

HB 3033 STAFF MEASURE SUMMARY

House Committee On Housing

Prepared By: Claire Adamsick, LPRO Analyst

Sub-Referral To: House Committee On Revenue

Meeting Dates: 2/18

WHAT THE MEASURE DOES:

Authorizes counties with a population less than 15,000 to adopt property tax exemption for newly constructed single-family dwellings occupied by owners with an annual taxable income of not more than \$125,000 on a separately filed tax return or not more than \$250,000 on a jointly filed tax return. Applies to tax year immediately preceding the tax year in which exemption application is filed. Establishes provisions for a county adopting a workforce housing exemption law, subject to the approval of the taxing district in which the eligible housing is located. Limits from granting property tax exemption to no more than five dwellings per property tax year. Requires counties to determine length of exemption for eligible housing, which must be between no fewer than three and no more than five consecutive property tax years.

Requires county to develop and prescribe precertification and exemption review application materials and set application fees. Clarifies application submission and review timelines for precertification and exemption review process. Allows county to maintain waiting list for eligible housing for which a precertification application has been approved but exceeds the five exemptions available in a given property tax year. Allows for late filing of an application for exemption for review, subject to certain late fees and conditions. Prohibits new exemptions for property tax years beginning on or after July 1, 2032. Effective on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Legislature has authorized counties to provide property tax exemptions to as a means of increasing the financial viability of affordable housing development. Current programs include full or partial exemptions for the development of non-profit or local government-owned property for low-income housing; the construction and rehabilitation of agricultural workforce housing and properties owned or leased by housing authorities; for new or rehabilitated multi-unit rental housing; and for certain single-unit housing.

House Bill 3033 authorizes counties with population under 15,000 to adopt a property tax exemption for newly constructed single-family dwellings occupied by owners with an annual taxable income of not more than \$125,000 on a separately filed tax return or not more than \$250,000 on a jointly filed tax return. Establishes provisions for a county adopting a workforce housing exemption law, subject to the approval of the taxing district in which the eligible housing is located. It limits counties from granting a property tax exemption to five dwellings per county per property tax year. The following counties have a population under 15,000 (2020): Gilliam, Grant, Harney, Lake, Morrow, Sherman, Wallowa, and Wheeler.