

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office

Bill Number: SB 262
Revenue Area: Property Tax
Economist: Jaime McGovern
Date: 03/26/2019

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

Measure Description:

Extends sunset for property tax exemption for multiple-unit housing.

Revenue Impact (in \$Millions):

	Biennium		
	2019-21	2021-23	2023-25
Local Governments	0	-0.69	-2.17
Local Education Districts	0	-0.46	-1.45
Total Revenue Change	0	-1.15	-3.62

Impact Explanation:

This policy allows cities and counties to grant a full or partial tax exemption on properties newly constructed, or converted for the purpose of multi-unit rental housing. The policy includes two programs. The first allows property exemptions for multi-unit rental housing in core areas that meet criteria in statute relating to high density and public transportation (unrelated to low income). The other does not need to lie in a core area but must be subject to a low-income housing assistance contract with the federal government. Both programs provide the tax exemption for the first 10 years after application approval. This program is utilized by four counties currently and has an annual revenue impact of \$10 million. However, the policy is not set to sunset in current statute until 2022, and therefore the impact in the table above represents additional properties that would be able to come online at the time of sunset, not the cost of the properties that are currently in the programs and would continue through their remaining years of the 10 year window.

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy purpose of this measure is encourage the construction of multi-unit rental housing (1) in dense urban areas located near public transit and (2) that is accessible to low income residents.