

**78TH OREGON LEGISLATIVE ASSEMBLY
2014 REGULAR SESSION
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

MEASURE: HB 4039 - 1
CARRIER:

REVENUE: Revenue impact statement issued.

FISCAL: Fiscal impact statement issued.

Action:

Vote:

Yeas:

Nays:

Exc.:

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Meeting Dates: 2/5, 2/11

WHAT THE BILL DOES: Provides property tax exemption for property of a nonprofit corporation that was actually offered, occupied or used as low income housing and granted exemption by the county as of the property tax year beginning July 1, 2012. Applies to property tax years beginning on or after July 1, 2012. Provides for refunds without interest of property tax from the 2012-13 and 2013-14 tax years and waives taxes that have not been paid without charging interest. Requires a \$200 filing fee to claim tax refund for these two years. Provides for disqualification from the exemption if the property changes ownership to an entity other than a nonprofit corporation, is no longer used for low income housing, or is leased for another use than low-income housing.

ISSUES DISCUSSED:

- The exemption as received by nonprofit organizations
- The possibility of substituting other exemptions for nonprofits providing housing for the charitable, literary, and scientific organization exemption

EFFECT OF COMMITTEE AMENDMENTS: Allows the sale of the property to a nonprofit corporation under whose ownership the property continues to be offered, occupied, or used as low-income housing. Adds a sunset of this exemption of July 1, 2018.

BACKGROUND: The property tax expenditure authorized under ORS 307.130 is for a broader group of scientific, literary, and charitable organizations. Historically, nonprofit corporations that provide low income housing have been granted a property tax exemption under 307.130. The result of a recent case in tax court in which the provision of low income housing was excluded from the exemption because it was occupied by low-income tenants and not a nonprofit entity. The case is on appeal to the Supreme Court. This measure would allow the nonprofit entities to receive the exemption regardless of the outcome in court.

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