

HB 2438 A STAFF MEASURE SUMMARY

Carrier: Rep. Smith G

House Committee On Revenue

Action Date: 06/09/21

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 7-0-0-0

Yeas: 7 - Levy, Marsh, Nathanson, Pham, Reschke, Smith G, Valderrama

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Prepared By: Jaime McGovern, Economist

Meeting Dates: 6/2, 6/7, 6/9

WHAT THE MEASURE DOES:

Establishes permissive property tax exemption program for workforce housing. Requires adoption of ordinance by governing body of county. Applies to county with population of less than 15,000. Establishes program ordinance minimum requirements. Establishes cap of five on allowable new participants. Applies to homeowner with incomes less than \$75,000 single for single filers or \$150,000 joint filers.

ISSUES DISCUSSED:

- Housing affordability in Oregon.
- Participation of local governments.
- Definition of workforce housing.
- Potential participants.
- Economic structure of small towns.

EFFECT OF AMENDMENT:

Replaces bill. Establishes permissive property tax exemption program for workforce housing. Requires adoption of ordinance by governing body of county. Applies to county with population of less than 15,000. Establishes program ordinance minimum requirements. Establishes cap of five on allowable new participants. Applies to homeowner with incomes less than \$75,000 for single filers or \$150,000 for joint filers.

BACKGROUND:

The introduced version of this measure requested a study into property tax structures. The engrossed version creates a property tax exemption in Oregon counties with populations less than 15,000. Generally, in Oregon, property tax is governed by the constitution according to Measure 5 and Measure 50 restrictions. All types of property located within the same code area, formed by taxing districts, are subject to the same tax rate. The taxable assessed value for the property determines the tax base for the property. Special assessments and property tax exemptions affect the tax imposed on the property owner.