates the person or property does not qualify for deferral the application will be denied.
- 12 (b) If the department determines that the property or applicant(s) do not qualify for deferral, it will send a
13 Notice of Denial.
- 14 | ~~(6)~~(8) By December 15 of each year, the department will send a notice to each person who has applied
15 for deferral. The notice will:
- 16 (a) Inform the applicant whether the property taxes have or have not been deferred in the current year,
17 and
- 18 (b) Include the total amount of deferred taxes, interest and fees remaining unpaid on the account,
- 19 | ~~(7)~~(9) The applicant will have 90 days from the date he or she becomes aware of the denial, or no later
20 than one year from the date of the determination, whichever comes first, to appeal to the Oregon Tax
21 Court as provided in ORS 305.280.
- 22 **Stat. Auth.:** ORS 305.100
- 23 **Stats. Implemented:** ORS 311.668



ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-311.688	
Amended Rule	Page Page 1 of 2	Last Revised Date August 12, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To comply with HB 2007 (2007 Legislature) by expanding the definition of surviving spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

1 **150-311.688**

2 **Election by Spouse to Continue Tax Deferral**

3 (1) “Surviving spouse” means:

4 (a) A man or woman who is legally married to an applicant at the time of the applicant’s death; or

5 (b) A man or woman who is joined in a registered partnership with an applicant at the time of the
6 applicant’s death. “registered domestic partnership” has the meaning given that term in section 3, chapter
7 99, Oregon Laws 2007, as amended by section 1, Oregon Laws 2009, chapter 561, and the partnership
8 must meet the provisions of section 1 to 9 of the same 2007 Act, as amended.

9 (24) When any one of the circumstances listed in ORS 311.684(1) to (3) occurs, a ~~qualifying surviving~~
10 spouse may continue the property in deferred tax status as active or inactive.

11 (a) When an account continues as active, the department continues to pay the yearly property taxes to the
12 county. The account balance continues in deferral, and interest continues to accrue on all taxes paid.

13 (b) When an account continues in an inactive status, the department does not continue to pay property
14 taxes to the county. The deferral account balance of past-deferred taxes, accrued interest, and recording
15 fees remains deferred and interest continues to accrue on the past-deferred taxes.

16 (32) If a surviving spouse did not apply jointly with the taxpayer for the original Senior or Disabled
17 deferral or was not eligible for deferral, the spouse must file a new deferral application in order to
18 continue the account as active or inactive.

19 (a) For the deferral account to remain active, in addition to the filing of a new deferral application all the
20 following is required:

21 (A) The spouse is at least 59-1/2 years of age or is disabled as defined in ORS 311.666(2) the day a
22 circumstance in 311.684(1) to (3) occurs,

23 (B) The property is the homestead of the surviving spouse,

24 (C) The total household income continues to be less than the allowable yearly limitation, and

25 (D) The property ownership meets the requirement in ORS 311.670(2).



ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-311.688	
Amended Rule	Page Page 2 of 2	Last Revised Date August 12, 2009
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PURPOSE: To comply with HB 2007 (2007 Legislature) by expanding the definition of surviving spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

- 1 (b) When a surviving spouse meets all of the requirements of section (2) (a) of this rule except the age
2 requirement of 59-1/2, or a disability as defined in ORS 311.666(2), the surviving spouse may only
3 continue the deferral account in an inactive status. The surviving spouse is responsible to pay all future
4 property taxes to the county. The surviving spouse may file a new application to change the deferral
5 account status from inactive to active ~~When the surviving spouse turns 62 years of age before April 15~~
6 ~~of any year, or if the surviving spouse becomes disabled and begins to receive or becomes eligible to~~
7 ~~receive federal Social Security disability benefits, the spouse may file a new application to change the~~
8 ~~deferral account status from inactive to active.~~
- 9 (43) In the case of a divorce or termination of a registered domestic partnership, if the circumstances in
10 (3) of ORS 311.684 occurs before the divorce, then the surviving spouse remaining in the homestead
11 may file an application to continue the deferral. The requirements of section (2) of this rule determine if
12 the account remains active or becomes inactive.
- 13 (54) All applications to continue deferral must be filed in the time and manner as provided in ORS
14 311.668. The department may determine that good and sufficient cause exists to accept a late filed
15 application. The application may be filed within 180 days after the department mails or delivers to the
16 applicant the deferred tax due and payable notice.
- 17 **Stat. Auth.:** ORS 305.100
18 **Stats. Implemented:** ORS 311.688



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PURPOSE: To explain income requirements for participants in the property tax deferral programs.

1 **150-311.689**

2 **Annual Income Requirements to Continue Property Tax Deferral**

3 (1) For purposes of this rule, "federal adjusted gross income" (FAGI) means the individual applicant's
4 federal adjusted gross income. ~~†The "combined federal adjusted gross income" and "combined (FAGI)"~~
5 means the sum of all applicants' federal adjusted gross incomes. FAGI is defined under the provisions of
6 the Internal Revenue Code Section 62 in effect for the tax year without any of the additions, subtractions
7 or other modifications or adjustments required under ORS Chapter 316. The FAGI is reported on the
8 federal income tax return. ~~If an applicant is included on an income tax return jointly with another~~
9 ~~individual, the department will use the federal adjusted gross income from the applicant's joint return to~~
10 ~~determine whether the income limit has been exceeded.~~

11 (2) Taxpayers electing to have their property taxes deferred under ORS 311.666 to 311.701 must meet an
12 income limit requirement each year. The limit is based on the income received in the previous calendar
13 year.

14 (a) The dollar amount of the limit may change each year, based on adjustments to the U.S. City Average
15 Consumer Price Index as provided in ORS 311.668(7).

16 (b) The limit will be listed in deferral forms and publications produced by the ~~d~~Department of Revenue.

17 (3) After initial approval into the program, the income limit is applied to the ~~federal adjusted gross~~
18 ~~income (FAGI) of each applicant. Federal adjusted gross income is defined under the provisions of the~~
19 ~~Internal Revenue Code Section 62 in effect for the tax year without any of the additions, subtractions or~~
20 ~~other modifications or adjustments required under ORS Chapter 316. The FAGI is reported on the federal~~
21 ~~income tax return.~~ The combined FAGI of all applicants must be below the limit. In the case of any
22 individual applicant who files a federal income tax return as "married filing jointly," the applicant's
23 FAGI is the joint FAGI required to be reported in the return the applicant may be required to provide
24 evidence establishing the applicant's individual FAGI, if different from the applicant's FAGI on the joint
25 return.

26 *Example 1:* Mary Jones and Sue Smith are sisters, who live together and applied as joint owners to have

ADMINISTRATIVE RULE REVIEW

	Rule No. OAR 150-311.689	
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PURPOSE: To explain income requirements for participants in the property tax deferral programs.

- 1 their property taxes deferred. Sue is married to Steve Smith, and they file a joint income tax return even
 2 though Steve lives in another house. For each year after approval into the program, the combined FAGI
 3 of Mary and Sue must be below the limit in order to continue qualification in the program. Because Sue
 4 files a joint return with Steve, ~~the joint FAGI reported on this return is included in the FAGI test, even~~
 5 ~~though Steve does not live in the household~~ she will need to provide the department with evidence
 6 establishing documentation of her individual FAGI.
- 7 (4) By June 1, the department will review income tax returns of deferral program applicants to verify that
 8 income limits have not been exceeded. If an Oregon income tax return has not been filed, the department
 9 may ask the applicants to provide documentation ~~showing~~ of their income. Documentation may include,
 10 but is not limited to, a copy of the federal income tax return or a completed income worksheet
 11 questionnaire that lists all income that is required to be reported on a federal tax return.
- 12 (a) Failure to provide the requested documentation will result in the denial of tax deferral for that year.
 13 Any past deferred taxes will remain deferred, unless they otherwise become due and payable.
- 14 (b) After approval into the deferral program, any year that the income limit is exceeded, the amount of
 15 tax for which the deferral is allowed will be reduced by \$0.50 for each dollar of FAGI above the limit.
- 16 (A) If the FAGI amount in excess of the income limit exceeds the amount of property tax by a factor of
 17 two, no property tax will be deferred for that year.
- 18 (B) If the FAGI amount exceeds the income limit, ~~the Department of Revenue~~ will pay only a part or
 19 none of the property tax due in November, whichever is applicable. The applicant is responsible for
 20 paying any property tax not deferred for that year directly to the county. The department will notify
 21 applicants of the amount by which the tax deferral will be reduced, and an estimate of the amount of tax
 22 that applicants must pay to the county.
- 23 (C) Any past deferred taxes will remain deferred, unless they otherwise become due and payable.
- 24 (D) The applicant does not qualify for delay of foreclosure under ORS 311.691(1) if the foreclosure is
 25 due to delinquent taxes the applicant is required to pay as a result of exceeding the income limit.
- 26 (5) When an applicant's FAGI is in excess of the limit any year, the applicant must notify the department

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	Rule No. OAR 150-311.689	
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Permanent Rule	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To explain income requirements for participants in the property tax deferral programs.

1 before September 1 that the income limit was exceeded for the previous calendar year.

2 (6) Examples using \$3739,000 as the income limit:

3 *Example 2:* John is participating in the ~~D~~deferral ~~P~~program. His FAGI was \$413,000 for income tax year
4 20068, and his 20079-200810 property taxes are \$3,000. The FAGI exceeds the income limit by \$4,000,
5 so the deferred amount is reduced by \$2,000 ($\$4,000 \times \$0.50 = \$2,000$). John is responsible to pay for
6 \$2,000 (minus 3 percent discount if paid timely) of his 20079-200810 property tax to the county in
7 November. The department will pay the county the remaining \$1,000 (minus 3 percent discount) of
8 John's 20079-200810 property taxes.

9 *Example 3:* Debbie is participating in the deferral program. Her 20079-200810 property taxes are \$3,000.
10 Debbie notifies the department by September 1, 20079 that her FAGI was \$457,000 for income tax year
11 20068. The FAGI income limit was exceeded by \$8,000, which is more than twice the amount of the
12 property tax due. Debbie is responsible for paying the entire \$3,000 (minus 3 percent discount if paid
13 timely) of her 20079-200810 property tax to the county in November. The department will not pay any of
14 Debbie's 20079-200810 property taxes.

15 **Stat. Auth.:** ORS 305.100

16 **Stats. Implemented:** ORS 311.689



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-311.691	
	Page Page 1 of 1	Last Revised Date August 12, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To reflect HB 2007 (2007 Legislature) by expanding the definition of surviving spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

1 **150-311.691**

2 **Taxes Unpaid Before Approval of Senior Deferral Application**

3 (1) For the purposes of this rule, “registered domestic partnership” has the meaning given that term in
4 section 3, chapter 99, Oregon Laws 2007, as amended by section 1, Oregon Laws 2009, chapter 561, and
5 the partnership must meet the provisions of section 1 to 9 of the same 2007 Act, as amended.

6 ~~(2)~~ Delay of foreclosure is only available for real property. It is not available on personal property.

7 ~~(3)~~ When an application for property tax deferral has been submitted and approved by the department,
8 the taxpayer is notified of that approval. If taxes on the property subject to deferral remain unpaid on the
9 date of approval, ~~they~~ the applicant may apply for a delay of foreclosure by completing the appropriate
10 application for all years in which unpaid taxes exist.

11 (a) Total household income, both taxable and nontaxable (ORS 310.630), must be less than the allowed
12 amount for new applications for the calendar year prior to the original deferral application.

13 (b) Applications can be accepted for delay of foreclosure only for delinquent taxes accumulated prior to
14 the original deferral application approval. Delay of foreclosure is not available for tax years coming due
15 after the original application was filed, ~~if the taxpayer:~~

16 ~~(A) Had excess income;~~

17 ~~(B) Had canceled the deferral account; or~~

18 ~~(C) Was a surviving spouse who was not eligible to refile because of age.~~

19 ~~(4)~~ Interest will continue to accrue at the current county interest rate on the remaining unpaid delinquent
20 taxes.

21 ~~(5)~~ When the property is disqualified for deferral, the deferred tax plus interest and the delinquent tax
22 become due by August 15 of the year following the year disqualified.

23 Example: The taxpayer had received a delay of foreclosure when applying for the Senior Citizen Deferral
24 program. The account was disqualified on July 15, ~~1998~~2008. The taxpayer has until August 15, ~~1999~~
25 2009 to pay the county the amount due as a result of the delay of foreclosure.

26 **Stat. Auth.:** ORS 305.100

27 **Stats. Implemented:** ORS 311.691



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-311.706	
	Page Page 1 of 2	Last Revised Date September 3, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To comply with HB 2007 by expanding the definition of spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

1 **150-311.706**

2 **Requirements to Qualify for Senior Citizen's Special Assessment Deferral**

3 (1) For the purposes of this rule, "registered domestic partnership" has the meaning given that term in
4 section 3, chapter 99, Oregon Laws 2007, as amended by section 1, Oregon Laws 2009, chapter 561, and
5 the partnership must meet the provisions of section 1 to 9 of the same 2007 Act, as amended.

6 (2) In addition to the filing of an application for Senior Citizen's Special Assessment Deferral, the
7 following shall be required applicant must meet the requirements of this rule:

8 (31) In the case of a husband, ~~or wife,~~ or registered domestic partner filing an individual application for
9 deferral, the husband, ~~or wife,~~ or registered domestic partner who filed the application:

10 (a) Must be over 62 years of age;

11 (b) Must live on the property, except for qualifying absence; and

12 (c) Must individually, or with his or her spouse or registered domestic partner, either own the fee simple
13 estate of record or be purchasing a fee simple estate under a recorded instrument of sale.

14 (42) In the case of joint owners other than a husband and wife or registered domestic partners, all joint
15 owners:

16 (a) Must be over 62 years of age;

17 (b) Must together own or be purchasing the fee simple estate with a right of survivorship under a
18 recorded instrument of sale, and

19 (c) Must live on the property except for qualifying absence; and

20 (d) Must apply for the deferral jointly.

21 (53) The combined household income is from all sources of all the owners and is determined for the
22 calendar year immediately preceding the calendar year of the application.

23 (a) For calendar year 2000~~9~~ (200~~1~~10 application year), the total household income must be \$~~32~~38,500
24 or less.

25 (b) For calendar years 2001 or later (2002 or later application years), the total household income limit
26 may change each year based upon the U.S. City Average Consumer Price Index as provided in ORS 150-
27 311.706(6). The Department of Revenue will publish the total household income limit annually.



ADMINISTRATIVE RULE REVIEW

Amended Rule	Rule No. OAR 150-311.706	
	Page Page 2 of 2	Last Revised Date September 3, 2009
Permanent Rule	NOTICE OF INTENDED ACTION	
	Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To comply with HB 2007 by expanding the definition of spouse to include registered domestic partner in the senior citizens and disabled property tax deferral programs.

- 1 | (64) In order to confirm that the taxpayer continues to qualify for the program, the department may
- 2 | request additional written information relating to qualifications from the taxpayer or their representative.
- 3 | If the information is not provided as requested, the department will presume the property no longer
- 4 | qualifies for deferral and will give notice of disqualification and appeal rights to the taxpayer.
- 5 | **Stat. Auth.:** ORS 305.100
- 6 | **Stats. Implemented:** ORS 311.706

ADMINISTRATIVE RULE REVIEW

Amended and Renumbered Rule

Permanent Rule

Rule No. 150-307.250(1)(b)260(3)	
Page Page 1 of 1	Last Revised Date August 3, 2009
NOTICE OF INTENDED ACTION	
Bulletin Dated November 2009	Hearing Scheduled November 23, 2009

PURPOSE: To provide clarification for the exception of the annual filing of a physician's certificate with the Exemption Claim form for veteran's filing for an exemption described under ORS 307.250(1)(b) as provided in ORS 307.260(3).

150-307.250(1)(b)260(3)

Certification of Disability by Physician Certification of Disability for Exemption

(1) ~~A taxpayer-veteran, described under ORS 307.250(1)(b), must be annually certified annually by a physician as having a disability rating of 40 percent or more for the disability exemption allowed under ORS 307.250(1)(b).~~

(2) The veteran must file the physician's certificate annually with the Exemption Claim form and their statement of total gross income.

(3) The veteran must file the physician's certificate annually up to and including age 65. Once the veteran reaches the age of 66 and has filed the physician's certificate in the previous year, the veteran is no longer required to file the certificate but is required to file annually the Exemption Claim form and the statement of total gross income.

Example: A veteran 64 years of age files the physician's certificate with the Exemption Claim form and their statement of total gross income on or before April 1, 2009. He then has his 65th birthday on May 15, 2009. The veteran must file the physician's certificate with the Exemption Claim form and income statement when he next files on or before April 1, 2010. On May 15, 2010, the veteran has his 66th birthday. Since the veteran is now 66 years of age and previously filed the certificate after his 65th birthday, he is no longer required to file the certificate but is required to file his Exemption Claim form and statement of total gross income on or before April 1, 2011, or for any year thereafter.

(4) A veteran with a physician-certified permanent disability must be rated as having disabilities of 40 percent or more to qualify for the exemption.

~~The annual certification requirement shall not apply to:~~

~~(a) A taxpayer who has filed the required certification after attaining the age of 65; or~~

~~(b) A taxpayer who has filed on or after September 27, 1987 a certificate, provided by United States Veterans Administration or any branch of the Armed Forces of the United States, certifying a permanent disability as defined under federal law.~~

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 307.260