

Religious Organization Offering Affordable Housing

Background

ORS 307.140 exempts from ad valorem property taxation several types of buildings and land owned by religious organizations. ORS 306.155 requires the Department of Revenue “to exercise general supervision and control over the system of property taxation throughout the state,” including interpreting property tax laws and training county assessors on taxation and exemptions.

House Bill 2008

The bill would add to the exemption for religious organizations property that is held, used for, or occupied by persons with a household income at or below 60 percent of the median income for the area. The bill raises a few unresolved administrative questions.

- The new ORS 307.140(4) in the bill contains two sentences that could be read to contradict each other. The first sentence says the property must be used or held for use to provide affordable housing for qualifying individuals. The second sentence leaves open the possibility that it can be occupied by persons meeting the income requirement even if the housing is not offered at affordable rates.
- The same ORS 307.140(4) uses the term “occupied” without defining that term, creating the possibility of future disputes about what it means to occupy the housing.
- ORS 197.311, in Section 3 of the bill, appears to be directed toward county planning departments and not county assessors because the statute describes the local planning approval process. It is not clear, however, whether a county might involve the assessor in adjudicating applications for the exemption.

Recommendation

Amend the bill or establish legislative intent to clarify how to read ORS 307.140(4) in establishing what is exempt and to clarify that the county assessor should not be involved in adjudicating exemption eligibility under ORS 197.311.

Agency Contact

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