

76TH OREGON LEGISLATIVE ASSEMBLY  
STAFF MEASURE SUMMARY  
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 322 A  
CARRIER:

REVENUE: Revenue Impact Issued  
FISCAL: Minimal Fiscal Impact

MEASURE: SB 322-A  
EXHIBIT: A  
HOUSE REVENUE COMMITTEE  
DATE: 5/15/2011 PAGES: 1  
SUBMITTED BY: CHRISTINE  
BRONIAK

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Christine Broniak, Economist  
Meeting Dates: 2/23, 3/28, 5/11, 5/17

**WHAT THE BILL DOES:** Extends the multiple unit housing tax exemption to the value of any design or public benefit elements required by the city or county as part of multiple-unit housing construction. Modifies the description of design elements benefiting the general public that must be present as required by the county or city in order for a newly constructed or converted structure to be considered multiple-unit housing. Adds commercial uses of multiple-unit housing to the list of publicly beneficial design elements that may be required by the city or county to receive the tax exemption. Extends the sunset for the multiple-unit exemption from January 1, 2012 to January 1, 2022. Changes wording to eliminate the word shall and replace with the word may in many cases. Adds the explicit provision that commercial property may receive the property tax exemption.

**ISSUES DISCUSSED:**

- Extension of the sunset as it relates to investors in multiple family housing
- Evidence of the exemption affecting the choice of investors to develop this type of housing
- Review of eligibility
- Effects of collapse of housing market on availability of affordable housing

**EFFECT OF COMMITTEE AMENDMENTS:**

**BACKGROUND:** Currently, taxpayers who own multiple-unit housing receive an exemption. The exemption only applies to the structure used for multiple-unit housing as well as any associated parking, but not the land or improvements to the property not used as multiple-unit housing. Under current statute, commercially used portions of multiple-unit housing structures are not eligible for the tax exemption unless they are part of property with an exemption approved before August 26, 2009. Commercial portions of these properties were granted this exemption in SB 1015 in the 2010 Legislative Session. This measure would give counties or cities the option to permanently include tax exemptions for publicly beneficial design elements including commercial uses.

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