

HB 2080 A STAFF MEASURE SUMMARY

Carrier: Sen. Golden

Joint Committee On Tax Expenditures**Action Date:** 06/07/23**Action:** Do pass the A-Eng bill.**Senate Vote****Yeas:** 4 - Findley, Golden, Jama, Meek**Exc:** 1 - Boquist**House Vote****Yeas:** 6 - Marsh, Nathanson, Nguyen D, Reschke, Smith G, Walters**Exc:** 1 - Levy B**Fiscal:** Has minimal fiscal impact**Revenue:** Revenue impact issued**Prepared By:** Beau Olen, Economist**Meeting Dates:** 6/1, 6/7**WHAT THE MEASURE DOES:**

Extends, expands, and modifies property tax expenditures. Takes effect 91st day after sine die.

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

- Sections 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 expands the following 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 already required (Sections 13-18)
- Low-income rental housing - expanded to housing units owned by limited equity cooperative corporations (Sections 19-24)

The omnibus bill modifies the following property tax exemptions:

- 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 veteran to continue receiving exemption without needing to reapply (Sections 28-29)

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)

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- Sections 9-10 and hydrogen energy production in Oregon in the future
- Language fix needed in Section 28, as of 6/1/2023
- Consistency of local option for exemptions/deferrals

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

This omnibus bill combines several policies and bills from this session relating to property tax. Other property tax policies and bills for enterprise zones and the Strategic Investment Program may be included in a separate omnibus bill for business incentives.