

# House Bill 2118

Sponsored by Representative MANNIX (Pre-session 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**.

Directs Department of Revenue to develop and implement program to award grants to local taxing jurisdictions to reimburse them for property tax expenditures incurred to encourage development and provision of affordable housing.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to reimbursement for certain property tax expenditures; and prescribing an effective date.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Local taxing jurisdiction" means a city, county or other subdivision of the state that**  
6 **imposes an ad valorem property tax.**

7 (b)(A) **"Property tax expenditure" means exemptions, partial exemptions and special as-**  
8 **sessments, whether mandatory or optional under statute.**

9 (B) **"Property tax expenditure" does not include the deferral of property taxes.**

10 (2)(a) **The Department of Revenue shall develop and implement a program to award**  
11 **grants to local taxing jurisdictions to reimburse them for the loss of revenue they have ex-**  
12 **perienced due to property tax expenditures granted for the purpose of encouraging the de-**  
13 **velopment or provision of affordable housing.**

14 (b) **The grants may be awarded for property tax expenditures for the last property tax**  
15 **year that ended before an application is submitted under subsection (3) of this section.**

16 (3)(a) **The department shall prescribe the form and manner in which the governing body**  
17 **of a local taxing jurisdiction may apply for grant moneys under this section, including, but**  
18 **not limited to, deadlines and information and documentation that must be included with the**  
19 **application.**

20 (b) **The application must, at a minimum, require the inclusion of:**

21 (A) **The amount of the reimbursement sought; and**

22 (B) **The statutes under which the tax expenditures were made.**

23 (4)(a) **The application period shall open within 60 days following the effective date of this**  
24 **2023 Act and remain open for 60 days.**

25 (b) **As soon as practicable after the closing of the application period, the department shall**  
26 **review all timely and complete applications.**

27 (c) **The department may consult with an applicant about the application, and the appli-**  
28 **cant may amend the application at any time during the application period.**

29 (d) **After reviewing each application, the department shall:**

30 (A) **Approve the application as submitted;**

**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 (B) Approve the application with a grant amount different from the amount sought; or

2 (C) Reject the application.

3 (e) The department shall notify the governing body of each local taxing jurisdiction of its  
4 decision.

5 (f)(A) Upon request, the department shall promptly consult with applicants about modi-  
6 fied or rejected applications and may request additional information or documentation.

7 (B) The department may change its original decision but the decision may not otherwise  
8 be appealed.

9 (5)(a) If any moneys are left in the Affordable Housing Grant Fund established under  
10 section 2 of this 2023 Act after all grants have been awarded under subsection (4) of this  
11 section, the department shall prescribe another application period subject to the same rules  
12 as the first.

13 (b) In any application period, a local taxing jurisdiction may not apply for or receive a  
14 grant under this section for a property tax year for which it has already applied for or re-  
15 ceived a grant.

16 (6) If all applications approved for any application period exceed the moneys available in  
17 the fund, grant awards shall be reduced in the proportion that each local taxing jurisdiction's  
18 approved award amount bears to all jurisdictions' approved award amounts as necessary so  
19 that the total approved award amounts do not exceed the available moneys.

20 SECTION 2. (1) The Affordable Housing Grant Fund is established in the State Treasury,  
21 separate and distinct from the General Fund. Interest earned by the Affordable Housing  
22 Grant Fund shall be credited to the fund. All moneys in the fund are continuously appropri-  
23 ated to the Department of Revenue for the purpose of awarding grants under section 1 of  
24 this 2023 Act.

25 (2) The Affordable Housing Grant Fund shall consist of:

26 (a) Moneys appropriated to the fund by the Legislative Assembly.

27 (b) Interest earned on moneys in the fund.

28 (c) Moneys or other assets deposited in the fund from any other source.

29 (3) The department may charge to the fund an amount equal to the department's actual  
30 costs in administering section 1 of this 2023 Act.

31 SECTION 3. There is appropriated to the Department of Revenue, for the biennium be-  
32 ginning July 1, 2023, out of the General Fund, the amount of \$250,000,000 for deposit in the  
33 Affordable Housing Grant Fund established under section 2 of this 2023 Act, to be expended  
34 for the purposes of section 1 of this 2023 Act.

35 SECTION 4. This 2023 Act takes effect on the 91st day after the date on which the 2023  
36 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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