

HB 2446 STAFF MEASURE SUMMARY

House Committee On Housing

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 1/28, 3/4

WHAT THE MEASURE DOES:

Extends sunset on property tax exemption available for property of nonprofit corporations used for low-income housing from June 30, 2022, to June 30, 2028. Takes effect on the 91st day following adjournment sine die.

No fiscal impact; has minimal revenue impact.

ISSUES DISCUSSED:

- Overview of property tax exemption and addition of low-income housing
- Whether low income housing developments are taking advantage of exemption
- Long-term affordability of units developed under the program

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Current law provides a property tax exemption for certain literary, benevolent, and charitable organizations or scientific institutions. This exemption applies to many nonprofit organizations, including hospitals, social service organizations, museums, youth and athletic groups, summer camps, and conservation groups.

In 2014, House Bill 4039 expanded the property tax exemption to include real or personal property of a nonprofit organization that, before the tax year beginning July 1, 2012, was offered, occupied, or used as low-income housing and was granted a tax exemption by the county.

House Bill 2446 extends the sunset on the tax exemption available for properties of nonprofit corporations that are used for low-income housing from June 30, 2022, to June 30, 2028.