

## **HB 2377 -3 STAFF MEASURE SUMMARY**

### **House Committee On Human Services and Housing**

---

**Prepared By:** Cassandra Soucy, LPRO Analyst  
**Sub-Referral To:** House Committee On Revenue  
**Meeting Dates:** 4/6, 4/18

---

#### **WHAT THE MEASURE DOES:**

Allows cities and counties to create a property tax exemption for rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households. Limits tax exemptions to \$10 million annually. Provides framework for cities and counties to grant property tax exemptions.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-3 Replaces the measure. Permits city or county governments to adopt an ordinance or resolution granting a property tax exemption for newly rehabilitated or constructed multiunit rental housing. Property tax exemption may only be granted if a schedule in which consecutive property tax years the exemption granted increases directly with the percentage of affordable units provided, and a definition of "area median income" is adopted. Specifies application details. Authorizes county assessors to rescind property tax exemption upon the determination that property no longer meets requirements. Sunsets property tax exemption on January 2, 2027. Takes effect on the 91st day following sine die.

##### **BACKGROUND:**

Property tax abatement measures are used as a tool to encourage capital investments. Under current Oregon law, a multi-unit property tax exemption measure exists for multi-unit rental housing within urban areas or for low-income multi-unit housing.

House Bill 2377 would allow counties and cities to expand the property tax exemption for workforce multi-unit housing and allow the builder of multi-unit housing to negotiate with local jurisdiction to have the taxes associated with the reassessed value of the multi-unit housing be abated for a period not to exceed ten years. Builder of single family home, who builds home within the eligible parameters as outlined in the bill, would be eligible for a tax credit if they sell the home at a value that is not based on assessed/market value, but that of area median income. Tax credits are capped at \$10 million annually. Seller must sell house within formula of area median income. Buyer must qualify through meeting requirements tied to area median income. If buyer sells, must sell to eligible buyer.