

**HB 2466 STAFF MEASURE SUMMARY**

**House Committee On Housing and Homelessness**

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**Prepared By:** Claire Adamsick, LPRO Analyst

**Sub-Referral To:** Joint Committee On Tax Expenditures

**Meeting Dates:** 1/26

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**WHAT THE MEASURE DOES:**

Extends low-income rental housing property tax exemption to housing units owned by a limited equity cooperative, subject to certain conditions. Defines limited equity cooperative as cooperative corporation in which the sale of ownership interests is restricted to low-income individuals, and may not exceed the original sales price, plus the cost of permanent improvements made to the unit or the to the building in which the unit is located. Allows exemption only on applications filed prior to July 1, 2030, and that meet other criteria for exemption as adopted by the local governing body. Defines “rent” to include occupancy charges paid by a lease holder for a housing unit in a limited equity cooperative. Applies to property tax years beginning on or after July 1, 2024. Takes effect on the 91st day following adjournment sine die.

*FISCAL: May have fiscal impact, but no statement yet issued*

*REVENUE: May have revenue impact, but no statement yet issued*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Oregon Low-Income Rental Housing Property Tax exemption allows a 20-year exemption from property taxes for newly constructed rental housing for low-income residents with income at or below 60 percent of area median income, subject to local jurisdiction approval. Among the criteria for exemption is that the property must be offered for rent.

Limited equity cooperatives are not eligible for the low-income rental housing property tax exemption as the model does not utilize a traditional landlord-tenant agreement. In a limited equity cooperative model, the co-op member signs a proprietary lease, and the co-op owns the property and manages improvements on the land.

House Bill 2466 extends low-income rental housing property tax exemption to housing units owned by a limited equity cooperative, subject to certain conditions.