

HB 2080 -3 STAFF MEASURE SUMMARY

Joint Committee On Tax Expenditures

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Meeting Dates: 6/1, 6/7

WHAT THE MEASURE DOES:

Requires Legislative Revenue Officer to study property taxation. Directs the officer to submit a report of findings, including recommendations for legislation, to interim committees of Legislative Assembly related to revenue.

ISSUES DISCUSSED:

- Consistency of sunset date for exemption of construction-in-process in enterprise zone (sections 1-2) and for exemption of operational business firm in enterprise zone
- Features of exemption/deferral for certain industrial improvements newly constructed or installed in rural areas (section 3) and of exemption in enterprise zone
- Housing supply (sections 7, 13-18, 19-24, 25-27)
- Section 9 and hydrogen energy production in Oregon in the future
- Language fix needed in Section 28
- Consistency of local option for all exemptions/deferrals in -1 amendment

EFFECT OF AMENDMENT:

-3 Replaces the introduced bill with an omnibus bill for property tax exemptions. Compared to the -1 amendment, the -3 amendment deletes the exemption for construction-in-process in enterprise zone (sections 1-2) and fixes language in Section 28 to allow any qualifying surviving spouse of a participating veteran to retain the exemption without application.

BACKGROUND:

The omnibus bill extends the following property tax exemptions by moving the sunset to a later date (sections of amendment in parenthesis):

- Section 1-2 were deleted by amendment.
- Industrial improvements newly constructed or installed in rural areas (Section 3)
- Federal land used by recreation facility operators under permit (Section 4)
- Food processing machinery and equipment (Section 5)
- Property of centrally assessed companies (Section 6)
- Single-unit housing (Section 7)
- Property of surviving spouses of certain public safety officers killed in the line of duty (Section 8)

The omnibus bill makes the following modifications to property tax exemptions:

- Community solar projects - expanded to include non-residential projects (Sections 9-10)
- Food processing machinery and equipment - expanded to include meat or wild game (Sections 11-12)
- Multiple-unit housing - expanded to include the entire multiple-unit housing, rather than the additions and conversions only. Eliminates requirement for city to pass an ordinance or resolution to approve the exemption for each property, since a city-wide ordinance is required (Sections 13-18)
- Low-income rental housing - expanded to housing units owned by limited equity cooperative corporations (Sections 19-24)
- New or rehabilitated multi-unit rental housing - authorizes city or county to establish alternate schedule for property tax exemption (Sections 25-27)
- Disabled veterans or surviving spouses of veterans - allows surviving spouse of disabled veteran to continue receiving exemption without needing to reapply (Sections 28-29)