

Proportional Multi-unit Rental Housing Property Tax Exemption

Background

The new text of (4)(a)(B)(i) in Section 1 of the bill creates a new option for local governments to structure the multi-unit rental housing property tax exemption, basing the amount of the exemption on the proportion of units rented to qualifying residents in addition to the existing option of basing the duration of the exemption on that proportion. That change would create a new partial exemption statute in Oregon law.

[HB 2084](#) and [SB 154](#) are the topic of discussion about whether such a partial exemption can be a partial exemption of assessed value (AV), instead of real-market value, while avoiding the Oregon constitution, Article XI, Section 11 requirement that the property's maximum-assessed value be recalculated when the exemption begins and when it ends.

Administrative Question

Because of the unresolved discussion of how to treat AV exemptions, the simplest way to keep HB 2705 out of such discussions would be to add the words "real-market value" in front of the word "exemption" on page 1, line 29 of the bill.

Agency Contact

Seiji T. Shiratori, Policy Director, Property Tax Division, Oregon Department of Revenue, email: seiji.shiratori@dor.oregon.gov, phone: 503-877-7932