

SB 142

Property Tax Exemption: Transfer of Cemetery Land for Low-Income Housing

Senate Committee on Housing & Development

LRO | 2/8/2023



Property Tax Exemption

Purpose of tax exemption: “to eliminate the potential tax burden when transferring property from cemetery to low income housing use, thereby encouraging such practice”

- Tax exemption created by HB 4028 (2018),
 - No specific sunset in 4028, implicit sunset due to ORS 315.037 which establishes 6-year sunset if none is prescribed
 - Current sunset of 6/30/2024, last applicable tax year 2023-24
- SB 142 extends sunset to 2030





What is the property tax exemption

Property tax exemption for cemeteries, burial grounds, mausoleums

- Cemeteries are generally exempt from property taxes including lands used or held exclusively for cemetery purposes
- When cemetery land ceases to be used or held exclusively for cemetery or crematory purposes, up to 10 years in back taxes become due





What is the property tax exemption

Transfer to low-income housing exemption

- 10 years in back taxes is waived if...
 - Cemetery/crematory property used or held for use under two existing low-income housing property tax exemptions
 - Property for low-income rental, nonprofit low-income rental housing
 - Must be used as qualified low-income housing for 10 years, otherwise back taxes become due
 - After 10 years as low-income housing, back taxes are waived permanently
- At time of deed recording of cemetery property sale, owner of land files notice of intent (with county & possibly city) to take advantage of this exemption provision





What SB 142 does

- Extends sunset of provision in two ways (existing sunset 6/30/2024)
 - Section 1: Notice of intent deadline extended to June 30, 2030
 - Section 2: Those that qualify prior to sunset, continue to qualify so long as qualifying conditions are met
- Current use of exemption
 - No known use



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