

**76TH OREGON LEGISLATIVE ASSEMBLY
2012 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: HB 4041 - B
CARRIER: Sen. Morse**

REVENUE: Revenue Impact Statement Issued

FISCAL: No Fiscal Impact

Action: Do Pass with Amendments to the A-Eng. Bill, and be printed B Engrossed.

Vote: 4-0-0

Yeas: Hass, Morse, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Christine Broniak, Economist

Meeting Dates: 2/22

WHAT THE BILL DOES: Exempts from taxation property owned exclusively by eligible Indian tribe or by entity wholly owned by eligible Indian tribe if property is used exclusively for certain government services. Allows an exemption from property taxation property that is leased or rented to low income persons by a partnership, nonprofit corporation, or limited liability company of which an eligible Indian tribe is a general partner, limited partner, director, member, manager, or general manager. Allows the exemption for property that is used as an affordable housing activity under 25 USC 4132. Requires properties receiving this exemption satisfy various requirements. Allows the low income housing that receives an exemption to generate an income. Requires taxpayers to file a claim for exemption including information about the property.

ISSUES DISCUSSED:

- Low Income housing arrangements, provision that these projects may generate income
- Timeline for the 5-year sunset on any new projects

EFFECT OF COMMITTEE AMENDMENTS: Adds reporting requirements for new tax exemptions for low-income rental housing. Requires that all agreements necessary for the construction and operation of the property as low income housing are executed before July 1, 2017 in order for property to be eligible for the tax exemption.

BACKGROUND: Properties which provide tribal government services on Indian Reservations and Trust lands are already exempt from taxation. Occasionally, properties that provide these services will be off the reservation or trust lands and become taxable. This measure would extend property tax exemptions to buildings providing tribal government services.

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