

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
82nd Oregon Legislative Assembly
2023 Regular Session
Legislative Revenue Office

Bill Number: SB 919 - A3
Revenue Area: Property Tax
Economist: Beau Olen
Date: 6.6.2023

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Allows a property tax exemption for up to 5 years for a newly constructed accessory dwelling unit, or a newly converted duplex, triplex or quadplex, that is the occupant’s primary residence. Applies to property tax years beginning on or after July 1, 2024. Takes effect 91st day after sine die.

Revenue Impact (in \$Millions):

	Fiscal Year		Biennium		
	2023-24	2024-25	2023-25	2025-27	2027-29
Local Governments	\$0.0	-\$0.2	-\$0.2	-\$0.5	-\$0.5

Impact Explanation:

A city or county is allowed to adopt an ordinance or resolution to grant the property tax exemption. An exemption application must be submitted each year by the person responsible for paying property tax.

This exemption is expected to have a similar number of recipients as other housing exemptions that provide a county option. Property for Low Income Rentals (TER 2.107) and New or Rehabilitated Multi-unit Rental Housing (TER 2.109) each had approximately 100 recipients in fiscal year 2022, mostly in Lane County. The revenue impact is based on an impacted population of similar size in Lane County and the average assessed value of improved residential property (average real market value multiplied by the changed property ratio, both for improved residential property in Lane County). The assessed value is then multiplied by the average non-bond tax rate for all taxing districts. The revenue impact is zero in fiscal year 2023-24 because the exemption applies to property tax years beginning on or after July 1, 2024.

Creates, Extends, or Expands Tax Expenditure: Yes No

The purpose of the exemption is to expand housing supply of existing residential land and infrastructure.