

**FISCAL IMPACT OF PROPOSED LEGISLATION**

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

**Measure: HB 2377 - B**

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

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Date: 6/13/2017

**Measure Description:**

Authorizes city or county to adopt ordinance or resolution granting exemption for newly rehabilitated or constructed multiunit rental housing.

**Government Unit(s) Affected:**

Cities, Counties, Department of Revenue(DOR)

**Analysis:**

The bill creates a new property tax exemption for multi-unit housing that has been newly constructed or rehabilitated and that is rented at affordable rates to households with an annual income at or below 80 percent of the area median income. Cities or counties must initially opt into the exemption and also obtain approval of other taxing districts that combine with the city or county’s taxes to make up at least 51% of the overall tax rate authority on the property. Application forms and procedures for city/county approval and rejection of applications, and the receiving and approving or denying of such applications is the responsibility of the initiating city or county, but they may charge a filing fee. The exemption duration may be up to 10 years, with fewer years dependent on the percentage of units rented at affordable rates in relation to area median income.

Cities and Counties

The fees authorized by this bill could cover the administrative costs incurred by cities or counties and assessors offering this exemption. However, offering this property tax exemption may have a fiscal impact on the city or county, as well as on other entities funded through ad valorem property taxes in the jurisdiction.

Department of Revenue

There is no fiscal impact to the Department of Revenue.