

House Bill 2150

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Revenue)

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**.

Provides that land that would otherwise be eligible for exemption as land held by nonprofit corporation for building residences for low income individuals, but for failing to meet certain conditions related to amount and type of housing, type of transfer, income status of purchasers and corporation's history of such sales, is not eligible for exemption for property of benevolent and charitable institutions.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to property taxation; amending ORS 307.513; and prescribing an effective date.

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

4 **SECTION 1.** ORS 307.513 is amended to read:

5 307.513. (1)(a) Upon compliance with ORS 307.162, land acquired and held by a nonprofit corpo-
6 ration as defined in ORS 307.130 for the purpose of building on the land one or more residences to
7 be sold to individuals whose income is not greater than 80 percent of area median income, adjusted
8 for family size, as determined by the Housing and Community Services Department, shall be exempt
9 from property taxation.

10 (b) Notwithstanding paragraph (a) of this subsection, a nonprofit corporation may not claim an
11 exemption for land under this section unless, within the 10 years immediately preceding the filing
12 of a claim pursuant to this section, the nonprofit corporation has sold at least one residence to in-
13 dividuals described in paragraph (a) of this subsection.

14 (2)(a) The exemption shall be granted to land beginning with the first property tax year for
15 which the nonprofit corporation files a claim for the land under ORS 307.162 and ending on or at
16 the earlier of:

17 (A) The date on which the nonprofit corporation has transferred title to the residences on the
18 land; or

19 (B) The end of the seventh consecutive property tax year for which the land is granted an ex-
20 emption under this section or, if the nonprofit corporation has claimed an extension under paragraph
21 (b) of this subsection, the end of the 10th consecutive property tax year for which the land is
22 granted an exemption under this section.

23 (b)(A) If, before the end of the sixth consecutive property tax year for which the land is granted
24 an exemption, the nonprofit corporation believes that title to the residences on the land will not be
25 transferred by the end of the next following property tax year, the nonprofit corporation may claim
26 a three-year extension of the exemption period by filing a notice of extension with the county
27 assessor.

28 (B) The extension becomes effective if the notice of extension is filed on or before April 1 pre-

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 ceding the first property tax year for which the extension is claimed and is accompanied by a filing
 2 fee equal to the greater of \$200 or one-tenth of one percent of the real market value of the land as
 3 of the most recent assessment date.

4 (3)(a) For each property tax year that land is exempt under this section, the county assessor
 5 shall indicate on the assessment and tax roll that the land is exempt from property taxation under
 6 this section and is subject to potential additional taxes.

7 (b) If the nonprofit corporation has not transferred title to the residences on the land by the end
 8 of the seventh consecutive property tax year for which the land is granted an exemption under this
 9 section, or, if the nonprofit corporation has claimed an extension under subsection (2)(b) of this
 10 section, by the end of the 10th consecutive property tax year, the land shall be disqualified for the
 11 exemption. Additional taxes shall be imposed on the land on the next assessment and tax roll fol-
 12 lowing the disqualification and shall be collected and distributed in the same manner as other ad
 13 valorem property taxes.

14 (c) The additional taxes shall be imposed in an amount equal to the property taxes that were
 15 not imposed on the land because of the exemption, plus interest computed at the rate provided under
 16 ORS 311.505 [(2)].

17 (d) The additional taxes described in this subsection shall be deemed assessed and imposed in
 18 the year to which the additional taxes relate.

19 (e) The amount determined to be due under this subsection may be paid to the tax collector
 20 prior to the time of the next general property tax roll, pursuant to the provisions of ORS 311.370.

21 (4) An exemption for land under this section does not preempt a county from granting other tax
 22 benefits to the land or the nonprofit corporation for any year.

23 **(5) Land that would otherwise be eligible for exemption under this section but for failing**
 24 **to meet the conditions set forth in subsection (1) of this section is not eligible for exemption**
 25 **under ORS 307.130.**

26 **SECTION 2. This 2019 Act takes effect on the 91st day after the date on which the 2019**
 27 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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