

HB 2377 B -B6 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Kyle Easton, Economist

Meeting Dates: 6/27

WHAT THE MEASURE DOES:

Authorizes city or county to adopt an ordinance or resolution granting property tax exemption to newly rehabilitated or constructed qualified multiunit rental housing. Allows property tax exemption for up to ten consecutive years. Requires city or county to establish a schedule in which the number of years for which exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 80 percent of the area median income and at monthly rates that are affordable to such households. Requires definition of area median income to be adjusted for the size of a household. Limits exemption eligibility for property that has been rehabilitated to first instance of rehabilitation.

For ordinance or resolution to take effect, requires the rates of taxation of the taxing districts whose governing bodies agree to grant the exemption, when combined with the rate of taxation of the city or county, to equal 51 percent or more of the total combined rate of taxation on the eligible rental property. Places administrative requirements and oversight of exemption program with city or county that adopted ordinance. Requires owner or lessee of eligible rental property to submit annual application to city/county. Requires repayment of tax if county assessor determines that the eligible property does not meet the requirements of the ordinance or resolution. Sunsets initial year exemption qualification on January 2, 2027.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-B6 Increases from 80 percent to 120 percent, annual area median income threshold used to determine eligibility and amount of property tax exemption.

BACKGROUND:

While not specifically referenced in the measure, ORS 308.701 defines "Multiunit rental housing" as:

- (a) Means residential property consisting of four or more dwelling units; and
- (b) Does not include assisted living facilities.