

HB 2438-2  
(LC 2527)  
6/2/21 (ASD/ps)

Requested by HOUSE COMMITTEE ON REVENUE (at the request of Representative Greg Smith)

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2438**

1 Delete lines 4 through 14 of the printed bill and insert:

2 **“SECTION 1. As used in sections 1 to 5 of this 2021 Act:**

3 **“(1) ‘Consumer Price Index for All Urban Consumers, West Region**  
4 **(All Items)’ means the Consumer Price Index for All Urban Consum-**  
5 **ers, West Region (All Items), as published by the Bureau of Labor**  
6 **Statistics of the United States Department of Labor.**

7 **“(2)(a) ‘Eligible housing’ means a newly constructed single-family**  
8 **dwelling.**

9 **“(b) ‘Eligible housing’ does not include the land on which the**  
10 **single-family dwelling is situated.**

11 **“(3) ‘Eligible owner’ means an individual who will be the first per-**  
12 **son to own and occupy eligible housing upon completion of con-**  
13 **struction and who occupies the eligible housing as the individual’s**  
14 **primary residence.**

15 **“(4) ‘Newly constructed’ means constructed beginning on a date**  
16 **that occurs on or after the effective date of a workforce housing ex-**  
17 **emption law adopted by the governing body of the county in which the**  
18 **eligible housing is located.**

19 **“(5) ‘Workforce housing exemption law’ or ‘exemption law’ means**  
20 **an ordinance or resolution adopted by the governing body of a county**  
21 **pursuant to section 2 of this 2021 Act.**

1       **“SECTION 2. (1)(a) The governing body of a county with a popu-**  
2 **lation of less than 15,000 may adopt an ordinance or resolution grant-**  
3 **ing a property tax exemption for eligible housing located within the**  
4 **boundaries of the county.**

5       **“(b) The terms of the exemption must conform to the provisions**  
6 **of sections 1 to 5 of this 2021 Act.**

7       **“(2)(a) The exemption may be granted only to the eligible housing**  
8 **of an eligible owner who has annual taxable income of not more than**  
9 **\$125,000 if the owner files a separate federal return, or not more than**  
10 **\$250,000 if the owner files a joint federal return, for the tax year of the**  
11 **eligible owner immediately preceding the tax year in which the eligible**  
12 **owner files an application under section 4 or 5 of this 2021 Act for the**  
13 **eligible housing.**

14       **“(b) The Department of Revenue shall annually adjust the maxi-**  
15 **imum annual taxable income amounts specified in paragraph (a) of this**  
16 **subsection by multiplying the amounts by the percentage, if any, by**  
17 **which the monthly averaged Consumer Price Index for All Urban**  
18 **Consumers, West Region (All Items), for the 12 consecutive months**  
19 **ending on the immediately preceding December 31 exceeds the monthly**  
20 **averaged Consumer Price Index for All Urban Consumers, West Region**  
21 **(All Items), for the 12 consecutive months ending on the second pre-**  
22 **ceding December 31.**

23       **“(c) The first year of exemption must be the first assessment year**  
24 **that begins after the eligible housing is first occupied by the eligible**  
25 **owner.**

26       **“(d) No more than five dwellings in a county may be newly granted**  
27 **exemption as eligible housing for any property tax year.**

28       **“(3) A workforce housing exemption law must:**

29       **“(a) Set the percentage of the exemption granted against the real**  
30 **market value of the eligible housing; and**

1       **“(b) Establish the number of consecutive property tax years, not**  
2 **fewer than three and not more than five, for which the exemption may**  
3 **be granted.**

4       **“(4)(a) A workforce housing exemption law may not take effect**  
5 **unless, upon request of the county that adopted the exemption law,**  
6 **the rates of taxation of the taxing districts whose governing bodies**  
7 **agree to grant the exemption, when combined with the rate of taxation**  
8 **of the county, equal 51 percent or more of the total combined rate of**  
9 **taxation on the eligible housing.**

10       **“(b) If the exemption law takes effect, the exemption shall apply to**  
11 **all property tax levies of all taxing districts in which the eligible**  
12 **housing is located.**

13       **“(c) The decisions of the taxing districts under paragraph (a) of this**  
14 **subsection may not be changed but are not binding with respect to an**  
15 **exemption law subsequently adopted by the governing body of the**  
16 **county pursuant to this section.**

17       **“(d) All eligible housing shall be granted exemption on the same**  
18 **terms provided in the exemption law of the county as in effect on the**  
19 **date the application for the eligible housing is submitted under section**  
20 **3 of this 2021 Act.**

21       **“(5)(a) A county may adopt at any time a workforce housing ex-**  
22 **emption law amending the terms of an exemption granted pursuant**  
23 **to this section, subject to approval of the taxing districts under sub-**  
24 **section (4)(a) of this section, or terminating the exemption.**

25       **“(b) Notwithstanding an exemption law adopted, or the termination**  
26 **of an exemption law, pursuant to this subsection, eligible housing that**  
27 **has previously been granted an exemption shall continue to receive the**  
28 **exemption under the terms of the exemption law in effect at the time**  
29 **the exemption was first granted.**

30       **“(6)(a) The county assessor shall disqualify eligible housing granted**

1 an exemption under a workforce housing exemption law upon discov-  
2 ery or notice from the eligible owner claiming the deduction that the  
3 dwelling is no longer eligible housing or the individual is no longer an  
4 eligible owner.

5 “(b)(A) If eligible housing becomes disqualified prior to July 1 of the  
6 assessment year, the dwelling shall be valued under ORS 308.232 at its  
7 real market value and shall be assessed at its assessed value under  
8 ORS 308.146 or as otherwise provided by law.

9 “(B) If eligible housing becomes disqualified on or after July 1, the  
10 eligible housing shall continue to receive the exemption for the cur-  
11 rent tax year.

12 **“SECTION 3. (1)(a) The governing body of a county that adopts a**  
13 **workforce housing exemption law shall prescribe:**

14 **“(A) Precertification and exemption application forms;**

15 **“(B) The information required to be included in the forms; and**

16 **“(C) Any additional documents that must accompany the forms.**

17 **“(b) Applications for precertification and exemption must be ac-**  
18 **companied by an application fee set by the county in an amount de-**  
19 **termined to compensate the county for the actual costs of processing**  
20 **the applications.**

21 **“(2) The rejection of an application for precertification or ex-**  
22 **emption may not be appealed but does not preclude an individual from**  
23 **submitting a new application for the property for any property tax**  
24 **year.**

25 **“(3)(a) The number of dwellings first granted exemption as eligible**  
26 **housing for any property tax year shall continue as a cohort for the**  
27 **number of property tax years for which the exemption is granted to**  
28 **the dwellings under the workforce housing exemption law.**

29 **“(b) The number of continuing exemptions first granted for prior**  
30 **property tax years does not count toward the maximum number of**

1 exemptions that may be newly granted for any subsequent property  
2 tax year.

3 “(c) If eligible housing is disqualified for exemption, the county may  
4 not grant exemption to other eligible housing to complete the cohort  
5 of the disqualified property for the remaining number of property tax  
6 years for which the cohort is eligible.

7 **“SECTION 4. (1)(a) An individual seeking an exemption for property**  
8 **under a workforce housing exemption law may submit a precertifi-**  
9 **ication application to the county at any time before the individual**  
10 **occupies the property.**

11 “(b) Before making a determination under subsection (2) of this  
12 section, the county may consult with the applicant regarding the ap-  
13 plication, and the applicant may be allowed to revise the application  
14 without payment of an additional fee.

15 “(2)(a) Within 60 days following receipt of a precertification appli-  
16 cation submitted under this section, the county shall:

17 “(A) Review the application;

18 “(B) Make a reasonable determination as to whether, upon com-  
19 pletion, the property will be eligible housing and the individual will  
20 be the eligible owner of the eligible housing; and

21 “(C) Notify the applicant of the decision.

22 “(b) If the determination of the county is negative, the precertifi-  
23 cation application shall be rejected.

24 “(c) If the determination is positive, the precertification application  
25 shall be approved, and the county and the applicant shall:

26 “(A) Consult as to the date on which the eligible owner will first  
27 occupy the precertified eligible housing; and

28 “(B) Schedule the precertified eligible housing to receive one of the  
29 five exemptions available to the county for the property tax year in  
30 which the occupancy is estimated to begin.

1       “(4)(a) A county may maintain a waiting list for eligible housing for  
2 which a precertification application has been approved but that exceed  
3 the five exemptions available for the property tax year in which the  
4 occupancy is estimated to begin.

5       “(b) If for any property tax year there are fewer than five ex-  
6 emptions granted to eligible housing that has been precertified under  
7 this section, the governing body of the county may allow approval for  
8 a first year of exemption of applications submitted under section 5 of  
9 this 2021 Act for eligible housing that was not precertified, until the  
10 maximum of five exemptions has been reached for the property tax  
11 year.

12       “SECTION 5. (1)(a) Regardless of whether the eligible housing has  
13 been precertified under section 4 of this 2021 Act, an individual seeking  
14 exemption for eligible housing under a workforce housing exemption  
15 law must submit an application for exemption for review to the county  
16 on or before January 15 preceding the property tax year to which the  
17 application relates.

18       “(b) Notwithstanding paragraph (a) of this subsection, an applica-  
19 tion may be filed under this section for the current property tax year:

20       “(A) On or before December 31 of the property tax year, if the ap-  
21 plication is accompanied by a late filing fee of \$200.

22       “(B) On or before April 1 of the property tax year, if the application  
23 is accompanied by a late filing fee of \$200 and the applicant demon-  
24 strates good and sufficient cause, as defined in ORS 307.162, for failing  
25 to file a timely application or is a first-time filer, as defined in ORS  
26 307.162, of an application under this subsection.

27       “(c)(A) An application may be filed as provided in paragraph (b) of  
28 this subsection notwithstanding that there are no grounds for hard-  
29 ship as required for late filing under ORS 307.475.

30       “(B) A late filing fee collected under paragraph (b) of this sub-

1 section must be deposited in the general fund of the county.

2 “(d) Before making a determination under subsection (2) of this  
3 section, the county may consult with the applicant regarding the ap-  
4 plication, and the applicant may be allowed to revise the application  
5 without payment of an additional fee.

6 “(2)(a) Within 60 days following receipt of an exemption application  
7 submitted under this section, the county shall:

8 “(A) Review the application;

9 “(B) Determine whether the property and applicant meet the re-  
10 quirements of sections 1 to 5 of this 2021 Act and the county’s  
11 workforce housing exemption law; and

12 “(C) Notify the applicant of the determination.

13 “(b) If the determination of the county is negative, the exemption  
14 application shall be rejected.

15 “(c) If the determination is positive, the county shall approve the  
16 exemption application and notify the governing body of the county of  
17 the approval.

18 “(3) A governing body notified of an approved exemption application  
19 under subsection (2)(c) of this section shall, on or before April 1, adopt  
20 a resolution:

21 “(a) Granting the exemption to the eligible housing to which the  
22 application relates; and

23 “(b) Notifying the county assessor of all information necessary for  
24 the assessor to perform the assessor’s duties with respect to the eli-  
25 gible housing.

26 “(4) The eligible owner of eligible housing granted exemption for  
27 any property tax year must submit an application under subsection (1)  
28 of this section for each subsequent property tax year for which the  
29 eligible owner seeks to claim exemption for the eligible housing.

30 **SECTION 6.** (1) Exemptions may not be newly granted under

1 sections 1 to 5 of this 2021 Act for property tax years beginning on or  
2 after July 1, 2032.

3 “(2) Notwithstanding the date specified in subsection (1) of this  
4 section, eligible housing that is first granted exemption under an or-  
5 dinance or resolution adopted pursuant to section 2 of this 2021 Act for  
6 a property tax year beginning before the date specified in subsection  
7 (1) of this section shall continue to receive the exemption under the  
8 provisions of the ordinance or resolution for the period of time for  
9 which the exemption was granted.

10 “SECTION 7. Sections 1 to 5 of this 2021 Act are repealed on Janu-  
11 ary 2, 2032.

12 “SECTION 8. This 2021 Act takes effect on the 91st day after the  
13 date on which the 2021 regular session of the Eighty-first Legislative  
14 Assembly adjourns sine die.”

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