

APPLICATION FOR (check one):

- CANCELLATION OF ASSESSMENT ON COMMERCIAL FACILITIES UNDER CONSTRUCTION**, as provided by OAR 307.330 and 307.340
- CONSTRUCTION-IN-PROGRESS ENTERPRISE ZONE EXEMPTION**, as provided by ORS 285C.170

Filed with the Oregon Department of Revenue for 20_____.

Filed with the _____ County Assessor for 20_____.

Account # _____

- File application with the county assessor on or before April 1.
- Applications for primary or secondary industrial property (ORS 306.126) may be filed with the Oregon Department of Revenue on or before April 1. (Applications received by the Department of Revenue will be forwarded to the county assessor for processing.)
- This exemption applies only to buildings that are being constructed in furtherance of the production of income. Also applies to any machinery or equipment on the construction site that is or will be installed in or attached to the building.
- See other side for applicable administrative rules and statutes.

ASSESSOR'S USE ONLY			
Received by	Date	Approved by	Date
Assessed Value Cancelled			
Building or addition _____			
Machinery and equipment _____			
Total _____			

Applicant's (building owner's) name	Code	Telephone number ()	
Address	City	State	ZIP code

DESCRIPTION OF PROPERTY

Account number(s)	Map and tax lot number(s)
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You affirm that the facility:

- Is either new or an addition to an existing structure;
- Has been exempt from taxation for no more than the current tax year;
- Is in the process of construction on January 1;
- Is not in use or occupancy on January 1;
- Has not been in use or occupancy at any time prior to such January 1 date;
- Is constructed to produce income;
- Is to be first used or occupied for not less than one year from the time construction begins for nonmanufacturing facilities (excludes manufacturing facilities and authorized enterprise zone business firms); **and**
- Construction is not considered begun until any demolition is completed.

Owner of land (if different from owner of structure)	Telephone number	
Street address	City	State
Address of improvement (street)	City	State
Starting date of construction	Date of demolition, if any, completed at building site	Estimated completion date of construction

Cost of building, structure, or addition \$ _____	Describe use of building, structure, or addition: _____ _____
Primary use of the building, structure, or addition: <input type="checkbox"/> Manufacturing <input type="checkbox"/> Nonmanufacturing	

Attach a list of all machinery and equipment located at the construction site on January 1 of the year noted above, that is or will be installed in or attached to the above-described building, structure, or addition. Use the following format:

Machinery/Equipment Make/Model/Type	Serial Number	Purchase Date	Purchase Price	Date Installed

Was the above-named machinery and equipment included on your personal property return?

- No Yes, the report was made in the name of _____

DECLARATION

I declare under the penalties for false swearing [ORS 305.990(4)] that I have examined this document (including any accompanying statements) and to the best of my knowledge, it is true, correct, and complete.

Signature of owner or officer making application X	Name (please print or type)	Title	Date
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OREGON ADMINISTRATIVE RULES (OAR) AND OREGON REVISED STATUTES (ORS)

OAR 150-307.330, Exemption of Buildings During Construction

(1) Property Subject to Exemption: plain

(a) Building or structure, whether new or existing, includes all real property improvements erected upon the land. Hotels, office buildings, retail stores, and manufacturing plants are typical examples of the type of buildings subject to the exemption. Related improvements such as ramps, loading docks, wharfs, and paved areas used for parking or storage are examples of structures subject to the exemption. Fills, excavations, or grading and leveling associated with preparation of the site for construction are part of the land and are not subject to exemption.

(b) Addition to an existing building or structure, includes any enlargement or modification of such building or structure. An example of enlargement of a building would be the construction of additional stories or the erection of a new wing on a building already standing on the site. Modification of a building occurs when all or part of the existing structure is used in the erection of a new building. For example, the walls of an existing theater building are used in the construction of a retail store. In order to qualify for the exemption, the modification must change the nature of the building or structure. Merely adding a new store front or modernizing an existing building is not enough to qualify for exemption. Installation of additional equipment in a building subsequent to its original construction does not qualify for further exemption. For example, installation of an air-conditioning system or an elevator in an existing building does not qualify the building for exemption.

(c) Machinery or equipment which qualifies for exemption includes all machinery or equipment installed in or affixed to such building, structure or addition, and all personal property that would qualify as real property under OAR 150-307.010(1) when installed or affixed which is actually situated at the place of construction on January 1, of each year in which the exemption is claimed.

Machinery or equipment subject to exemption includes mechanical items associated with the building such as heating equipment, elevators, ventilating systems, and similar equipment normally installed as part of the building construction. Machinery and equipment housed within the building for the purpose of manufacturing, or otherwise processing raw or finished materials, is also subject to exemption.

(2) Conditions of Exemption:

(a) The building, structure or addition must be in the process of construction on January 1, of each year in which the exemption is claimed. Construction is in process once work has begun or the foundation for the building, structure, or addition was partially or wholly laid. Land is not a part of this exemption. Therefore, site preparation is not considered as any part of the process of construction. If the building, structure, or addition has been completed and is ready for use or occupancy on January 1, although not in use, it is taxable. If completed and leased on January 1, but not occupied by the lessee, it is taxable.

(b) The exemption for manufacturing facilities cannot be claimed for more than two years. If claimed for two years, they must be successive. Conditions for exemption must exist on January 1, of each year in which exemption is claimed.

(c) The building, structure or addition must be intended primarily for the furtherance of the production of income.

(d) No exemption may be allowed if use or occupancy is made of the building, structure or addition, or any part thereof, on or before January 1, of any year in which the exemption is claimed. Use or occupancy refers to that commercial use or occupancy for which the building is intended upon completion. For example, the use of a warehouse for storage of materials or the rental of an apartment in a new apartment building will defeat the exemption. Testing of equipment preparatory to operation is allowable during the period of construction. "Testing" can include a limited trial production run as a check of equipment and system performance. "Testing" in the context used does not contemplate the processing in substantial quantity of finished and marketable products that are or can be disposed of through the usual channels of trade.

(e) In the case of nonmanufacturing facilities, an exemption cannot be claimed if the facility is occupied or used within one year from the date the construction began. "Construction" does not include demolition of existing buildings.

(f) All of the conditions listed in this section are mandatory and a failure to meet any one of such conditions results in denial of any exemption.

NOTE: The date change first applies to the 1992-93 tax year.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 307.330

Hist.: 11-59; 11-61; 7-64; 1-66; 12-66; 3-70; 11-71; RD 8-1991, f. 12-30-91, cert. ef. 12-31-91; RD 9-1997, f. & cert. ef. 12-31-97

OAR 150-307.340, Claim for Exemption Under ORS 307.330

Where exemptions are being claimed for two consecutive years, as permitted by ORS 307.330, a separate claim must be timely filed for each year.

Example: On January 1, a building meeting all the requirements for exemption is under construction. Exemption may be claimed by filing documentary proof of exempt status with the assessor on or before April 1. In the event the building is still under construction and eligible for exemption on the following January 1, documentary proof of eligibility must again be filed with the assessor on or before April 1. These same conditions and requirements likewise apply to the nonmanufacturing facilities except that any use or occupancy of the property for which the facility is intended within one year following the construction starting date will nullify the cancellation of assessment.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 307.340

Hist.: 11-59; 7-64; 1-66; 2-68; 3-70; 11-71; RD 8-1991, f. 12-30-91, cert. ef. 12-31-91; RD 9-1997, f. & cert. ef. 12-31-97

ORS 285C.170, Construction-in-process exemption

(1) Property shall be exempt from ad valorem property taxation under this section if:

(a) The property is located in an enterprise zone;

(b) The property is owned or leased by an authorized business firm or the business firm is contractually obligated to own or lease the property upon the property's being placed in service;

(c) The property is or, upon completion of the construction, addition, modification or installation of the property, will be qualified property;

(d) The authorization of the business firm remains active under ORS 285C.140 or 285C.165;

(e) The property has not been subject to exemption under ORS 307.330 at the location;

(f) The property is not and will not be centrally assessed under ORS 308.505 to 308.665;

(g) The property is not to be operated as all or a part of a hotel, motel or destination resort; and

(h) There is no known reason to conclude that the property or the firm will not satisfy any applicable requirements for the property to be exempt under ORS 285C.175 upon being placed in service.

(2) Property may be exempt under this section for no more than two tax years, which must be consecutive.

(3) In determining whether property is exempt under this section, the county assessor:

(a) Shall adhere to the same procedures as apply under ORS 285C.175 (6) and (7); and

(b) May require the submission of additional evidence by the authorized business firm or zone sponsor showing that the property qualifies for exemption under this section. If required, the additional evidence must be submitted on or before April 1 of the assessment year.

(4) The exemption under this section does not depend on the property or the authorized business firm receiving the exemption under ORS 285C.175 or satisfying requirements applicable to the exemption under ORS 285C.175.

(5) A year in which property is exempt under this section shall be considered a year in which the property is exempt under ORS 307.330 for purposes of determining the maximum number of years for which the property may be exempt under this section or ORS 307.330. [2003 c.662 §34b]