

Senate Bill 827

Sponsored by Senator DEMBROW, Representative SMITH WARNER, Senator THOMSEN; Senator MONROE, Representatives MEEK, REARDON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Extends ad valorem property tax exemption to existing qualified dwelling units of single-unit housing purchased by taxpayers seeking exemption.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property tax exemption for low-income single-unit housing; creating new provisions;
3 amending ORS 307.651, 307.654, 307.671 and 307.677; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 307.651 is amended to read:

6 307.651. As used in ORS 307.651 to 307.687, unless the context requires otherwise:

7 (1) "Governing body" means the city legislative body having jurisdiction over the property for
8 which an exemption may be applied for under ORS 307.651 to 307.687.

9 (2) "Qualified dwelling unit" means a dwelling unit that, *[upon completion]* **at the time an ap-**
10 **plication is filed pursuant to ORS 307.667**, has a market value *[(land and improvements)]* **for the**
11 **land and improvements** of no more than 120 percent, or a lesser percentage as adopted by the
12 governing body by resolution, of the median sales price of dwelling units located within the city.

13 (3) "Single-unit housing" means a *[newly constructed]* structure having one or more dwelling
14 units that:

15 (a) Is, or will be, *[at the time that construction is completed]* **upon purchase, rehabilitation or**
16 **completion of construction**, in conformance with all local plans and planning regulations, includ-
17 ing special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197 and
18 227.

19 (b) *[Is constructed on or after January 1, 1990, and]* **If newly constructed**, is completed within
20 two years after application for exemption is approved under ORS 307.674 or before January 1, 2025,
21 whichever is earlier.

22 (c) *[Upon completion,]* Is designed for each dwelling unit within the structure to be purchased
23 by and lived in by one person or one family.

24 (d) *[Upon completion,]* Has one or more qualified dwelling units within the single-unit housing.

25 (e) Is not a floating home, as defined in ORS 830.700, or a manufactured structure, as defined
26 in ORS 446.561, other than a manufactured home described in ORS 197.307 (8)(a) to (f).

27 (4) "Structure" does not include the land or any site development **made** to the land, as those
28 terms are defined in ORS 307.010.

29 **SECTION 2.** ORS 307.654 is amended to read:

30 307.654. (1) The Legislative Assembly finds it to be in the public interest to encourage

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 homeownership among low and moderate income families.

2 (2) The Legislative Assembly further finds and declares that the cities of this state should be
3 able to establish and design programs to stimulate the **purchase, rehabilitation and** construction
4 of [*new*] single-unit housing for homeownership by low and moderate income families by means of a
5 limited property tax exemption, as provided under ORS 307.651 to 307.687.

6 **SECTION 3.** ORS 307.671 is amended to read:

7 307.671. The city may approve an application made under ORS 307.667 if it finds that:

8 (1) **For a property that is an existing qualified dwelling unit, the qualified dwelling unit**
9 **constitutes single-unit housing; or**

10 (2) [*The proposed construction*] **For a property that is a newly constructed qualified dwelling**
11 **unit:**

12 (a) **The proposed qualified dwelling unit** will constitute single-unit housing[.];

13 [(2)] (b) The owner has agreed to include the design elements adopted under ORS 307.657 (3) in
14 the construction[.]; **and**

15 [(3)] (c) The construction will result in public benefits beyond the period of exemption.

16 **SECTION 4.** ORS 307.677 is amended to read:

17 307.677. Notwithstanding [*any provision of*] ORS 307.651 to 307.687:

18 (1) If the city finds that construction of [*the*] single-unit housing was not completed by a date
19 that is 12 months after the date on which applications may no longer be approved under ORS
20 307.674, and further finds that the failure to complete construction was due to circumstances beyond
21 the control of the owner, and that the owner had been acting and could reasonably be expected to
22 act in good faith and with due diligence, the city may extend the deadline for completion of con-
23 struction for a period not to exceed an additional 12 consecutive months.

24 (2) If property granted exemption under ORS 307.651 to 307.687 is destroyed by fire or act of
25 God, or is otherwise no longer capable of occupancy due to circumstances beyond the control of the
26 owner, the exemption shall cease but no additional taxes or penalty shall be imposed under ORS
27 307.651 to 307.687 upon the property.

28 **SECTION 5. The amendments to ORS 307.651, 307.654, 307.671 and 307.677 by sections 1**
29 **to 4 of this 2017 Act apply to qualified dwelling units of single-unit housing purchased or re-**
30 **habilitated on or after the effective date of this 2017 Act in a city that, on or after the ef-**
31 **fective date of this 2017 Act, adopts a resolution or ordinance pursuant to ORS 307.657 or**
32 **amends a resolution or ordinance previously adopted pursuant to ORS 307.657 to incorporate**
33 **the amendments to ORS 307.651, 307.654, 307.671 and 307.677 by sections 1 to 4 of this 2017**
34 **Act.**

35 **SECTION 6. This 2017 Act takes effect on the 91st day after the date on which the 2017**
36 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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