

OFFICE OF THE SECRETARY OF STATE
SHEMIA FAGAN
SECRETARY OF STATE

CHERYL MYERS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
STEPHANIE CLARK
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 150
DEPARTMENT OF REVENUE

FILED
04/27/2022 9:10 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Property Tax: Alternative disposition of human bodies

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 06/02/2022 5:00 PM

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

CONTACT: Katie Thiel
503-949-9285
rulescoordinator.dor@dor.oregon.gov

955 Center St. NE
Salem, OR 97301

Filed By:
Katie Thiel
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 06/02/2022

TIME: 9:00 AM

OFFICER: Phil McClellan

ADDRESS: Virtual Hearing

955 Center Street NE

Salem, OR 97301

SPECIAL INSTRUCTIONS:

To join by video: <https://www.zoomgov.com/j/1610262605>

To join by phone:

1-669-254-5252

Meeting ID: 161 026 2605

Passcode: 634018

NEED FOR THE RULE(S)

Oregon Laws 2021, Chapter 296 defines and allows for the alternative disposition of human bodies. Section 32 modified ORS 307.150 to provide that lands, buildings, and personal property of alternative disposition facilities are granted the same property tax exemptions granted to crematories. The current language of OAR 150-307-0180 does not include the reference to "alternative disposition of human bodies," and must be changed to match current statute.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Oregon Laws 2021, Chapter 296 is available on the Oregon State Legislature's website.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

This rule change reflects the policy changes of the legislature and the impacts on racial equity are unknown.

FISCAL AND ECONOMIC IMPACT:

There is no fiscal or economic impact due to these rule changes. The statutes implemented are what cause the impact.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no impact to state agencies and a de minimis effect on the counties and the public. These changes are clarifying or interpretive in nature and do not affect the cost to comply.

(2)(a) The amendment of 150-307-0180 reflects the expansion of an exemption required by legislation, and will have no cost of compliance effect on small business. The underlying legislation caused the change, which is difficult to quantify. Small business providing services for alternative disposition of human remains will benefit from a reduction in their property taxes. While there is no data on the number of cemetery, crematory and mortuary business that might add alternative disposition services, the 2021-23 Oregon Tax Expenditure Report, page 290, allows us to estimate, based on the 1,140 properties qualifying for the exemption in 2019-20 with a total property tax shift of \$7.6 million for the biennium and total property tax loss of \$1.9 million for the biennium, a typical tax benefit of \$4,166 for eligible properties.

(b) There is no impact on those subject to the rules, as these changes are clarifying or interpretive in nature and do not affect projected reporting, record-keeping or other administrative activities, or costs.

(c) None.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were not involved in the amendment of 150-307-0180 as the amendments were due to a change in the statute. The rule change does not impact small businesses beyond the statute change.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The changes to 150-307-0180 were due to statute change in 2021. No stakeholder feedback was needed.

AMEND: 150-307-0180

RULE SUMMARY: Rule is being revised to reflect changes as a result of 2021 HB 2574 which allows for the alternative disposition of human bodies and provides that lands, buildings, and personal property of alternative disposition facilities are granted the same property tax exemptions granted to crematories.

CHANGES TO RULE:

150-307-0180

Burial Grounds, Cemeteries, Crematories ¶

(1) Buildings used exclusively to store machinery and equipment which is used solely for cemetery ~~or crematory~~, crematory, or alternative disposition of human remains purposes are exempt. ¶

Example: a crematory association owns a tool shed used solely to store maintenance machinery and equipment.

The tool shed is exempt. ¶

Example: a caretaker's residence is owned by a cemetery association and is located on cemetery grounds. The caretaker's residence is taxable. ¶

Example: a funeral parlor is located on cemetery grounds. The funeral parlor is taxable. ¶

(2) A pet cemetery is taxable. The assessor shall exempt only burial grounds of human remains.

Statutory/Other Authority: ORS 305.100

Statutes/Other Implemented: ORS 307.150