

IN THE OREGON TAX COURT
MAGISTRATE DIVISION
Property Tax

CITY COUNTY INSURANCE SERVICES)
(CCIS),)
)
Plaintiff,) TC-MD 050660D
)
v.)
)
WASHINGTON COUNTY ASSESSOR,)
)
Defendant.) **DECISION**

Plaintiff appeals Defendant’s denial of its application for property tax exemption for the 2004-05 tax year. The issue is before the court on cross motions for summary judgment. The parties waived oral argument.

I. STATEMENT OF FACTS

Plaintiff filed an application on November 19, 2005, seeking a property tax exemption for the subject property referred to as Hampton Street Building Condominium, which is located in Washington County. At the time Plaintiff filed its application, it was leasing the subject property from Special Districts Association of Oregon. (Ptf’s Ex 3 at 4.) The application form filed by Plaintiff was identified as, “For Property Leased by an Exempt Body to Another Exempt Body[.] As provided by Oregon Revised Statute 307.166.” (*Id.*)

In a letter dated December 2, 2004, addressed to Washington County, Plaintiff wrote that Special Districts Association of Oregon filed an application for exemption “of the entire building.” (Ptf’s Ex 3 at 1.) Further, the letter stated that Special Districts Association of Oregon “was required to pay the 2004-2005 taxes in full to record the condominium documents.” (*Id.*)

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Defendant denied Plaintiff's request for a property tax exemption on March 14, 2005, finding that Plaintiff was "not a public corporation." (Ptf's Ex 2 at 2.)

II. ANALYSIS

Plaintiff appeals the denial of its application for exemption from property taxation. The application was filed pursuant to ORS 307.166(1)¹ which states in pertinent part:

"If property is owned or being purchased by an institution, organization or public body, and if the institution, organization or public body is one granted exemption or the right to claim exemption for any of its property under a provision of law contained in this chapter, and such institution, organization or public body leases or otherwise grants the use and possession of such property to another institution, organization or public body likewise granted exemption or the right to claim exemption for any of its property under a provision of law contained in this chapter, such property is exempt from taxation if used by the lessee or possessor in the manner, if any, required by law for the exemption of property owned or being purchased by the lessee or possessor and the rent payable under the lease or other grant of use and possession of the property has been established to reflect the savings below market rent resulting from the exemption from taxation."

ORS 307.166 provides that if property owned by an exempt public body is leased to another exempt public body, "it will remain exempt if used for exempt purposes (and other requirements are met)." *Oregon Coast Aquarium v. Dept. of Rev.*, 14 OTR 252, 254 (1997). "ORS 307.166 requires the lessor or owner of the property to be an exempt organization entitled to property tax exemption." *Mercy Health Promotion v. Dept. of Rev.*, 11 OTR 207, 211 (1989).

The owner of the subject property, Special Districts Association of Oregon, filed its application for exemption for tax year 2004-05 on November 19, 2004. (Ptf's Ex 3 at 4.) Defendant denied the exemption. Special Districts Association of Oregon's appeal of Defendant's denial is pending in this court. See *Special Districts Association of Oregon (SDAO) v. Washington County Assessor*, TC-MD 050661D. In that case, the court concluded that Special

¹ All references to the Oregon Revised Statutes (ORS) are to year 2003.

Districts Association of Oregon is not exempt. Because the lessor/owner of the property leased by Plaintiff is not exempt, the statutory requirements of ORS 307.166(1) are not met.

The parties' arguments in support of their motions for summary judgment focused on whether Plaintiff is exempt under ORS 307.090(1) because it is a public or municipal corporation. The court need not address that issue because it has already concluded that Plaintiff's application for exemption filed pursuant to ORS 307.166(1) must be denied.

III. CONCLUSION

Having failed to meet the statutory requirements of ORS 307.166(1), Plaintiff is not entitled to the property tax exemption it is seeking for tax year 2004-05. Now, therefore,

IT IS THE DECISION OF THIS COURT that Plaintiff's appeal is denied.

Dated this _____ day of January 2006.

JILL TANNER
PRESIDING MAGISTRATE

If you want to appeal this Decision, file a Complaint in the Regular Division of the Oregon Tax Court, by mailing to: 1163 State Street, Salem, OR 97301-2563; or by hand delivery to: Fourth Floor, 1241 State Street, Salem, OR.

Your Complaint must be submitted within 60 days after the date of the Decision or this Decision becomes final and cannot be changed.

This document was signed by Presiding Magistrate Jill A. Tanner on January 11, 2006. The Court filed this document on January 11, 2006.