

SB 147

Property Tax Exemption: Single-Unit Housing

Senate Committee on Housing & Development

LRO | 2/8/2023



Property Tax Exemption

- SB 147
 - Extends sunset of Single-Unit Housing property tax exemption
 - Sunset: May not approve new applications for exemption on or after January 1, ~~2025~~ 2032
 - Existing qualified property continues to receive exemption
- Measure introduced by Senate Committee on Finance & Revenue with standard sunset extension and no other policy change





What is the Single Unit Housing Exemption

- **Permissive property tax exemption**
 - Allows city to adopt exemption program within statutory limitations
 - Property tax exemption initially only applies to city taxing district, but can apply to all taxing districts if sufficient amount of districts opt-in (based on combined rate of taxation)
 - Qualified housing property is exempt, land remains taxable
 - Exemption is for up to 10 years
- **Purpose (ORS 307.654)**
 - In public interest to encourage homeownership among low & moderate income families
 - Cities should be able to establish & design programs to stimulate the purchase, rehabilitation and construction of single-unit housing...by means of a limited property tax exemption





What is the Single Unit Housing Exemption

- Property that can qualify
 - Newly constructed or rehabilitated single unit housing
 - Single family home, condominiums, manufactured structure (outside manuf. parks)
- Property requirements
 - Have one or more units used as a dwelling for one person or family
 - Value \leq 120% of the median sales price of single-family homes located in the city as determined annually
- Cities can adopt additional requirements
 - Examples: Income limitation, annual new qualification limits
- Existing revenue impact, about \$2 million loss in property tax revenue per year



Legislative Revenue Office

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