

SB 155 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

Action Date: 03/16/21

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

Vote: 4-0-1-0

Yeas: 4 - Anderson, Golden, Jama, Patterson

Exc: 1 - Linthicum

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 2/2, 3/16

WHAT THE MEASURE DOES:

Extends tax exemption for nonprofit properties used as low-income housing from July 1, 2022, to July 1, 2028. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- How property tax exemptions are tracked and enforced by county assessors
- Definition of low-income housing
- Impact on local government revenues

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Real property belonging to certain charitable and scientific institutions is exempt from property tax. Historically, organizations claimed such tax exemptions to pursue solely charitable purposes, such as operating an animal shelter. In 2013, Corvallis Neighborhood Housing Services challenged a property tax assessment against low-income housing it purchased from Linn County Affordable Housing, raising the question whether the provision of low-income housing was sufficient to be exempt from property taxes. The Legislative Assembly responded by passing House Bill 4039 in 2014, to allow nonprofit properties used for low-income housing to claim property tax exemptions. The tax exemption is currently set to expire July 1, 2022.

Senate Bill 155 extends the sunset on property tax exemptions for nonprofit properties used for low-income housing to July 1, 2028.