

From the Desk of
Representative Vicki Berger



Catholic Community Services

A Forever Home for Everyone



MULTIFAMILY NW
The Association Promoting Quality Rental Housing

Oregon Nonprofit Housing Providers Support HB 4039

House Bill 4039 provides certainty to nonprofit providers of low-income housing while they await the outcome of a court case concerning property tax exemptions.

In 2013, the Oregon Tax Court issued an opinion that raised questions as to whether nonprofit providers of low-income housing could qualify for property tax exemptions under ORS 370.130. The statute, which governs exemptions for a wide variety of charitable and nonprofit entities, requires a nonprofit to have exclusive use and occupancy of a facility in order to qualify for a property tax exemption. In its opinion, the court noted that lease agreements between the nonprofit and the tenants in the low-income housing units give use and occupancy rights to the tenant. Thus, the nonprofit no longer has exclusive use and occupancy, and the property may be subject to taxation.

Many Oregon nonprofit low-income housing providers relied upon the exemptions contained in ORS 307.130. If the Supreme Court, which now has review of the case, agrees with the Tax Court, those providers may face property tax bills for the first time. Nonprofit providers of low-income housing have built financing and operating agreements based upon the approved property tax exemptions. The dissolution of those exemptions would create severe hardship for nonprofits and put at risk the critical affordable housing capacity they provide in the community.

HB 4039 ensures that those nonprofits that had an exemption under 307.130 as of the 2012 tax year may keep that exemption – regardless of what the Supreme Court decides – until July 1, 2018. The bill enables the court case to move forward, the Supreme Court to issue a ruling and, most importantly, time for the stakeholders to work together to find a solution to this problem.

Please support passage of HB 4039.