

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
78th Oregon Legislative Assembly
2016 Regular Session
Legislative Revenue Office

Bill Number: SB 1533 - A6
Revenue Area: Const. / Prop Taxes
Economist: Kyle Easton
Date: 2/23/2016

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Allows city or county to adopt land use regulation or functional plan provision, or impose as a condition of approving permit, requirements that effectively establish sales or rental price for multifamily structure or require multifamily structure to be designated for sale or rent as affordable housing. Requires city or county to provide developers the option to pay an in-lieu fee in amount determined by city or county. Requires city or county to offer developers that do not elect to pay in-lieu fee one or more of specified incentives. Requires adopted incentives, to be related in a manner determined by city or county, to the required percentage of affordable housing units.

Allows city or county to impose a construction tax that conforms to requirements provided in amendment. Specifies distributions of construction tax receipts. Prohibits local government or local service district, or a special government body from imposing construction tax with exception for city, county or school district. Allows existing construction taxes to continue being imposed under specified limitations.

Revenue Impact (in \$Millions):

Measure as amended provides permissive authority to city and county governments but does not require adoption of measure content and as such, no direct impact upon revenue exists.

Impact Explanation:

Measure as amended includes provisions for allowing as incentives to housing developers, existing property tax full/partial exemptions. Measure specifies instances where qualification criteria is expanded from 60 percent of the area median income to 80 percent.

Measure as amended provides authority for cities and counties to impose construction taxes upon improvements to residential, commercial and industrial property. Measure limits ability of local districts other than cities, counties or school districts from imposing a construction tax. Measure does not affect existing construction taxes being levied.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is to align qualification for property tax exemptions, to be used as developer incentives, with the definition of affordable housing contained in measure.