

HOUSE AMENDMENTS TO HOUSE BILL 2377

By COMMITTEE ON HUMAN SERVICES AND HOUSING

April 25

1 On page 1 of the printed bill, delete lines 4 through 22 and delete pages 2 through 6 and insert:

2 **“SECTION 1. (1) As used in sections 1 to 3 of this 2017 Act, ‘eligible rental property’**
3 **means newly rehabilitated or constructed multiunit rental housing.**

4 **“(2)(a) The governing body of a city or county may adopt an ordinance or resolution**
5 **granting a property tax exemption for eligible rental property located within the boundaries**
6 **of the city or county, respectively.**

7 **“(b) The terms of the exemption must conform to the provisions of sections 1 to 3 of this**
8 **2017 Act.**

9 **“(3) The exemption may be granted to eligible rental property only if:**

10 **“(a) The rehabilitation or construction is completed after the ordinance or resolution has**
11 **been adopted; and**

12 **“(b) The first assessment year to which the application filed under section 2 of this 2017**
13 **Act relates is the first assessment year that begins after the eligible rental property is first**
14 **offered for rent for residential occupancy upon completion of the rehabilitation or con-**
15 **struction.**

16 **“(4) An ordinance or resolution adopted pursuant to this section must:**

17 **“(a) Establish a schedule in which the number of consecutive property tax years for**
18 **which the exemption is granted increases directly with the percentage of units constituting**
19 **the eligible rental property that are rented at monthly rates that are affordable to house-**
20 **holds with an annual income at or below 80 percent of the area median income for up to a**
21 **maximum of 10 years; and**

22 **“(b) Adopt a definition of ‘area median income’ for purposes of sections 1 to 3 of this 2017**
23 **Act and notify the county assessor of the definition.**

24 **“(5)(a) An ordinance or resolution adopted pursuant to this section may not take effect**
25 **unless, upon request of the city or county that adopted the ordinance or resolution, the rates**
26 **of taxation of the taxing districts whose governing bodies agree to grant the exemption,**
27 **when combined with the rate of taxation of the city or county, equal 51 percent or more of**
28 **the total combined rate of taxation on the eligible rental property.**

29 **“(b) If the ordinance or resolution takes effect, the exemption shall apply to all property**
30 **tax levies of all taxing districts in which eligible rental property is located.**

31 **“(c) The decisions of the taxing districts under paragraph (a) of this subsection may not**
32 **be changed but are not binding with respect to an ordinance or resolution adopted pursuant**
33 **to subsection (6) of this section or a new ordinance or resolution adopted pursuant to sub-**
34 **section (2) of this section.**

35 **“(d) All eligible rental property shall be granted exemption under this section on the**

1 same terms provided in the ordinance or resolution adopted or amended by the city or county
2 and in effect on the date the application is submitted under section 2 of this 2017 Act.

3 “(6)(a) A city or county may adopt at any time an ordinance or resolution amending the
4 terms of an exemption granted pursuant to this section, subject to approval of the taxing
5 districts under subsection (5)(a) of this section, or terminating the exemption.

6 “(b) Notwithstanding an ordinance or resolution adopted under paragraph (a) of this
7 subsection, eligible rental property that has been granted an exemption pursuant to this
8 section shall continue to receive the exemption under the terms in effect at the time the
9 exemption was first granted.

10 “(7) As soon as practicable after January 1 of each year, the governing body of a city or
11 county that has adopted an ordinance or resolution under this section shall:

12 “(a) Determine the area median income as defined by the city or county;

13 “(b) Notify each owner or lessee of eligible rental property granted exemption pursuant
14 to the ordinance or resolution for the immediately preceding property tax year of the de-
15 termination; and

16 “(c) Publish the determination on the website of the city or county, respectively.

17 “SECTION 2. (1)(a) The governing body of a city or county that adopts an ordinance or
18 resolution pursuant to section 1 of this 2017 Act shall prescribe exemption application forms
19 and the information required to be included in an application.

20 “(b) If eligible rental property is located in a city and county each of which has adopted
21 an ordinance or resolution under section 1 of this 2017 Act, the applicant shall elect the ex-
22 emption the applicant wishes to receive for the eligible rental property by submitting the
23 application to the city or the county, as applicable.

24 “(c) The applicant must be the owner or lessee of the eligible rental property to which
25 the application relates.

26 “(d) An application must be accompanied by an application fee fixed by the city or county,
27 as applicable, in an amount determined to compensate the city or county for the actual costs
28 of processing the application.

29 “(2)(a) An application must be submitted for review to the city or county, as applicable,
30 on or before March 1 preceding the property tax year to which the application relates.

31 “(b) Notwithstanding paragraph (a) of this subsection, an application may be filed under
32 this section for the current property tax year:

33 “(A) On or before December 31 of the property tax year, if the application is accompanied
34 by a late filing fee of the greater of \$200 or one-tenth of one percent of the real market value
35 as of the most recent assessment date of the eligible rental property to which the application
36 relates.

37 “(B) On or before April 1 of the property tax year, if the application is accompanied by
38 a late filing fee of \$200 and the applicant demonstrates good and sufficient cause, as defined
39 in ORS 307.162, for failing to file a timely application or is a first-time filer, as defined in ORS
40 307.162, of an application under this subsection.

41 “(c)(A) An application may be filed as provided in paragraph (b) of this subsection
42 notwithstanding that there are no grounds for hardship as required for late filing under ORS
43 307.475.

44 “(B) A late filing fee collected under paragraph (b) of this subsection must be deposited
45 in the general fund of the city or county, as applicable.

1 “(3)(a) Upon receipt of an initial application submitted pursuant to subsection (2) of this
2 section, the city or county, as applicable, shall determine as soon as practicable:

3 “(A) Whether the property to which the application relates is eligible rental property lo-
4 cated within the boundaries of the city or county;

5 “(B) The date on which the rehabilitation or construction of the eligible rental property
6 was or will be completed;

7 “(C) The date on which the eligible rental property was first offered for rent for resi-
8 dential occupancy; and

9 “(D) The rent charged for each unit to which the application relates and whether the rent
10 meets the requirements of the schedule established under section 1 (4) of this 2017 Act.

11 “(b) If any eligibility determination made under this subsection renders the property in-
12 eligible for the exemption, the application shall be rejected and the rejection may not be ap-
13 pealed.

14 “(4)(a) The owner or lessee of eligible rental property granted exemption for the current
15 property tax year must submit an application under subsection (2) of this section for each
16 subsequent property tax year for which the eligible rental property remains eligible under
17 section 1 (4) of this 2017 Act.

18 “(b) If any eligibility determination made under this subsection renders the eligible rental
19 property ineligible for the exemption, the application shall be rejected.

20 “(5) If the property qualifies for the exemption under subsection (3) or (4) of this section
21 and the application meets the requirements of the ordinance or resolution of the city or
22 county, the governing body shall, on or before April 1, adopt a resolution:

23 “(a) Approving the application; and

24 “(b) Notifying the assessor of the county in which the eligible rental property is located
25 of the approval and including with the notification all information necessary for the assessor
26 to perform the assessor’s duties with respect to the eligible rental property.

27 “SECTION 3. (1) If, after an exemption is granted pursuant to an ordinance or resolution
28 adopted under section 1 of this 2017 Act, the county assessor determines that the eligible
29 rental property does not meet the requirements of the ordinance or resolution or section 1
30 of this 2017 Act:

31 “(a) The exemption shall be terminated immediately, without right of notice or appeal;

32 “(b) The eligible rental property shall be assessed and taxed as other property similarly
33 situated is assessed and taxed; and

34 “(c) Notwithstanding ORS 311.235, there shall be added to the general property tax roll
35 for the tax year next following the determination, to be collected and distributed in the same
36 manner as other real property tax, an amount equal to the amount of tax that would have
37 been due on the property had it not been exempt for each of the years during which the
38 property was exempt, not to exceed 10 tax years.

39 “(2) The assessment and tax rolls shall show ‘potential additional tax liability’ for each
40 eligible rental property granted exemption pursuant to section 1 of this 2017 Act.

41 “(3) Additional taxes collected under this section shall be deemed to have been imposed
42 in the year to which the additional taxes relate.

43 “SECTION 4. (1) Sections 1 to 3 of this 2017 Act are repealed on January 2, 2027.

44 “(2) Notwithstanding the date specified in subsection (1) of this section, eligible rental
45 property that is granted exemption under an ordinance or resolution adopted pursuant to

1 section 1 of this 2017 Act before the date specified in subsection (1) of this section shall
2 continue to receive the exemption under the provisions of the ordinance or resolution for the
3 period of time for which the exemption was granted.

4 SECTION 5. This 2017 Act takes effect on the 91st day after the date on which the 2017
5 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.”

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