

House Bill 2663

Sponsored by Representative KENY-GUYER; Representatives NOSSE, SANCHEZ, Senators DEMBROW, FAGAN
(Presession filed.)

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**.

Requires Department of Consumer and Business Services to review state building code for purpose of identifying provisions that unnecessarily prohibit, restrict or create disincentives for conversion of single-family dwellings into structures with two to four dwelling units designed primarily for permanent occupancy. Requires department to undertake rulemaking to amend or repeal provisions identified by review.

Creates tax credit regarding amounts expended for conversion of single-family dwelling into structure with two to four dwelling units designed primarily for permanent occupancy. Applies for amounts expended during tax years beginning on or after January 1, 2020, and before January 1, 2026.

A BILL FOR AN ACT

1
2 Relating to the conversion of single-family dwellings.

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

4 **SECTION 1. (1) As used in this section, "R-2 occupancy" means residential occupancy**
5 **containing two or more dwelling units where the occupants are primarily permanent in na-**
6 **ture.**

7 **(2) The Department of Consumer and Business Services shall conduct a review of the**
8 **state building code for the purpose of identifying code provisions that unnecessarily prohibit,**
9 **restrict or create disincentives for, the conversion of single-family dwellings into housing**
10 **having four or fewer dwelling units and designed for R-2 occupancy.**

11 **(3) The department shall complete the review required by subsection (2) of this section**
12 **no later than one year after the effective date of this 2019 Act. No later than 90 days after**
13 **completing the review, the department shall initiate rulemaking for the purpose of amending**
14 **or repealing state building code provisions identified during the review as unnecessarily**
15 **prohibiting, restricting or creating disincentives for, the conversion of single-family dwellings**
16 **into housing having four or fewer dwelling units and designed for R-2 occupancy.**

17 **(4) The department shall complete the process of amending or repealing state building**
18 **code provisions under subsection (3) of this section no later than December 31, 2021.**

19 **SECTION 2. The Department of Consumer and Business Services shall report to an in-**
20 **terim committee of the Legislative Assembly relating to housing, in the manner provided by**
21 **ORS 192.245 no later than September 15, 2021, regarding the results of the review conducted**
22 **under section 1 of this 2019 Act and the progress made by the department in rulemaking as**
23 **required by section 1 of this 2019 Act. The report may include any recommendations by the**
24 **department for legislation relating to the conversion of single-family dwellings into housing**
25 **having four or fewer dwelling units and designed for R-2 occupancy, as defined in section 1**
26 **of this 2019 Act.**

27 **SECTION 3. Section 4 of this 2019 Act is added to and made a part of ORS chapter 315.**

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 **SECTION 4.** (1) As used in this section, “R-2 occupancy” means residential occupancy
2 containing two or more dwelling units where the occupants are primarily permanent in na-
3 ture.

4 (2) A credit against the taxes otherwise due under ORS chapter 316, or if the taxpayer
5 is a corporation under ORS chapter 317 or 318, is allowed to a taxpayer that converts a
6 single-family dwelling into housing having four or fewer dwelling units and designed for R-2
7 occupancy. The amount of a credit allowed to a taxpayer under this section shall equal
8 _____ percent of the amount expended during the tax year for carrying out the dwelling
9 conversion.

10 (3) A credit is not available under this section for any dwelling conversion that violates
11 a local zoning restriction.

12 (4) Any tax credit allowable under this section that is not used by the taxpayer in a
13 particular year may be carried forward and offset against the taxpayer’s liability for the next
14 succeeding tax year. Any credit remaining unused in that succeeding tax year may be carried
15 forward to the next succeeding tax year, but may not be carried forward for any tax year
16 thereafter.

17 **SECTION 5.** Section 4 of this 2019 Act applies for amounts expended in tax years that
18 begin on or after January 1, 2020, and before January 1, 2026.
19 _____