

**SB 737 STAFF MEASURE SUMMARY**

**Senate Committee On Human Services**

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**Action Date:** 02/26/19

**Action:** Do pass and refer to Tax Expenditures by prior reference.

**Vote:** 5-0-0-0

**Yeas:** 5 - Fagan, Gelser, Heard, Knopp, Monnes Anderson

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

**Prepared By:** Jamie Hinsz, LPRO Analyst

**Meeting Dates:** 2/21, 2/26

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**WHAT THE MEASURE DOES:**

Extends sunset from July 1, 2020 to July 1, 2030 for property tax exemption for low income rental housing. Effective 91st day following *sine die*.

**ISSUES DISCUSSED:**

- Provisions of measure

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Across Oregon and the nation, property tax abatement is used by local governments as a tool to encourage the development of affordable housing. This tax exemption helps expand the number of housing units that are available and supports extending affordable rents to low income residents. There are several criteria that jurisdictions may elect that developers must meet in order to receive abatement, such as: the occupants of the housing have low income, as defined; lands being held must be designated for development as low income housing; the housing must be rental housing; the developer must be a nonprofit or tax-exempt entity or, if not, the benefit of the property tax savings must be reflected in lower rent.

In 2018, House Bill 4028 extended the sunset of the property tax exemption for newly constructed low income rental housing from January 1, 2010 to July 1, 2020. Senate Bill 737 extends the sunset of the property tax exemption for low income rental housing to July 1, 2030.