

PRELIMINARY STAFF MEASURE SUMMARY

House Committee On Revenue

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: May have revenue impact, but no statement yet issued

Action Date:

Action:

Meeting Dates: 03/18

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WHAT THE MEASURE DOES:

Exempts from property taxation land acquired and held by a nonprofit corporation for the purpose of building on the land residences to be sold to individuals with income not greater than 80 percent of area median income as adjusted for family size. Modifies existing statute for organizational purposes. Takes effect beginning on or after July 1, 2015.

ISSUES DISCUSSED:

- Much of bolded language in bill reflects movement of definitions included in current statutes
- Sideboards on who is a nonprofit and type(s) of land able to be held
- Standard time proponent of bill holds land
- Overview of financing plan for proponent of bill
- Current law, and change in application of current law over time and by county jurisdiction.

EFFECT OF COMMITTEE AMENDMENT:

-1 Replaces content of bill

Exempts from property taxation land acquired and held by a nonprofit corporation for the purpose of building on the land residences to be sold to individuals with income not greater than 80 percent of area median income as adjusted for family size. Requires nonprofit corporation, within 10 years immediately preceding filing of claim for exemption, to have sold at least one residence to individuals with income not greater than 80 percent of area median income as adjusted for family size. Requires exemption to end at time of title transfer. Absent title transfer, exemption required to end after seven consecutive years with option for three year extension if claim is filed and filing fee paid. Requires additional taxes and penalties imposed upon nonprofit, if nonprofit corporation has not transferred title to the residences on the land by end of seven or ten year exemption period. Applies to property tax years beginning on or after July 1, 2015.

BACKGROUND:

Property owned or under contract of sale by literary, benevolent, and charitable organizations or scientific institutions is exempt from property taxation under ORS 307.130. The measure would add new language to ORS 307.130 thereby expanding the scope of the currently available property tax exemption.