

**A-Engrossed**  
**Senate Bill 919**

Ordered by the Senate March 31  
Including Senate Amendments dated March 31

Sponsored by COMMITTEE ON HOUSING AND DEVELOPMENT

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Requires Housing and Community Services Department to study housing. Directs department to submit findings to interim committees of Legislative Assembly related to housing not later than September 15, 2024.]*

**Provides five-year property tax exemption for newly constructed accessory dwelling unit, or newly converted duplex, triplex or quadplex, that is used as occupant's primary residence. Applies to property tax years beginning on or after July 1, 2024.**

**Takes effect on 91st day following adjournment sine die.**

**A BILL FOR AN ACT**

1  
2 Relating to housing; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1)(a) For purposes of ad valorem property taxation, property of an owner,**  
5 **lessee or other person responsible for paying the taxes on the property is eligible for ex-**  
6 **emption under this section if the property is:**

7 (A)(i) **A newly constructed accessory dwelling unit as defined in ORS 215.501; or**

8 (ii) **A duplex, triplex or quadplex that has been newly converted from a single-family**  
9 **dwelling; and**

10 **(B) During the period of the exemption:**

11 (i) **Used as the occupant's primary residence; and**

12 (ii) **Not rented out for consideration as transient lodging for any duration.**

13 **(b) For purposes of this section, property shall be considered newly constructed or newly**  
14 **converted if, following the completion of the construction or conversion, a certificate of oc-**  
15 **cupancy was issued for the property at any time within the 12-month period immediately**  
16 **preceding the date on which a claim for the exemption is first filed under subsection (3) of**  
17 **this section.**

18 **(c) Eligible property shall be exempt from taxation for an initial property tax year and**  
19 **not more than the four succeeding property tax years.**

20 **(d) Only one exemption may be granted under this section per tax account.**

21 **(2) A claim for exemption under this section for eligible property must:**

22 **(a) Be in writing on a form supplied by the Department of Revenue;**

23 **(b) Describe the property;**

24 **(c) Recite all facts establishing the eligibility of the property for the exemption; and**

25 **(d) Have attached:**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (A) Any information or documentation required by the department; and

2 (B) A written declaration by the claimant, subject to penalties for false swearing, that  
3 the statements contained in the claim are true.

4 (3)(a) A claim for an initial year of the exemption granted under this section must be  
5 filed with the assessor of the county in which the eligible property is located:

6 (A) If the certificate of occupancy for the eligible property is issued on or after July 1  
7 and on or before March 1 of the immediately succeeding calendar year, after January 1 and  
8 on or before April 1 immediately preceding the property tax year for which the exemption  
9 is claimed; or

10 (B) If the certificate of occupancy is issued after March 1 and before July 1, after April  
11 1 immediately preceding the property tax year for which the exemption is claimed and on or  
12 before August 1 of the property tax year for which the exemption is claimed.

13 (b) Claims for the succeeding years of the exemption must be filed annually with the  
14 county assessor after January 1 and on or before April 1 immediately preceding the property  
15 tax year for which the exemption is claimed.

16 (4) Any person aggrieved by the denial of a claim for exemption under this section may  
17 appeal to the Oregon Tax Court in the manner provided under ORS 305.404 to 305.560.

18 (5) Each year that eligible property is granted exemption, the county assessor shall enter  
19 on the assessment and tax roll that the eligible property is subject to potential additional  
20 taxes as provided under subsection (8) of this section, by adding the notation "potential ad-  
21 ditional taxes."

22 (6) If eligible property is transferred to new ownership within the five-year period of the  
23 exemption, the exemption may continue for the remaining number of years granted if:

24 (a) The property continues to qualify as eligible property described in subsection (1) of  
25 this section; and

26 (b) Timely claims are filed under subsection (3) of this section.

27 (7) Upon the earlier of the date on which the five-year period of exemption granted under  
28 this section expires, or new property or new improvements as defined in ORS 308.149 are  
29 added to the tax account that includes the eligible property, the eligible property shall:

30 (a) Have for the immediately succeeding property tax year a maximum assessed value  
31 as determined under ORS 308.156 (5); and

32 (b) Be assessed and taxed as other property similarly situated is assessed and taxed.

33 (8)(a) Paragraph (b) of this subsection applies if, as of January 1 of any assessment year  
34 within the five-year period of the exemption, the eligible property:

35 (A) Is no longer occupied as the primary residence of any individual; or

36 (B) Has been rented out for consideration as transient lodging for any duration.

37 (b) Upon discovery or notice from the taxpayer that a circumstance listed in paragraph  
38 (a) of this subsection has occurred, the county assessor shall:

39 (A) Immediately terminate the property's exemption;

40 (B) For the immediately succeeding property tax year, determine the maximum assessed  
41 value of the property under ORS 308.156 (5);

42 (C) Assess and tax the property as other property similarly situated is assessed and  
43 taxed; and

44 (D) Notwithstanding ORS 311.235, add to the general property tax roll for the property  
45 tax year next following the date of termination, to be collected and distributed in the same

1 manner as other ad valorem property taxes, an amount equal to the difference between the  
2 taxes assessed against the eligible property during the period of the exemption and the taxes  
3 that would have been assessed against the property if it had never been granted the ex-  
4 emption, for each of the years for which the eligible property was granted the exemption.

5 (c) Additional taxes collected under this section shall be deemed to have been imposed in  
6 the year to which the additional taxes relate.

7 (9) The exemption granted under this section is in addition to and not in lieu of any other  
8 property tax limit, exemption or partial exemption, special assessment or deferral.

9 (10) ORS 306.353 to 306.359 and 315.037 do not apply to this section.

10 SECTION 2. Section 1 of this 2023 Act applies to property tax years beginning on or after  
11 July 1, 2024.

12 SECTION 3. This 2023 Act takes effect on the 91st day after the date on which the 2023  
13 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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