

# ORS 307.540

## Definitions for ORS 307.540 to 307.548

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As used in ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption):

- (1) “Governing body” means the city or county legislative body having jurisdiction over the property for which an exemption may be applied for under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption). *o*
- (2) According to the election of a governing body pursuant to ORS 307.543 (Exemption limited to levy of governing body adopting ORS 307.540 to 307.548) (1), “low income” means:
  - (a) Income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development;
  - (b) Intentionally left blank —Ed.
  - (A) For the initial year that persons occupy property for which an application for exemption is filed under ORS 307.545 (Application for exemption), income at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; **and**
  - (B) For every subsequent consecutive year that the persons occupy the property, income at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; **or**
  - (c) For housing units on property that is awarded tax credits through the federal Low-Income Housing Tax Credit program and is a qualified low-income housing project meeting the requirements of 26 U.S.C. 42(g)(1)(C), income at or below 80 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development, provided the average area median income of all housing units on the property is at or below 60 percent of the area median income as determined by the Oregon Housing Stability Council based on information from the United States

Department of Housing and Urban Development. [1985 c.660 §1; 1993 c.168 §7; 2005 c.94 §39; 2015 c.141 §1; 2015 c.180 §45; 2021 c.528 §5]

Note: Section 6, chapter 660, Oregon Laws 1985, provides:

Sec. 6. ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) apply to tax years beginning on or after January 1, 1985, and before July 1, 2027. [1985 c.660 §6; 1993 c.108 §1; 2003 c.215 §1; 2011 c.191 §1]

Note: Section 3, chapter 141, Oregon Laws 2015, provides:

Sec. 3. (1) A governing body that has adopted the provisions of ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) before the effective date of this 2015 Act [October 5, 2015] may, on or after the effective date of this 2015 Act, elect a definition of “low income” under ORS 307.540 (Definitions for ORS 307.540 to 307.548) as amended by section 1 of this 2015 Act. An election made pursuant to this subsection applies to the first property tax year that begins on or after the date on which the election is made.

- (2) If a governing body described in this section does not make an election under subsection (1) of this section, the definition of “low income” provided in ORS 307.540 (Definitions for ORS 307.540 to 307.548) as in effect immediately before the effective date of this 2015 Act shall apply to the exemption allowed by the governing body.
- (3) This section is repealed on June 30, 2027. [2015 c.141 §3]

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*Location:*

[https://oregon.public.law/statutes/ors\\_307.540](https://oregon.public.law/statutes/ors_307.540)

*Original Source: Section 307.540 — Definitions for ORS 307.540 to 307.548*, [https://www.oregonlegislature.gov/bills\\_laws/ors/ors307.html](https://www.oregonlegislature.gov/bills_laws/ors/ors307.html) (last accessed Aug. 25, 2023).

# ORS 307.541

## Nonprofit corporation low income housing

- criteria for exemption
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- (1) Property is exempt from taxation as provided under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) if:
  - (a) The property is owned or being purchased by a corporation described in section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a) of the Internal Revenue Code;
  - (b) Upon liquidation, the assets of the corporation are required to be applied first in payment of all outstanding obligations, and the balance remaining, in cash and in kind, to be distributed to corporations exempt from taxation and operated exclusively for religious, charitable, scientific, literary or educational purposes or to the State of Oregon;
  - (c) The property is:
    - (A) Occupied by low income persons; **or**
    - (B) Held for the purpose of developing low income housing, for a period not exceeding a reasonable maximum period, if any, adopted by the governing body;
  - (d) The property or portion of the property receiving the exemption, if occupied, is actually and exclusively used for the purposes described in section 501(c)(3) or (4) of the Internal Revenue Code;
  - (e) The exemption has been approved as provided in ORS 307.547 (Determination of eligibility); **and**
  - (f) The information disclosed on the application filed pursuant to ORS 307.545 (Application for exemption) meets any other criteria adopted by the governing body.
- (2) A governing body that adopts the provisions of ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) may adopt additional criteria for exemption that do not conflict with the criteria described in subsection (1)(a) to (e) of this section.

- (3)** For the purposes of subsection (1) of this section, a corporation that has only a leasehold interest in property is deemed to be a purchaser of that property if:
- (a)** The corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property; **or**
  - (b)** The rent payable by the corporation has been established to reflect the savings resulting from the exemption from taxation.
- (4)** A partnership shall be treated the same as a corporation to which this section applies if the corporation is:
- (a)** A general partner of the partnership; **and**
  - (b)** Responsible for the day-to-day operation of the property that is the subject of the exemption. [1985 c.660 §2; 1995 c.702 §2; 1997 c.752 §11; 2005 c.94 §40; 2015 c.310 §7]

Note: See first note under 307.540 (Definitions for ORS 307.540 to 307.548).

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*Location:*

[https://oregon.public.law/statutes/ors\\_307.541](https://oregon.public.law/statutes/ors_307.541)

*Original Source: Section 307.541 — Nonprofit corporation low income housing; criteria for exemption,*  
[https://www.oregonlegislature.gov/bills\\_laws/ors/ors307.html](https://www.oregonlegislature.gov/bills_laws/ors/ors307.html) (last accessed Aug. 25, 2023).

# ORS 307.543

## Exemption limited to levy of governing body adopting ORS 307.540 to 307.548

- exception
- additional provisions

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- (1) Except as provided in subsection (2) of this section, the exemption granted under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) applies only to the tax levy of a governing body that adopts the provisions of ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption). At the time of adoption, the governing body shall elect a definition of "low income" under ORS 307.540 (Definitions for ORS 307.540 to 307.548). *o*
  - (2) The exemption granted under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) applies to the tax levy of all taxing districts in which property certified for exemption is located if, upon request of a governing body that has adopted the provisions of ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption), the rates of taxation of such taxing districts whose governing boards agree to the policy of exemption under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption), when combined with the rate of taxation of the governing body that adopts the provisions of ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption), equal 51 percent or more of the total combined rate of taxation on the property granted exemption.
  - (3) A governing body may adopt additional provisions relating to the exemption granted under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) that do not conflict with the provisions of ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption). [1985 c.660 §3; 2015 c.141 §2; 2015 c.310 §8]

Note: See first note under 307.540 (Definitions for ORS 307.540 to 307.548).

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*Location:*

[https://oregon.public.law/statutes/ors\\_307.543](https://oregon.public.law/statutes/ors_307.543)

*Original Source: Section 307.543 — Exemption limited to levy of governing body adopting ORS 307.540 to 307.548; exception; additional provisions,*

[https://www.oregonlegislature.gov/bills\\_laws/ors/ors307.html](https://www.oregonlegislature.gov/bills_laws/ors/ors307.html) (last accessed Aug. 25, 2023).

# ORS 307.545

## Application for exemption

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- (1) A corporation seeking the exemption granted under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) must file an application for exemption with the governing body for each assessment year the corporation wants the exemption. The application must be filed on or before March 1 of the assessment year for which the exemption is sought, except that when the property designated is acquired after March 1 and before July 1, the application for that year must be filed within 30 days after the date of acquisition. *℘*
- (2) The application must include the following information, as applicable:
  - (a) A description of the property for which the exemption is requested;
  - (b) A description of the charitable purpose of the project and whether all or a portion of the property is being used for that purpose;
  - (c) A certification of income levels of low income occupants;
  - (d) A description of how the tax exemption will benefit project residents;
  - (e) A description of the development of the property if the property is being held for future low income housing development;
  - (f) A declaration that the corporation has been granted exemption from income taxation under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) or 501(c)(4) of the Internal Revenue Code; **and**
  - (g) A description of how the corporation and the property, respectively, meet any additional criteria adopted by the governing body pursuant to ORS 307.541 (Nonprofit corporation low income housing) (2).
- (3) The applicant shall verify the information in the application by oath or affirmation. [1985 c.660 §4; 1987 c.756 §15; 1993 c.108 §2; 1993 c.270 §25; 1997 c.541 §§133,133a; 2013 c.193 §7; 2015 c.310 §9]

Note: See first note under 307.540 (Definitions for ORS 307.540 to 307.548).

*Location:*

[https://oregon.public.law/statutes/ors\\_307.545](https://oregon.public.law/statutes/ors_307.545)

*Original Source: Section 307.545 — Application for exemption*, [https://www.oregonlegislature.gov/bills\\_laws/ors/ors307.html](https://www.oregonlegislature.gov/bills_laws/ors/ors307.html) (last accessed Aug. 25, 2023).



# ORS 307.547

## Determination of eligibility

- notice to county assessor
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- (1) Within 30 days of the filing of an application under ORS 307.545 (Application for exemption), the governing body shall determine whether the applicant qualifies for the exemption granted under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption). *ⓘ*
- (2) Intentionally left blank —Ed.
  - (a) If the governing body determines that the applicant qualifies, the governing body shall certify to the assessor of the county where the real property is located, as set forth in ORS 307.512 (Filing deadline for certain housing-related exemption and special assessment programs), that all or a portion of the property is exempt from taxation under the levy of the certifying governing body.
  - (b) Notwithstanding paragraph (a) of this subsection, the governing body may send the certification required under this subsection on or before the deadline specified in ORS 307.512 (Filing deadline for certain housing-related exemption and special assessment programs), or as promptly as practicable after making the determination under subsection (1) of this section, whichever is later.
- (3) Upon receipt of certification sent pursuant to subsection (2) of this section, the county assessor shall exempt the property from taxation to the extent certified by the governing body. [1985 c.660 §5; 2013 c.193 §8; 2015 c.310 §10]

Note: See first note under 307.540 (Definitions for ORS 307.540 to 307.548).

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*Location:*

[https://oregon.public.law/statutes/ors\\_307.547](https://oregon.public.law/statutes/ors_307.547)

*Original Source: Section 307.547 — Determination of eligibility; notice to county assessor, <https://www.> -*

# ORS 307.548

## Termination of exemption

- additional taxes
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- (1) Intentionally left blank —Ed.
- (a) If the governing body that has granted an exemption under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) to property in anticipation of future development of low income housing in connection with the exempt property finds that the property is being used for any purpose other than the provision of low income housing, or that any provision of ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) 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. ↻
- (b) The notice required under this subsection 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 will be remedied.
- (3) Intentionally left blank —Ed.
- (a) 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 that terminate the exemption.
- (b) A copy of the ordinance or resolution required under this subsection shall be filed within 10 days after its adoption 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.

- (4) Upon the county assessor's receipt of the governing body's termination findings:
- (a) The exemption granted the housing unit or portion under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) terminates immediately, without right of notice or appeal;
  - (b) The property shall be assessed and taxed as other property similarly situated is assessed and taxed; **and**
  - (c) Notwithstanding ORS 311.235 (Bona fide purchaser), there shall be added to the general property tax roll for the tax year next following the presentation or discovery, to be collected and distributed in the same manner as other real property tax, an amount equal to the difference between the taxes assessed against the property and the taxes that would have been assessed against the property had it not been exempt under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) for each of the years, not to exceed the last 10 years, during which the property was exempt from taxation under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption).
- (5) Notwithstanding subsection (4) of this section, if at the time of presentation or discovery, the property is no longer exempt, additional taxes may be collected as provided in subsection (4) of this section, except that the number of years for which the additional taxes shall be collected shall be reduced by one year for each year that has elapsed since the year the property was last granted exemption, beginning with the oldest year for which additional taxes are due.
- (6) The assessment and tax rolls shall show potential additional tax liability for each property granted exemption under ORS 307.540 (Definitions for ORS 307.540 to 307.548) to 307.548 (Termination of exemption) because the property is being held for future development of low income housing.
- (7) Additional taxes collected under this section shall be deemed to have been imposed in the year to which the additional taxes relate. [1997 c.752 §14; 2013 c.193 §17]

Note: See first note under 307.540 (Definitions for ORS 307.540 to 307.548).

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*Location:*

[https://oregon.public.law/statutes/ors\\_307.548](https://oregon.public.law/statutes/ors_307.548)

*Original Source: Section 307.548 — Termination of exemption; additional taxes, [https://www.oregonlegislature.gov/bills\\_laws/ors/ors307.html](https://www.oregonlegislature.gov/bills_laws/ors/ors307.html) (last accessed Aug. 25, 2023).*