Senate Bill 310

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Creates and adjusts sunset dates for certain exemptions to property taxation. Adjusts certain other dates relating to exemptions to property taxation.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to exemptions to property taxation; creating new provisions; amending ORS 264.110, 285C.255, 285C.406, 307.060, 307.095, 307.110, 307.175, 307.518, 307.529, 307.535, 307.637, 307.651, 307.681, 308.236, 308.250, 308.256, 308.290, 308.450, 308.477, 308.481, 308.558, 308.565, 308.805, 358.499, 478.430, 508.270, 622.290 and 830.790 and section 4, chapter 405, Oregon Laws 1981, section 6, chapter 660, Oregon Laws 1985, section 3, chapter 337, Oregon Laws 1995, sections 4 and 7, chapter 957, Oregon Laws 1999, section 2, chapter 256, Oregon Laws 2001, section 7, chapter 637, Oregon Laws 2005, section 75, chapter 843, Oregon Laws 2007, and section 4, chapter 888, Oregon Laws 2007; repealing section 5, chapter 69, Oregon Laws 2010; and prescribing an effective date.

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

ADJUSTMENTS BEFORE 2016

SECTION 1. ORS 285C.255, as amended by section 22, chapter 76, Oregon Laws 2010, is amended to read:

285C.255. (1) Notwithstanding any other provision of ORS 285C.050 to 285C.250:

(a) An area may not be designated as an enterprise zone after June 30, [*2013*] **2014**;

(b) A business firm may not obtain authorization under ORS 285C.140 after June 30, [*2013*] **2014**; and

(c) An enterprise zone, except for a reservation enterprise zone or a reservation partnership zone, that is in existence on June 29, [*2013,*] **2014,** is terminated on June 30, [*2013*] **2014**.

(2) Notwithstanding subsection (1) of this section:

(a) A reservation enterprise zone may be designated, and a reservation partnership zone may be cosponsored, under ORS 285C.306 after June 30, [*2013*] **2014**; and

(b) A business firm may obtain authorization under ORS 285C.140 after June 30, [*2013*] **2014**:

(A) If located in a reservation enterprise zone or a reservation partnership zone; or

(B) As allowed under ORS 285C.245 (1)(b).

SECTION 2. ORS 285C.406 is amended to read:

285C.406. In order for a taxpayer to claim the property tax exemption under ORS 285C.409 or

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

a corporate excise or income tax credit under ORS 317.124:

(1) The written agreement between the business firm and the rural enterprise zone sponsor that is required under ORS 285C.403 (3)(c) must be entered into prior to the termination of the enterprise zone under ORS 285C.245; and

(2)(a) For the purpose of the property tax exemption, the business firm must obtain certification under ORS 285C.403 on or before June 30, [*2013*] **2014**; or

(b) For the purpose of the corporate excise or income tax credit, the business firm must obtain certification under ORS 285C.403 on or before June 30, 2012.

SECTION 3. ORS 307.060 is amended to read:

307.060. Real and personal property of the United States or any department or agency of the United States held by any person under a lease or other interest or estate less than a fee simple, other than under a contract of sale, shall have a real market value determined under ORS 308.232, subject only to deduction for restricted use. The property shall have an assessed value determined under ORS 308.146 and shall be subject to tax on the assessed value so determined. The lien for the tax shall attach to and be enforced against only the leasehold, interest or estate in the real or personal property. [*This section does not apply to real property held or occupied primarily for agricultural purposes under the authority of a federal wildlife conservation agency or held or occupied primarily for purposes of grazing livestock.*] This section does not apply to real or personal property held by this state or any county, municipal corporation or political subdivision of this state that is:

(1) In immediate use and occupation by the political body; or

(2) Required, by the terms of the lease or agreement, to be maintained and made available to the federal government as a military installation and facility.

SECTION 4. The amendments to ORS 307.060 by section 3 of this 2011 Act apply to property tax years beginning on or after July 1, 2014.

SECTION 5. ORS 307.110 is amended to read:

307.110. (1) Except as provided in ORS 307.120, all real and personal property of this state or any institution or department thereof or of any county or city, town or other municipal corporation or political subdivision of this state, held under a lease or other interest or estate less than a fee simple, by any person whose real property, if any, is taxable, except employees of the state, municipality or political subdivision as an incident to such employment, shall be subject to assessment and taxation for the assessed or specially assessed value thereof uniformly with real property of nonexempt ownerships.

(2) Each leased or rented premises not exempt under ORS 307.120 and subject to assessment and taxation under this section which is located on property used as an airport and owned by and serving a municipality or port shall be separately assessed and taxed.

(3) Nothing contained in this section shall be construed as subjecting to assessment and taxation any publicly owned property described in subsection (1) of this section that is:

[*(a) Leased for student housing by a school or college to students attending such a school or college.*]

[*(b) Leased to or rented by persons, other than sublessees or subrenters, for agricultural or grazing purposes and for other than a cash rental or a percentage of the crop.*]

[*(c)*] **(a)** Utilized by persons under a land use permit issued by the Department of Transportation for which the department's use restrictions are such that only an administrative processing fee is able to be charged.

[*(d) County fairgrounds and the buildings thereon, in a county holding annual county fairs, man-*

aged by the county fair board under ORS 565.230, if utilized, in addition to county fair use, for any of the purposes described in ORS 565.230 (2), or for horse stalls or storage for recreational vehicles or farm machinery or equipment.]

[*(e) The properties and grounds managed and operated by the State Parks and Recreation Director under ORS 565.080, if utilized, in addition to the purpose of holding the Oregon State Fair, for horse stalls or for storage for recreational vehicles or farm machinery or equipment.*]

[*(f)*] **(b)** State property that is used by the Oregon University System or the Oregon Health and Science University to provide parking for employees, students or visitors.

[*(g)*] **(c)** Property of a housing authority created under ORS chapter 456 which is leased or rented to persons of lower income for housing pursuant to the public and governmental purposes of the housing authority. For purposes of this paragraph, "persons of lower income" has the meaning given the phrase under ORS 456.055.

[*(h) Property of a health district if:*]

[*(A) The property is leased or rented for the purpose of providing facilities for health care practitioners practicing within the county; and*]

[*(B) The county is a frontier rural practice county under rules adopted by the Office of Rural Health.*]

(4) Property determined to be an eligible project for tax exemption under ORS 285C.600 to 285C.626 and 307.123 that was acquired with revenue bonds issued under ORS 285B.320 to 285B.371 and that is leased by this state, any institution or department thereof or any county, city, town or other municipal corporation or political subdivision of this state to an eligible applicant shall be assessed and taxed in accordance with ORS 307.123. The property's continued eligibility for taxation and assessment under ORS 307.123 is not affected:

(a) If the eligible applicant retires the bonds prior to the original dates of maturity; or

(b) If any applicable lease or financial agreement is terminated prior to the original date of expiration.

(5) The provisions of law for liens and the payment and collection of taxes levied against real property of nonexempt ownerships shall apply to all real property subject to the provisions of this section. Taxes remaining unpaid upon the termination of a lease or other interest or estate less than a fee simple, shall remain a lien against the real or personal property.

(6) If the state enters into a lease of property with, or grants an interest or other estate less than a fee simple in property to, a person whose real property, if any, is taxable, then within 30 days after the date of the lease, or within 30 days after the date the interest or estate less than a fee simple is created, the state shall file a copy of the lease or other instrument creating or evidencing the interest or estate with the county assessor. This section applies notwithstanding that the property may otherwise be entitled to an exemption under this section, ORS 307.120 or as otherwise provided by law.

SECTION 6. The amendments to ORS 307.110 by section 5 of this 2011 Act apply to property tax years beginning on or after July 1, 2014.

SECTION 7. ORS 307.175 is amended to read:

307.175. (1) Property equipped with solar, geothermal, wind, water, fuel cell or methane gas energy systems for the purpose of heating, cooling or generating electrical energy shall be exempt from ad valorem taxation in an amount that equals any positive amount obtained by subtracting the real market value of the property as if it were not equipped with such systems, from the real market value of the property so equipped.

(2) This section applies to tax years beginning [*prior to July 1, 2012*] **before July 1, 2014.**

(3) Except as provided in subsection (4) of this section, this section does not apply to property owned or leased by any person whose principal business activity is directly or indirectly the production, transportation or distribution of energy, including but not limited to public utilities as defined in ORS 757.005 and people's utility districts as defined in ORS 261.010.

(4) This section applies to an alternative energy system that is owned or leased by a person whose principal business activity is directly or indirectly the production, transportation or distribution of energy if the system is a net metering facility, as defined in ORS 757.300, or other system primarily designed to offset onsite electricity use.

SECTION 8. ORS 308.236 is amended to read:

308.236. (1) The availability, usefulness and cost of using roads, including all roads of the owner of land or timber and all roads that the owner has the right to use, shall be taken into consideration in determining the real market value of land.

[*(2) Farm or grazing land roads and forest roads themselves, except principal exterior timber access roads, shall not be appraised, valued or assessed and they shall not be classed as improvements under ORS 308.215. The underlying land upon which roads are constructed shall be assessed if it is otherwise subject to assessment.*]

[*(3)*] **(2)** As used in this section,[*:*]

[*(a)*] "road" includes fills, ballast, bridges, culverts, drains, surfacing and other appurtenances of a like kind commonly associated with roads but excludes railroads.

[*(b) "Principal exterior timber access roads" means those portions of high standard main-line private roads that provide access from a conversion center or public way to the exterior boundary of the principal forest area served by the road. A high standard main-line private road is a permanent road of two lanes or more that is paved or macadamized or that has a fine-gravel surface that is permanently and continuously maintained.*]

SECTION 9. The amendments to ORS 308.236 by section 8 of this 2011 Act apply to tax years beginning on or after July 1, 2014.

SECTION 10. ORS 308.250, as amended by section 1, chapter 69, Oregon Laws 2010, is amended to read:

308.250. (1) All personal property not exempt from ad valorem taxation or subject to special assessment shall be valued at 100 percent of its real market value, as of January 1, at 1:00 a.m. and shall be assessed at its assessed value determined as provided in ORS 308.146.

[*(2)(a) If the total assessed value of all taxable personal property required to be reported under ORS 308.290 in any county of any taxpayer is less than $12,500 in any assessment year, the county assessor shall cancel the ad valorem tax assessment for property required to be reported under ORS 308.290 for that year.*]

[*(b)*] **(2)** If, in a county with a population of more than 340,000, the total assessed value of all manufactured structures taxable as personal property under ORS 308.875 of any taxpayer is less than $12,500 in any assessment year, the county assessor shall cancel the ad valorem tax assessment for the manufactured structures for that year.

[*(3) In any assessment year or years following an assessment year for which taxes are canceled under subsection (2)(a) of this section, the taxpayer may meet the requirements of ORS 308.290 by filing, within the time required or extended under ORS 308.290, a verified statement with the county assessor indicating that the total assessed value of all taxable personal property of the taxpayer required to be reported under ORS 308.290 in the county is less than $12,500. The statement shall contain*

the name and address of the taxpayer, the information needed to identify the account and other pertinent information, but shall not be required to contain a listing or value of property or property additions or retirements.]

[*(4)(a)*] **(3)(a)** For each tax year beginning on or after July 1, 2003, the Department of Revenue shall recompute the maximum amount of the assessed value of taxable personal property in subsection [*(2)(a) and (b)*] **(2)** of this section for which ad valorem property taxes may be canceled under this section. The computation shall be as follows:

(A) Divide the average U.S. City Average Consumer Price Index for the prior calendar year by the average U.S. City Average Consumer Price Index for 2002.

(B) Recompute the maximum amount of assessed value for which taxes may be canceled under subsection [*(2)(a) or (b)*] **(2)** of this section by multiplying $12,500 by the appropriate indexing factor determined as provided in subparagraph (A) of this paragraph.

(b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor.

(c) If any change in the maximum amount of assessed value determined under paragraph (a) of this subsection is not a multiple of $500, the increase shall be rounded to the nearest multiple of $500.

SECTION 11. ORS 308.250, as amended by sections 1 and 2, chapter 69, Oregon Laws 2010, is amended to read:

308.250. [*(1)*] All personal property not exempt from ad valorem taxation or subject to special assessment shall be valued at 100 percent of its real market value, as of January 1, at 1:00 a.m. and shall be assessed at its assessed value determined as provided in ORS 308.146.

[*(2) If the total assessed value of all taxable personal property required to be reported under ORS 308.290 in any county of any taxpayer is less than $12,500 in any assessment year, the county assessor shall cancel the ad valorem tax assessment for that year.*]

[*(3) In any assessment year or years following an assessment year for which taxes are canceled under subsection (2) of this section, the taxpayer may meet the requirements of ORS 308.290 by filing, within the time required or extended under ORS 308.290, a verified statement with the county assessor indicating that the total assessed value of all taxable personal property of the taxpayer required to be reported under ORS 308.290 in the county is less than $12,500. The statement shall contain the name and address of the taxpayer, the information needed to identify the account and other pertinent information, but shall not be required to contain a listing or value of property or property additions or retirements.*]

[*(4)(a) For each tax year beginning on or after July 1, 2003, the Department of Revenue shall recompute the maximum amount of the assessed value of taxable personal property for which ad valorem property taxes may be canceled under this section. The computation shall be as follows:*]

[*(A) Divide the average U.S. City Average Consumer Price Index for the prior calendar year by the average U.S. City Average Consumer Price Index for 2002.*]

[*(B) Recompute the maximum amount of assessed value for which taxes may be canceled by multiplying $12,500 by the appropriate indexing factor determined as provided in subparagraph (A) of this paragraph.*]

[*(b) As used in this subsection, "U.S. City Average Consumer Price Index" means the U.S. City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau of Labor Statistics of the United States Department of Labor.*]

[*(c) If any change in the maximum amount of assessed value determined under paragraph (a) of this subsection is not a multiple of $500, the increase shall be rounded to the nearest multiple of $500.*]

SECTION 12. (1) The amendments to ORS 308.250 by section 10 of this 2011 Act apply to property tax years beginning on or after July 1, 2011, and before July 1, 2016.

(2) The amendments to ORS 308.250 by section 11 of this 2011 Act apply to property tax years beginning on or after July 1, 2016.

SECTION 13. ORS 308.290, as amended by sections 3 and 4, chapter 69, Oregon Laws 2010, is amended to read:

308.290. (1)(a) Except as provided in paragraph (b) of this subsection, every person and the managing agent or officer of any business, firm, corporation or association owning, or having in possession or under control taxable personal property shall make a return of the property for ad valorem tax purposes to the assessor of the county in which the property has its situs for taxation. As between a mortgagor and mortgagee or a lessor and lessee, however, the actual owner and the person in possession may agree between them as to who shall make the return and pay the tax, and the election shall be followed by the person in possession of the roll who has notice of the election. Upon the failure of either party to file a personal property tax return on or before March 1 of any year, both parties shall be jointly and severally subject to the provisions of ORS 308.296.

(b) Paragraph (a) of this subsection does not apply to personal property exempt from taxation under ORS 307.162.

(2) Every person and the managing agent or officer of any business, firm, corporation or association owning or in possession of taxable real property shall make a return of the property for ad valorem tax purposes when so requested by the assessor of the county in which the property is situated.

(3)(a) Each return of personal property shall contain a full listing of the property and a statement of its real market value, including a separate listing of those items claimed to be exempt as imports or exports. Each statement shall contain a listing of the additions or retirements made since the prior January 1, indicating the book cost and the date of acquisition or retirement. Each return shall contain the name, assumed business name, if any, and address of the owner of the personal property and, if it is a partnership, the name and address of each general partner or, if it is a corporation, the name and address of its registered agent.

(b) Each return of real property shall contain a full listing of the several items or parts of the property specified by the county assessor and a statement exhibiting their real market value. Each return shall contain a listing of the additions and retirements made during the year indicating the book cost, book value of the additions and retirements or the appraised real market value of retirements as specified in the return by the assessor.

(c) There shall be annexed to each return the affidavit or affirmation of the person making the return that the statements contained in the return are true. All returns shall be in a form that the county assessor, with the approval of the Department of Revenue, may prescribe. Prior to December 31 preceding the assessment year, the department or assessor shall cause blank forms for the returns to be prepared and distributed by mail, but failure to receive or secure the form does not relieve the person, managing agent or officer from the obligation of making any return required by this section.

(4) All returns shall be filed on or before March 1 of each year, but the county assessor or the Department of Revenue may grant an extension of time to April 15 within which to file the return as provided by subsection (6), (7) or (8) of this section.

(5)(a) In lieu of the returns required under subsection (1)(a) or (2) of this section, every person and the managing agent or officer of any business, firm, corporation or association owning or having in possession or under control taxable real and personal property that is either principal industrial property or secondary industrial property as defined in ORS 306.126 (1) and is appraised by the Department of Revenue shall file a combined return of the real and personal property with the department.

(b) The contents and form of the return shall be as prescribed by rule of the department. Any form shall comply with ORS 308.297. Notwithstanding ORS 308.875, a manufactured structure that is a part of an industrial property shall be included in a combined return.

(c) In order that the county assessor may comply with ORS 308.295, the department shall provide a list to the assessor of all combined returns that are required to be filed with the department under this subsection but that were not filed on or before the due date or within the time allowed by an extension.

(d) If the department has delegated appraisal of the property to the county assessor under ORS 306.126 (3), the department shall notify the person otherwise required to file the combined return under this subsection as soon as practicable after the delegation that the combined return is required to be filed with the assessor.

(e) Notwithstanding subsection (2) of this section, a combined return of real and personal property that is industrial property appraised by the department shall be filed with the department on or before March 1 of the year.

(6)(a) Any person required to file a return under subsection (5) of this section may apply to the Department of Revenue for an extension of time to April 15, within which to file the return.

(b) Extensions granted under this subsection may be based on a finding by the department that:

(A) Good or sufficient cause exists for granting an extension for the property tax year of the return; or

(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-term voluntary compliance. An extension granted under this subparagraph shall continue in effect for each subsequent property tax year until the taxpayer cancels the extension or the department revokes the extension.

(c) An extension granted under this subsection shall apply to returns required to be filed under subsection (5) of this section with either the county assessor or the department.

(d) The department shall notify assessors in affected counties when the department grants extensions under this subsection.

(7)(a) Except as provided in subsection (6) of this section, any person required to file a return with the county assessor under this section may apply to the assessor for an extension of time to April 15 within which to file the return.

(b) Extensions granted under this subsection may be based on a finding by the assessor that:

(A) Good or sufficient cause exists for granting an extension for the property tax year of the return; or

(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-term voluntary compliance. An extension granted under this subparagraph shall continue in effect for each subsequent property tax year until the taxpayer cancels the extension or the assessor revokes the extension.

(8)(a) Any person required to file returns in more than one county may apply to the Department of Revenue for an extension of time to April 15 within which to file the returns. The department

may grant extensions to a person required to file returns in more than one county.

(b) Extensions granted under this subsection may be based on a finding by the department that:

(A) Good or sufficient cause exists for granting an extension for the property tax year of the return; or

(B) Granting an extension enhances the accuracy of the filing by the taxpayer and long-term voluntary compliance. An extension granted under this subparagraph shall continue in effect for each subsequent property tax year until the taxpayer cancels the extension or the department revokes the extension.

(c) Whenever the department grants an extension to a person required to file returns in more than one county, the department shall notify the assessors in the counties affected by the extensions.

(9) The Department of Revenue shall, by rule, establish procedures and criteria for granting, denying or revoking extensions under this section after consultation with an advisory committee selected by the department that represents the interests of county assessors and affected taxpayers.

(10) A return is not in any respect controlling on the county assessor or on the Department of Revenue in the assessment of any property. On any failure to file the required return, the property shall be listed and assessed from the best information obtainable from other sources.

(11)(a) All returns filed under the provisions of this section and ORS 308.525 and 308.810 are confidential records of the Department of Revenue or the county assessor's office in which the returns are filed or of the office to which the returns are forwarded under paragraph (b) of this subsection.

(b) The assessor or the department may forward any return received in error to the department or the county official responsible for appraising the property described in the return.

(c) Notwithstanding paragraph (a) of this subsection, a return described in paragraph (a) of this subsection may be disclosed to:

(A) The Department of Revenue or its representative;

(B) The representatives of the Secretary of State or to an accountant engaged by a county under ORS 297.405 to 297.555 for the purpose of auditing the county's personal property tax assessment roll (including adjustments to returns made by the Department of Revenue);

(C) The county assessor, the county tax collector, the assessor's representative or the tax collector's representative for the purpose of:

(i) Collecting delinquent real or personal property taxes; or

(ii) Correctly reflecting on the tax roll information reported on returns filed by a business operating in more than one county or transferring property between counties in this state during the tax year;

(D) Any reviewing authority to the extent the return being disclosed relates to an appeal brought by a taxpayer;

(E) The Division of Child Support of the Department of Justice or a district attorney to the extent the return being disclosed relates to a case for which the Division of Child Support or the district attorney is providing support enforcement services under ORS 25.080; or

(F) The Legislative Revenue Officer for the purpose of preparation of reports, estimates and analyses required by ORS 173.800 to 173.850.

(d) Notwithstanding paragraph (a) of this subsection:

(A) The Department of Revenue may exchange property tax information with the authorized agents of the federal government and the several states on a reciprocal basis, or with county assessors, county tax collectors or authorized representatives of assessors or tax collectors.

(B) Information regarding the valuation of leased property reported on a property return filed by a lessor under this section may be disclosed to the lessee or other person in possession of the property. Information regarding the valuation of leased property reported on a property return filed by a lessee under this section may be disclosed to the lessor of the property.

[*(12) If the assessed value of any personal property in possession of a lessee is less than the maximum amount of the assessed value of taxable personal property for which ad valorem property taxes may be canceled under ORS 308.250, the person in possession of the roll may disregard an election made under subsection (1)(a) of this section and assess the owner or lessor of the property.*]

SECTION 14. The amendments to ORS 308.290 by section 13 of this 2011 Act apply to property tax years beginning on or after July 1, 2011.

SECTION 15. ORS 308.256 is amended to read:

308.256. (1) Watercraft of water transportation companies shall be assessed as provided in ORS 308.505 to 308.665.

(2) Watercraft described in ORS 308.260 shall be assessed as provided in ORS 308.260.

(3) The following watercraft shall be exempt from taxation:

(a) Watercraft not owned or operated by water transportation companies, as described in ORS 308.515, and that are customarily engaged in the transportation of persons or property for hire wholly outside the boundaries of this state.

(b) Watercraft owned or operated by water transportation companies, as described in ORS 308.515, and not assessed by the Department of Revenue, that are customarily engaged in the transportation of persons or property for hire wholly or in part outside the boundaries of this state. The exemption under this paragraph does not apply to watercraft that engage in the transportation for hire of persons on offshore trips that originate and terminate at the same port, and that have a valid marine document issued by the United States Coast Guard or any other federal agency that succeeds the United States Coast Guard in the duty of issuing marine documents.

(c) The assessed value of the property of a water transportation company, as described in ORS 308.515, that is not subject to assessment by the Department of Revenue under the provisions of ORS 308.550 (3).

(4)(a) Watercraft over 16 feet in length in the process of original construction, or undergoing major remodeling, renovation, conversion, reconversion or repairs on January 1 are exempt from taxation. For the purposes of this subsection, the term "major" shall include all remodeling, renovation, conversion, reconversion or repairs to a watercraft in which the expenditures for parts, materials, labor and accessorial services exceed 10 percent of the market value of the watercraft immediately prior to the remodeling, renovation, conversion, reconversion or repairs.

(b) Watercraft subject to assessment by the Department of Revenue under ORS 308.505 to 308.665 are exempt under paragraph (a) of this subsection only if on or before the due date for filing the statement described in ORS 308.520 for the year for which exemption is claimed, the owner or operator files with the department sufficient documentary evidence that the property qualifies for the exemption.

(c) The owner or operator of watercraft subject to local assessment shall file the documentary evidence required under paragraph (b) of this subsection with the county assessor on or before April 1 of the year for which exemption is claimed.

(5) All other watercraft not otherwise specifically exempt from taxation nor licensed in lieu thereof shall be assessed in the county in which they are customarily moored when not in service or if there is no customary place of moorage in the county in which their owner or owners reside

or, if neither situs applies, then in the county in which any one of the owners maintains a place of business.

(6) Watercraft described in subsection (5) of this section shall be assessed at assessed value, except as follows:

(a) Ships and vessels whose home ports are in the State of Oregon and that ply the high seas or between the high seas and inland water ports or terminals shall be assessed at four percent of the assessed value thereof.

(b) Vessels that are self-propelled, offshore oil drilling rigs whose home ports are in the State of Oregon shall be assessed at four percent of the assessed value thereof.

(c) All other ships and vessels whose home ports are in the State of Oregon shall be assessed at 40 percent of the assessed value thereof.

[*(7) The assessor shall cancel the assessment in whole or proportionate part on all parts and materials in the inventory of shipyards and ship repair facilities as of January 1 of the assessment year, but only upon receipt prior to April 1 of the assessment year of sufficient documentary proof that prior to April 1 of the assessment year the parts or materials so assessed were physically attached to or incorporated in watercraft undergoing major remodeling, renovation, conversion, reconversion or repairs as described in subsection (4) of this section, within the boundaries of this state.*]

SECTION 16. ORS 308.256, as amended by section 15 of this 2011 Act, is amended to read:

308.256. (1) Watercraft of water transportation companies shall be assessed as provided in ORS 308.505 to 308.665.

(2) Watercraft described in ORS 308.260 shall be assessed as provided in ORS 308.260.

[*(3) The following watercraft shall be exempt from taxation:*]

[*(a) Watercraft not owned or operated by water transportation companies, as described in ORS 308.515, and that are customarily engaged in the transportation of persons or property for hire wholly outside the boundaries of this state.*]

[*(b) Watercraft owned or operated by water transportation companies, as described in ORS 308.515, and not assessed by the Department of Revenue, that are customarily engaged in the transportation of persons or property for hire wholly or in part outside the boundaries of this state. The exemption under this paragraph does not apply to watercraft that engage in the transportation for hire of persons on offshore trips that originate and terminate at the same port, and that have a valid marine document issued by the United States Coast Guard or any other federal agency that succeeds the United States Coast Guard in the duty of issuing marine documents.*]

[*(c) The assessed value of the property of a water transportation company, as described in ORS 308.515, that is not subject to assessment by the Department of Revenue under the provisions of ORS 308.550 (3).*]

[*(4)(a)*] **(3)(a)** Watercraft over 16 feet in length in the process of original construction, or undergoing major remodeling, renovation, conversion, reconversion or repairs on January 1 are exempt from taxation. For the purposes of this subsection, the term "major" shall include all remodeling, renovation, conversion, reconversion or repairs to a watercraft in which the expenditures for parts, materials, labor and accessorial services exceed 10 percent of the market value of the watercraft immediately prior to the remodeling, renovation, conversion, reconversion or repairs.

(b) Watercraft subject to assessment by the Department of Revenue under ORS 308.505 to 308.665 are exempt under paragraph (a) of this subsection only if on or before the due date for filing the statement described in ORS 308.520 for the year for which exemption is claimed, the owner or operator files with the department sufficient documentary evidence that the property qualifies for

the exemption.

(c) The owner or operator of watercraft subject to local assessment shall file the documentary evidence required under paragraph (b) of this subsection with the county assessor on or before April 1 of the year for which exemption is claimed.

[*(5)*] **(4)** All other watercraft not otherwise specifically exempt from taxation nor licensed in lieu thereof shall be assessed in the county in which they are customarily moored when not in service or if there is no customary place of moorage in the county in which their owner or owners reside or, if neither situs applies, then in the county in which any one of the owners maintains a place of business.

[*(6)*] **(5)** Watercraft described in subsection [*(5)*] **(4)** of this section shall be assessed at assessed value, except as follows:

(a) Ships and vessels whose home ports are in the State of Oregon and that ply the high seas or between the high seas and inland water ports or terminals shall be assessed at four percent of the assessed value thereof.

(b) Vessels that are self-propelled, offshore oil drilling rigs whose home ports are in the State of Oregon shall be assessed at four percent of the assessed value thereof.

(c) All other ships and vessels whose home ports are in the State of Oregon shall be assessed at 40 percent of the assessed value thereof.

SECTION 17. (1) The amendments to ORS 308.256 by section 15 of this 2011 Act apply to property tax years beginning on or after July 1, 2014, and before July 1, 2016.

(2) The amendments to ORS 308.256 by section 16 of this 2011 Act apply to property tax years beginning on or after July 1, 2016.

SECTION 18. ORS 508.270 is amended to read:

508.270. [*(1)*] Either the commercial fishing license required by ORS 508.235 or the boat license required by ORS 508.260 is in lieu of all [*taxes and*] licenses on crab pots used by a person so licensed or used in connection with a boat so licensed.

[*(2) Crab pots shall be reported to the county assessor by each owner and listed for ad valorem taxation, but if the owner of such crab pots furnishes documentary proof to the assessor, not later than August 1 of each year, that the owner possesses a current commercial fishing license under ORS 508.235 or that the boat of the owner is currently licensed under ORS 508.260, the assessor shall cancel any assessment made by the assessor of crab pots used by such person or used in connection with such person's licensed boat.*]

SECTION 19. The amendments to ORS 508.270 by section 18 of this 2011 Act apply to property tax years beginning on or after July 1, 2014.

SECTION 20. ORS 263.290 applies to property tax years beginning before July 1, 2014.

SECTION 21. ORS 285C.350 to 285C.370 apply to property tax years beginning before July 1, 2014.

SECTION 22. ORS 307.120 applies to property tax years beginning before July 1, 2014.

SECTION 23. ORS 307.123 applies to property tax years beginning before July 1, 2014.

SECTION 24. ORS 307.125 applies to property tax years beginning before July 1, 2014.

SECTION 25. ORS 307.126 applies to property tax years beginning before July 1, 2014.

SECTION 26. ORS 307.168 applies to property tax years beginning before July 1, 2014.

SECTION 27. ORS 307.315 applies to property tax years beginning before July 1, 2014.

SECTION 28. ORS 307.320 applies to property tax years beginning before July 1, 2014.

SECTION 29. ORS 307.325 applies to property tax years beginning before July 1, 2014.

SECTION 30. ORS 307.330 applies to property tax years beginning before July 1, 2014.

SECTION 31. ORS 307.390 applies to property tax years beginning before July 1, 2014.

SECTION 32. ORS 307.391 applies to property tax years beginning before July 1, 2014.

SECTION 33. ORS 307.394 applies to property tax years beginning before July 1, 2014.

SECTION 34. ORS 307.397 applies to property tax years beginning before July 1, 2014.

SECTION 35. ORS 307.398 applies to property tax years beginning before July 1, 2014.

SECTION 36. ORS 307.400 applies to property tax years beginning before July 1, 2014.

SECTION 37. ORS 307.405 applies to property tax years beginning before July 1, 2014.

SECTION 38. ORS 307.580 applies to property tax years beginning before July 1, 2014.

SECTION 39. ORS 308.115 applies to property tax years beginning before July 1, 2014.

SECTION 40. ORS 308.559 applies to property tax years beginning before July 1, 2014.

SECTION 41. ORS 308.665 applies to property tax years beginning before July 1, 2014.

SECTION 42. ORS 308A.350 to 308A.383 apply to property tax years beginning before July 1, 2014.

SECTION 43. ORS 321.272 applies to property tax years beginning before July 1, 2014.

SECTION 44. ORS 321.829 applies to property tax years beginning before July 1, 2014.

SECTION 45. Section 4, chapter 957, Oregon Laws 1999, is amended to read:

Sec. 4. ORS 307.827 applies to tax years beginning on or after July 1, 2000, and before July 1, [*2018*] **2014**.

SECTION 46. Section 7, chapter 957, Oregon Laws 1999, is amended to read:

Sec. 7. ORS 307.831 applies to tax years beginning on or after July 1, 2000, and before July 1, [*2018*] **2014**.

SECTION 47. Section 7, chapter 637, Oregon Laws 2005, is amended to read:

Sec. 7. [*Notwithstanding section 3 of this 2005 Act,*] Property may not qualify for a first year of exemption under [*section 3 of this 2005 Act*] **ORS 307.455** for a tax year beginning [*on or after July 1, 2011*] **before July 1, 2014**.

SECTION 48. Section 75, chapter 843, Oregon Laws 2007, is amended to read:

Sec. 75. [*Section 70 of this 2007 Act*] **ORS 307.462** applies to tax years beginning on or after July 1, 2007, and before July 1, [*2012*] **2014**.

SECTION 49. Section 4, chapter 888, Oregon Laws 2007, is amended to read:

Sec. 4. Section 3 [*of this 2007 Act*]**, chapter 888, Oregon Laws 2007,** is repealed on June 30, [*2016*] **2014**.

ADJUSTMENTS IN 2016

SECTION 50. ORS 264.110 is amended to read:

264.110. A domestic water supply district may be formed for the purpose of supplying inhabitants of the district with water for domestic purposes as provided by this chapter; and, in connection therewith, may supply, furnish and sell for any use any surplus water over and above the domestic needs of its inhabitants to persons living outside the district, or to other water districts, school districts or other local governments as defined in ORS 174.116. All railroad rights of way or improvements thereon or rolling stock moving thereover shall be excluded from districts organized after June 9, 1943, and for purposes of ORS 264.210 to 264.320, 264.410, 264.420, 264.430, 264.470 and this section shall not be considered as property within the boundaries of such districts, **except for the purposes of assessing, levying and collecting taxes under ORS 264.300,** unless the owner

of the railroad property expressly consents to its inclusion.

SECTION 51. The amendments to ORS 264.110 by section 50 of this 2011 Act apply to property tax years beginning on or after July 1, 2016.

SECTION 52. ORS 307.518, as amended by section 6, chapter 29, Oregon Laws 2010, is amended to read:

307.518. (1) Property or a portion of property that meets all of the following criteria shall be exempt from taxation as provided under ORS 307.515 to 307.523:

(a) If unoccupied, the property:

(A) Is offered for rental solely as a residence for low income persons; or

(B) Is held for the purpose of developing low income rental housing.

(b) If occupied, the property is occupied solely as a residence for low income persons.

(c) An exemption for the property has been approved as provided under ORS 307.523, pursuant to an application filed before January 1, [*2020*] **2016**.

(d) The property is owned or being purchased by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation, as described under ORS 65.001 (37) or for a religious corporation, as described under ORS 65.001 (39).

(e) The property is owned or being purchased by a nonprofit corporation that expends no more than 10 percent of its annual income from residential rentals for purposes other than the acquisition, maintenance or repair of residential rental property for low income persons or for the provision of on-site child care services for the residents of the rental property.

(2) For the purposes of this section, a nonprofit corporation that has only a leasehold interest in property is considered to be a purchaser of that property if:

(a) The nonprofit corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in the rental activity on that property; or

(b) The rent payable has been established to reflect the savings resulting from the exemption from taxation.

(3) A partnership shall be considered a nonprofit corporation for purposes of this section if:

(a) A nonprofit corporation is a general partner of the partnership; and

(b) The nonprofit corporation is responsible for the day-to-day operation of the property that is the subject of the exemption under ORS 307.515 to 307.523.

SECTION 53. ORS 307.529, as amended by section 7, chapter 29, Oregon Laws 2010, is amended to read:

307.529. (1) Except as provided in ORS 307.531, if, after an application for exemption under ORS 307.517 has been approved under ORS 307.527, the governing body finds that construction or development of the exempt property differs from the construction or development described in the application for exemption, or is not completed on or before January 1, [*2020,*] **2016,** or that any provision of ORS 307.515 to 307.523 is not being complied with, or any provision required by the governing body pursuant to ORS 307.515 to 307.523 is not being complied with, the governing body shall give notice of the proposed termination of the exemption to the owner, by mailing the notice to the last-known address of the owner, and to every known lender, by mailing the notice to the last-known address of every known lender. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the exemption should not be terminated.

(2) If the owner fails to appear and show cause why the exemption should not be terminated, the governing body shall notify every known lender, and shall allow any lender not less than 30 days

after the date the notice of the failure to appear and show cause is mailed to cure any noncompliance or to provide assurance adequate to the governing body that all noncompliance shall be remedied.

(3) If the owner fails to appear and show cause why the exemption should not be terminated, and the lender fails to cure or give adequate assurance of the cure of any noncompliance, the governing body shall adopt an ordinance or resolution stating its findings terminating the exemption. A copy of the ordinance or resolution shall be filed with the county assessor, and a copy shall be sent to the owner at the owner's last-known address and to the lender at the last-known address of the lender within 10 days after its adoption.

SECTION 54. ORS 307.535, as amended by section 8, chapter 29, Oregon Laws 2010, is amended to read:

307.535. Notwithstanding any provision of ORS 307.515 to 307.523:

(1) If the governing body finds that construction of the housing unit otherwise entitled to exemption under ORS 307.517 was not completed by January 1, [*2020,*] **2016,** due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the governing body may extend the deadline for completion of construction for a period not to exceed 12 consecutive months.

(2) If property granted exemption under ORS 307.515 to 307.523 is destroyed by fire or act of God, or is otherwise no longer capable of owner-occupancy due to circumstances beyond the control of the owner, the exemption shall cease but no additional taxes shall be imposed upon the property under ORS 307.531 or 307.533.

SECTION 55. ORS 307.637 is amended to read:

307.637. An exemption for multiple-unit housing may not be granted under ORS 307.600 to 307.637 unless:

(1) In the case of multiple-unit housing described in ORS 307.603 (5)(a), the application for exemption is made to the city or county on or before January 1, [*2012*] **2016.**

(2) In the case of multiple-unit housing described in ORS 307.603 (5)(b), the construction, addition or conversion is completed on or before January 1, [*2012*] **2016.**

SECTION 56. ORS 307.651 is amended to read:

307.651. As used in ORS 307.651 to 307.687, unless the context requires otherwise:

(1) "Distressed area" means a primarily residential area of a city designated by a city under ORS 307.657 which, by reason of deterioration, inadequate or improper facilities, the existence of unsafe or abandoned structures, including but not limited to a significant number of vacant or abandoned single or multifamily residential units, or any combination of these or similar factors, is detrimental to the safety, health and welfare of the community.

(2) "Governing body" means the city legislative body having jurisdiction over the property for which an exemption may be applied for under ORS 307.651 to 307.687.

(3) "Qualified dwelling unit" means a dwelling unit that, upon completion, has a market value (land and improvements) of no more than 120 percent, or a lesser percentage as adopted by the governing body by resolution, of the median sales price of dwelling units located within the city.

(4) "Single-unit housing" means a newly constructed structure having one or more dwelling units that:

(a) Is, or will be, at the time that construction is completed, in conformance with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197 and 227.

(b) Is constructed on or after January 1, 1990, and is completed within two years after application for exemption is approved under ORS 307.674 or before July 1, [*2015,*] **2016,** whichever is earlier.

(c) Upon completion, is designed for each dwelling unit within the structure to be purchased by and lived in by one person or one family.

(d) Upon completion, has one or more qualified dwelling units within the single-unit housing.

(e) Is not a floating home, as defined in ORS 830.700, or a manufactured structure, as defined in ORS 446.561, other than a manufactured home described in ORS 197.307 (5)(a) to (f).

(5) "Structure" does not include the land, nor any site development to the land, as both are defined under ORS 307.010.

SECTION 57. ORS 307.681 is amended to read:

307.681. (1) Except as provided in ORS 307.684, if, after an application has been approved under ORS 307.674, the city finds that construction of single-unit housing was not completed within two years after the date the application was approved or on or before January 1, [*2015,*] **2016,** whichever is earlier, or that any provision of ORS 307.651 to 307.687 is not being complied with, or any provision required by the city pursuant to ORS 307.651 to 307.687 is not being complied with, the city shall give notice to the owner, mailed to the owner's last-known address, of the proposed termination of the exemption. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the exemption should not be terminated.

(2) If the owner fails to show cause why the exemption should not be terminated, the city shall adopt an ordinance or resolution stating its findings and terminating the exemption. A copy of the ordinance or resolution shall be filed with the county assessor and a copy sent to the owner at the owner's last-known address within 10 days after its adoption.

SECTION 58. ORS 308.450 is amended to read:

308.450. As used in ORS 308.450 to 308.481:

(1) "Distressed area" means a primarily residential area of a county or city that is designated as a distressed area by the county or city because the area is detrimental to the safety, health and welfare of the community due to the following factors:

(a) Deterioration;

(b) Inadequate or improper facilities;

(c) The existence of unsafe or abandoned structures, including but not limited to a significant number of vacant or abandoned single or multifamily residential units; or

(d) Any combination of these or similar factors.

(2) "Governing body" means the city or county legislative body having jurisdiction over the property for which a limited assessment may be applied for under ORS 308.450 to 308.481.

(3) "Rehabilitated residential property" means land and the improvements thereon:

(a) That are either single or multifamily residential units or are not residential units but that will become residential units through rehabilitation improvements;

(b) That fail to comply with one or more standards of the state or local building or housing codes applicable at the time the application is filed;

(c)(A) That are not less than 25 years of age on January 1 in the year the application is filed with the governing body, and on which sums have been expended after September 13, 1975, and prior to January 1, [*2017,*] **2016,** for the purpose of making rehabilitation improvements, and which sums in the aggregate equal or exceed five percent of the assessed value of the land and improvements thereon as reflected in the last certified assessment roll next preceding the date on which the ap-

plication for limited assessment is filed with the governing body pursuant to ORS 308.462; or

(B) On which, regardless of the age of the residential property, sums have been expended or the renovation completed after October 3, 1989, and prior to January 1, [*2017,*] **2016,** for the purpose of making rehabilitation improvements, and which sums in the aggregate equal or exceed 50 percent of the assessed value of the land and improvements thereon as reflected in the last certified assessment roll next preceding the date on which the applications for limited assessment is filed with the governing body pursuant to ORS 308.462;

(d) In which at least 50 percent of accommodations are for residential use and not for transient occupancy;

(e) If owner-occupied, that are located within a distressed area; and

(f) For which an application is filed with the governing body prior to January 1, [*2015*] **2014.**

(4) "Rehabilitation improvements" means modifications to existing structures that are made to achieve a condition of substantial compliance.

(5) "Substantial compliance" means compliance with local building or housing code requirements. It does not mean that all heating, plumbing and electrical systems must be replaced with systems meeting current standards for new construction, notwithstanding that the cost of rehabilitation may exceed 50 percent of the value of the structure before rehabilitation.

SECTION 59. ORS 308.477 is amended to read:

308.477. (1) Except as provided in ORS 308.479, if, after a certificate of qualification has been filed with the county assessor under ORS 308.466, the governing body finds that the rehabilitation improvements were not completed on or before January 1, [*2017,*] **2016,** or that any provision of ORS 308.450 to 308.481 is not being complied with, or any provision required by the governing body pursuant to ORS 308.450 to 308.481 is not being complied with, it shall give notice in writing to the owner, mailed to the owner's last-known address, of the proposed termination of the limited assessment. The notice shall state the reasons for the proposed termination and shall require the owner to appear at a specified time, not less than 20 days after mailing the notice, to show cause, if any, why the limited assessment should not be terminated.

(2) If the owner does not appear or appears and fails to show cause why the limited assessment should not be terminated, the governing body shall terminate the limited assessment. A copy of the termination shall be filed with the county assessor and a copy sent to the owner at the owner's last-known address, within 10 days after its adoption.

(3) The owner may appeal the termination to the circuit court, and from the decision of the circuit court to the Court of Appeals, as provided by law.

(4) If no appeal is taken as provided in subsection (3) of this section, or upon final adjudication, the county officials having possession of the assessment and tax rolls shall correct the rolls in the manner provided for omitted property under ORS 311.216 to 311.232 to provide for the assessment and taxation of any value not included in the valuation of the rehabilitation improvements during the period of limited assessment prior to termination by the governing body or by a court, in accordance with the findings of the governing body or the court as to the assessment year in which the limited assessment is to terminate. The county assessor shall make the valuation of the property necessary to permit correction of the rolls, and the owner may appeal the valuation in the manner provided under ORS 311.216 to 311.232. Where there has been a failure to comply, as provided in subsection (1) of this section, the property shall be revalued beginning January 1 of the assessment year in which the noncompliance first occurred. Any additional taxes becoming due shall be payable without interest if paid in the period prior to the 16th day of the month next following the month

of correction. If not paid within such period, the additional taxes shall thereafter be considered delinquent on the date they would normally have become delinquent if timely extended on the roll or rolls in the year or years for which the correction was made.

SECTION 60. ORS 308.481 is amended to read:

308.481. Notwithstanding any provision of ORS 308.477, if the governing body finds that the rehabilitation improvements were not completed by January 1, [*2017,*] **2016,** due to circumstances beyond the control of the owner, and that the owner had been acting and could reasonably be expected to act in good faith and with due diligence, the governing body may extend the deadline for completion for a period not to exceed 12 consecutive months.

SECTION 61. ORS 308.558 is amended to read:

308.558. (1) Aircraft shall be subject to [*assessment, taxation and exemption,*] **assessment and taxation** as provided in this section.

(2) Any aircraft used or held for use by an air transportation company that is operating pursuant to a certificate of convenience and necessity issued by an agency of the federal government shall be assessed and taxed under ORS 308.505 to 308.665.

(3) Any aircraft used or held for use by an air transportation company to provide scheduled passenger service, whether or not the company is operating pursuant to a certificate of convenience and necessity issued by a federal agency, shall be assessed and taxed under ORS 308.505 to 308.665.

[*(4) Any aircraft that is required to be registered under ORS 837.040 for all or any part of the calendar year is exempt from ad valorem property taxation for the tax year beginning in the calendar year.*]

[*(5) Any aircraft that is used or held for use by a foreign-owned carrier is exempt from ad valorem property taxation.*]

[*(6)*] **(4)** Subject to allocation or apportionment for out-of-state service, all [*other aircraft not otherwise specifically exempt from taxation or licensed in lieu thereof, and not*] **aircraft** subject to assessment by the Department of Revenue under ORS 308.505 to 308.665[,] shall be assessed in the county from which they are customarily operated when not in service, or if there is no customary place from which operated, then in the county in which their owner or owners reside, or if neither situs applies, then in the county in which any one of the owners maintains a place of business.

SECTION 62. The amendments to ORS 308.558 by section 61 of this 2011 Act apply to property tax years beginning on or after July 1, 2016.

SECTION 63. ORS 308.565 is amended to read:

308.565. (1) For the purpose of determining the amount of the assessment of any centrally assessed company that is to be apportioned to those counties in this state in which the rail lines of the company are located, the Department of Revenue shall multiply the values per mile, as ascertained pursuant to ORS 308.570, of main and branch lines by the number of miles of main and branch lines in each county, including miles of main tracks, spurs, yard tracks and sidetracks, as reported by the company or as otherwise determined by the department.

(2) The department shall apportion values distributed over wire, pipe or pole lines or operational routes to those counties in which the lines or routes are located by multiplying the rate per mile in each case, determined pursuant to ORS 308.575, by the number of miles of the wire, pipe or pole lines or operational routes in each county.

(3) If the property of any company assessable under ORS 308.505 to 308.665 is of such a character that its value cannot reasonably be apportioned on the basis of rail, wire, pipe, pole line or operational route mileage, the department may adopt any other method or basis of apportionment

to each county in which the property is located that the department determines to be feasible and proper.

(4) As determined by the department, values of electric power plants and water powers, connected with or used in the operation and business of any company, assessable under ORS 308.505 to 308.665, may be apportioned to each county in which power plants and water powers are located in a manner the department deems reasonable and fair.

(5) Assessments of the mobile property of air transportation companies shall be allocated and apportioned only to those counties in which the air transportation companies make service landings. [*For aircraft less than 75,000 pounds gross taxi weight, the department shall allocate and apportion to the counties 60 percent of the value which would otherwise be allocated and apportioned.*]

(6)(a) Assessments of water transportation companies shall be allocated and apportioned to those counties in which such companies use or maintain ports or termini, including off-shore anchorages.

(b) For purposes of ORS 308.505 to 308.665, the taxing districts to which assessments are apportioned by the county assessor shall be deemed to extend to the center of any river channel or to the ocean bar.

SECTION 64. The amendments to ORS 308.565 by section 63 of this 2011 Act apply to property tax years beginning on or after July 1, 2016.

SECTION 65. ORS 478.430 is amended to read:

478.430. **(1)** A district board shall ascertain and levy annually, in addition to all other taxes, an ad valorem tax on all the taxable property in the district, sufficient to pay the interest accruing and the principal maturing on the bonds promptly as they become due.

(2) Notwithstanding ORS 478.010 (2)(d), a district may levy a tax on railroad rights of way, improvements to railroad rights of way and rolling stock moving over railroad rights of way under this section.

SECTION 66. The amendments to ORS 478.430 by section 65 of this 2011 Act apply to property tax years beginning on or after July 1, 2016.

SECTION 67. ORS 830.790 is amended to read:

830.790. (1) The biennial fee for the original or renewal certificate of number or registration is:

(a) $3 per foot, or portion thereof, for all sailboats 12 feet in length or more and for all motorboats.

(b) $6, for boats that are assessed by the Department of Revenue under ORS 308.505 to 308.665.

(c) $6, for amphibious vehicles that are licensed by the Department of Transportation.

(2) Notwithstanding subsection (1) of this section, no fee is required for boats owned by eleemosynary organizations which are operated primarily as a part of organized activities for the purpose of teaching youths scoutcraft, camping, seamanship, self-reliance, patriotism, courage and kindred virtues.

(3) [*Except for the assessment referred to in subsection (1)(b) of this section,*] The fees provided by this section are in lieu of any other [*tax or*] license fee.

(4) The operator of a boat livery holding five or more boats ready for hire may pay a biennial certificate of number fee of $55 plus $6 for each boat instead of the fee otherwise provided in this section.

SECTION 68. The amendments to ORS 830.790 by section 67 of this 2011 Act apply to property tax years beginning on or after July 1, 2016.

SECTION 69. ORS 307.092 applies to property tax years beginning before July 1, 2016.

SECTION 70. ORS 307.183 applies to property tax years beginning before July 1, 2016.

SECTION 71. ORS 307.184 applies to property tax years beginning before July 1, 2016.

SECTION 72. ORS 307.195 applies to property tax years beginning before July 1, 2016.

SECTION 73. ORS 307.205 applies to property tax years beginning before July 1, 2016.

SECTION 74. ORS 307.242 applies to property tax years beginning before July 1, 2016.

SECTION 75. ORS 307.250, 307.260, 307.262, 307.270, 307.280 and 307.283 apply to property tax years beginning before July 1, 2016.

SECTION 76. ORS 307.286 and 307.289 apply to property tax years beginning before July 1, 2016.

SECTION 77. ORS 307.370, 307.375, 307.380 and 307.385 apply to property tax years beginning before July 1, 2016.

SECTION 78. ORS 307.485, 307.490 and 307.495 apply to property tax years beginning before July 1, 2016.

SECTION 79. ORS 307.651 to 307.687 apply to property tax years beginning before July 1, 2016.

SECTION 80. ORS 372.190 applies to property tax years beginning before July 1, 2016.

SECTION 81. ORS 803.585 applies to property tax years beginning before July 1, 2016.

SECTION 82. Section 4, chapter 405, Oregon Laws 1981, is amended to read:

Sec. 4. ORS 307.182 applies to tax years beginning on or after July 1, 1981, and prior to July 1, [*2012*] **2016**.

SECTION 83. Section 6, chapter 660, Oregon Laws 1985, is amended to read:

Sec. 6. ORS 307.540 to 307.548 apply to tax years beginning on or after January 1, 1985, and before July 1, [*2014*] **2016**.

ADJUSTMENTS IN 2018

SECTION 84. ORS 307.095 is amended to read:

307.095. (1) Any portion of state property that is used during the tax year for parking on a rental or fee basis to private individuals is subject to ad valorem taxation.

(2) The real market value of such portion shall be computed by determining that percentage which the total of receipts from private use bears to the total of receipts from all use of the property. The assessed value of such portion shall be computed as provided in ORS 308.146. However, receipts from any use by a state officer or employee in the performance of the official duties of the state officer or employee shall not be considered as receipts from private use in computing the portion subject to ad valorem taxation.

[*(3) This section and ORS 276.592 do not apply to state property that is used by the Oregon University System or the Oregon Health and Science University solely to provide parking for employees, students or visitors.*]

SECTION 85. The amendments to ORS 307.095 by section 84 of this 2011 Act apply to property tax years beginning on or after July 1, 2018.

SECTION 86. ORS 308.805 is amended to read:

308.805. (1) Every association of persons, wholly mutual or cooperative in character, whether incorporated or unincorporated, the principal business of which is the construction, maintenance and operation of an electric transmission and distribution system for the benefit of the members of such association without intent to produce profit in money and which has no other principal business or purpose shall, in [*lieu of*] **addition to** all other taxes on the transmission and distribution

lines, pay a tax on all gross revenue derived from the use or operation of transmission and distribution lines (exclusive of revenues from the leasing of lines to governmental agencies) at the rates prescribed by ORS 308.807. The tax shall not apply to or be in lieu of ad valorem taxation on any [*property, real or personal, which is not part of the transmission and distribution lines*] **real or personal property** of such association.

(2) [*The Department of Revenue, pursuant to ORS 308.505 to 308.665, shall assess for ad valorem taxation all the real and personal property of such associations which is not a part of "transmission and distribution lines," as defined in subsection (3) of this section.*] All [*other*] property subject to ad valorem taxation shall be assessed [*in the manner otherwise provided by law,*] by the assessor of the county in which such property has a tax situs.

(3) As used in ORS 308.805 to 308.820:

(a) "Transmission and distribution lines" shall include all property that is energized or capable of being energized or intended to be energized, or that supports or is integrated with such property. This includes, but is not limited to, substation equipment, fixtures and framework, poles and the fixtures thereon, conductors, transformers, services, meters, street lighting equipment, easements for rights of way, generating equipment, communication equipment, transmission lines leased to governmental agencies, construction tools, materials and supplies, office furniture and fixtures and office equipment. This shall not include such property as parcels of land, buildings, and merchandise held for resale.

(b) "Wire mile" means a single conductor one mile long installed in a line, but not including service drops.

SECTION 87. The amendments to ORS 308.805 by section 86 of this 2011 Act apply to property tax years beginning on or after July 1, 2018.

SECTION 88. ORS 358.499 is amended to read:

358.499. (1) Property first classified and specially assessed as historic property for a tax year beginning on or before July 1, 1994, shall continue to be so classified, specially assessed and removed from special assessment as provided under ORS 358.487 to 358.543 as those sections were in existence and in effect on December 31, 1992.

(2) Property may be classified and specially assessed under ORS 358.487 to 358.543 pursuant to application filed under ORS 358.487 on or after September 9, 1995, and first applicable for the tax year 1996-1997 or any tax year thereafter.

(3) Property may not be classified and specially assessed pursuant to application filed under ORS 358.487 or 358.540 if the application is filed on or after July 1, [*2020*] **2018**.

SECTION 89. ORS 622.290 is amended to read:

622.290. (1) Persons using state lands for cultivating oysters, clams or mussels shall pay annual cultivation fees and use taxes quarterly to the State Department of Agriculture. Fees and taxes become delinquent 30 days after the end of the quarter.

(2) Use taxes shall be in the amount of 10 cents per gallon of oysters if sold by the gallon, 10 cents per bushel of oysters if sold in the shell by the bushel or one cent per dozen oysters if sold by the dozen.

(3) Use taxes shall be in the amount of one-half cent per pound of clams or mussels sold.

(4) The annual cultivation fee shall be in the amount of $4 for each acre claimed pursuant to chapter 675, Oregon Laws 1969, or claimed pursuant to a plat made subsequent thereto.

(5) Annual cultivation fees and use taxes shall be assessed in lieu of [*property taxes,*] lease fees or rental charges for the use of lands upon which oysters, clams or mussels are grown and har-

vested.

SECTION 90. The amendments to ORS 622.290 by section 89 of this 2011 Act apply to tax years beginning on or after July 1, 2018.

SECTION 91. ORS 307.022 applies to property tax years beginning before July 1, 2018.

SECTION 92. ORS 307.080 applies to property tax years beginning before July 1, 2018.

SECTION 93. ORS 307.107 applies to property tax years beginning before July 1, 2018.

SECTION 94. ORS 307.112 applies to property tax years beginning before July 1, 2018.

SECTION 95. ORS 307.115 applies to property tax years beginning before July 1, 2018.

SECTION 96. ORS 307.118 applies to property tax years beginning before July 1, 2018.

SECTION 97. ORS 307.130 applies to property tax years beginning before July 1, 2018.

SECTION 98. ORS 307.136 applies to property tax years beginning before July 1, 2018.

SECTION 99. ORS 307.140 applies to property tax years beginning before July 1, 2018.

SECTION 100. ORS 307.145 applies to property tax years beginning before July 1, 2018.

SECTION 101. ORS 307.147 applies to property tax years beginning before July 1, 2018.

SECTION 102. ORS 307.150 applies to property tax years beginning before July 1, 2018.

SECTION 103. ORS 307.160 applies to property tax years beginning before July 1, 2018.

SECTION 104. ORS 307.166 applies to property tax years beginning before July 1, 2018.

SECTION 105. ORS 307.171 applies to property tax years beginning before July 1, 2018.

SECTION 106. ORS 307.210 applies to property tax years beginning before July 1, 2018.

SECTION 107. ORS 307.220 applies to property tax years beginning before July 1, 2018.

SECTION 108. ORS 307.230 applies to property tax years beginning before July 1, 2018.

SECTION 109. ORS 307.240 applies to property tax years beginning before July 1, 2018.

SECTION 110. ORS 307.402 applies to property tax years beginning before July 1, 2018.

SECTION 111. ORS 307.471 applies to property tax years beginning before July 1, 2018.

SECTION 112. ORS 307.804 and 307.806 apply to property tax years beginning before July 1, 2018.

SECTION 113. ORS 307.808, 307.811 and 307.815 apply to property tax years beginning before July 1, 2018.

SECTION 114. Section 3, chapter 337, Oregon Laws 1995, is amended to read:

Sec. 3. [*Section 10 of this 2001 Act*] **ORS 307.111** applies to property tax years beginning on or after July 1, 1995, and before July 1, [*2010*] **2018**.

SECTION 115. Section 2, chapter 256, Oregon Laws 2001, is amended to read:

Sec. 2. (1) Section 1 (1), chapter 256, Oregon Laws 2001, applies to tax years beginning on or after July 1, 1998, and before July 1, [*2021*] **2018**.

(2) Section 1 (2), chapter 256, Oregon Laws 2001, applies to tax years beginning on or after July 1, 1999, and before July 1, [*2021*] **2018**.

REPEALED PROVISIONS

SECTION 116. Section 5, chapter 69, Oregon Laws 2010, is repealed.

UNIT CAPTIONS

SECTION 117. The unit captions used in this 2011 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any

legislative intent in the enactment of this 2011 Act.

EFFECTIVE DATE OF ACT

SECTION 118. This 2011 Act takes effect on the 91st day after the date on which the session of the Seventy-sixth Legislative Assembly adjourns sine die.