

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

|               |                |
|---------------|----------------|
| Bill Number:  | HB 2466 - A    |
| Revenue Area: | Property Tax   |
| Economist:    | Chris Allanach |
| Date:         | 2.22.23        |

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

---

**Measure Description:**

Expands the current 20-year property tax exemption for newly constructed, low-income, rental housing to such property owned by a limited equity cooperative. Defines limited equity cooperatives and rent. Applies to tax years beginning on or after July 1, 2024 (current law includes a full program sunset on July 1, 2030).

**Revenue Impact (in \$Millions):**

The current exemption results in a reduction of property taxes between \$3 million and \$3.5 million each biennium, according to the 2023-25 Tax Expenditure Report. In addition, the report includes an estimated property tax shift of \$0.5 million to other taxable property. In fiscal year 2021-22, four counties reported roughly 100 properties received this exemption, with the majority located in Lane County.

The revenue impact of this measure will be driven by the location, number, and value of properties that would be added to the program. Further analysis will be done when the bill is in the Joint Committee on Tax Expenditures.

**Impact Explanation:**

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

The policy purpose of this measure is to expand the supply of low-income housing by addressing a limitation in the current program, which is that limited equity cooperatives do not use a traditional landlord-tenant agreement.

Further Analysis Required