

Local Option Property Tax Exemptions

House Committee on Revenue

3/18/2025



Outline

- Local option property tax exemptions
- Tax rate threshold for all districts
- Individual district opt in/out

Local Option Property Tax Exemptions

Expend. Type	Prop. Tax Expend.	Local Option	Percent of Prop. Tax Expend.
Partial Exempt.	31	17	12%
Full Exempt.	94	8	6%
Special Assess.	14	2	1%
Other	1	0	0%
Total	140	27	19%

Data source: Oregon Department of Revenue Research Section

TER Subject Area	Local Options	Percent
Housing	13	48%
Econ. Develop.	7	26%
Energy	2	7%
Public Safety	2	7%
Enviro. / Conserv.	1	4%
Health Care	1	4%
Retirement	1	4%
Total	27	100%

Local Option Property Tax Exemptions (cont.)

Policy	Number of Exemptions	Percent	TER Rev. Impact, 2023-25 (\$ Thous.)	Percent	Largest Rev. Impact, (\$ Thous.)	Largest Rev. Impact
Local Option Tax	27	100%	\$1,230,600	100%	\$681,000	2.100 Strategic Investment Program
-City or County Opt In Self	7	26%	\$68,500	6%	\$39,000	2.108 Nonprofit Low-Income Rental Housing
-City, County, Port, or Tribe Opt In All	11	41%	\$1,161,700	94%	\$681,000	2.100 Strategic Investment Program
-51% Tax Rate Threshold for All	10	37%	\$68,700	6%	\$39,000	2.108 Nonprofit Low-Income Rental Housing
-75% Tax Rate Threshold for All	3	11%	\$0	0%	\$0	N/A
-District Opt In/Out at Outset	4	15%	\$12,000	1%	\$11,800	2.102 Vertical Housing Development Zone
-New District or Annex Opt Out	1	4%	\$11,800	1%	\$11,800	2.102 Vertical Housing Development Zone
-Amend	15	56%	\$514,900	42%	\$356,000	2.014 Long Term Rural Enterprise Zone
-Repeal	9	33%	\$200	0%	\$200	2.031 New ADU or Newly Converted Multiplex
Payment in Lieu of Taxes (PILT)	6	22%	\$1,142,600	93%	\$681,000	2.100 Strategic Investment Program
Sunset	19	70%	\$857,700	70%	\$356,000	2.014 Long Term Rural Enterprise Zone

Note: TER revenue impacts of \$100,000 or less are rounded to \$0. See TER page three for an explanation of the difficulties with summing tax expenditures.

Data source: Oregon Department of Revenue Research Section

Share of Code Areas Able to Satisfy Tax Rate Threshold

- Property subject to taxes from the same districts are in the same “code area”
- Code areas are often comprised of 6-9 taxing districts
- About 930 code areas in Oregon

Tax Rate Threshold	Without Support of Special Districts	Without Support of Schools	Without Support of Special Districts and Schools
51%	100%	69%	24%
55%	100%	54%	13%
60%	100%	29%	5%
65%	100%	11%	2%
70%	98%	3%	0%
75%	92%	1%	0%

Data source: Oregon Department of Revenue Research Section

Exemptions Allowing Individual District Opt In/Out

#	County or City Opt-in Self	District Opt In/Out at Outset	New District or Annex Opt-out
1.	2.096 New Rural Health Care Facilities	2.096 New Rural Health Care Facilities	
2.		2.097 Long Term Care Facilities	
3.		2.098 Facilities with Prepayment Agreement	
4.		2.102 Vertical Housing Development Zone	2.102 Vertical Housing Development Zone
5.	2.103 Certain Single-Unit Housing		
6.	2.104 Rehabilitated Housing		
7.	2.105 Multi-Unit Rental Housing in Designated Areas		
8.	2.106 Low Income Multi-Unit Rental Housing		
9.	2.107 Property for Low-Income Rental		
10.	2.108 Nonprofit Low-Income Rental Housing		

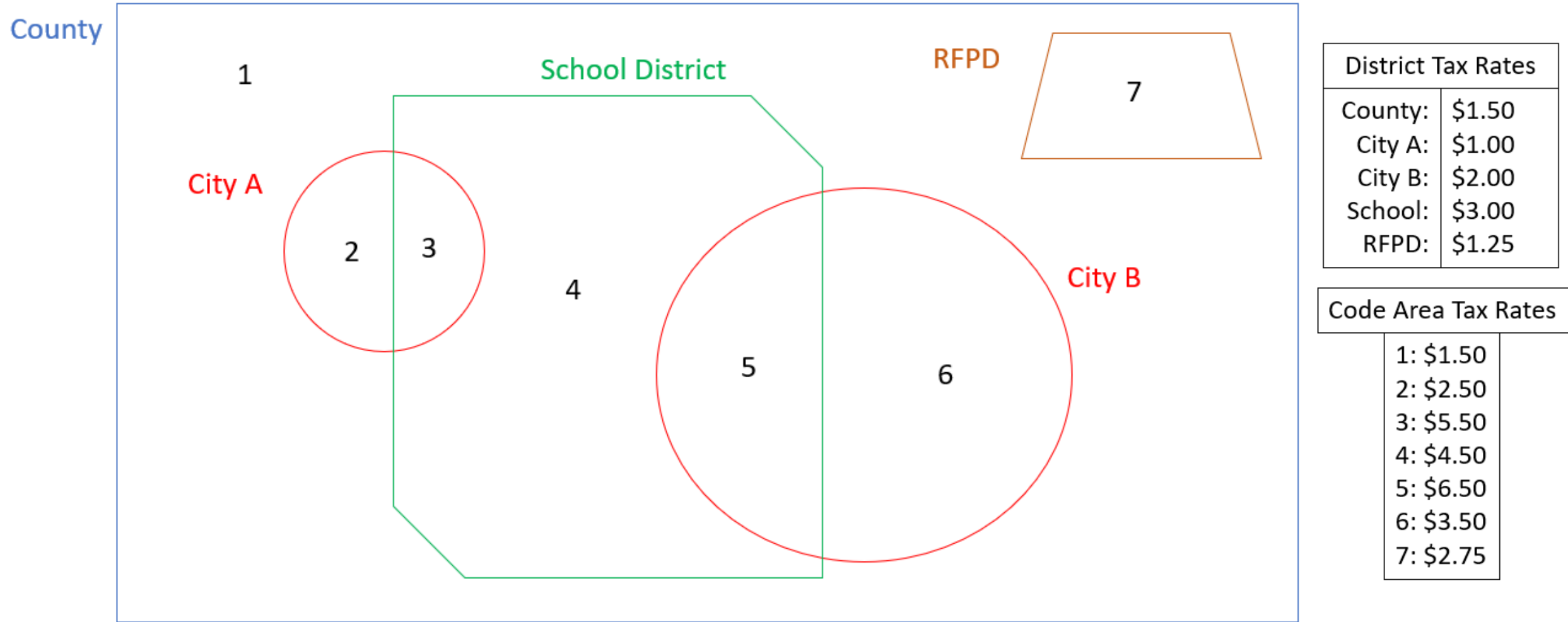
Simplified Code Areas – County Opt In

County

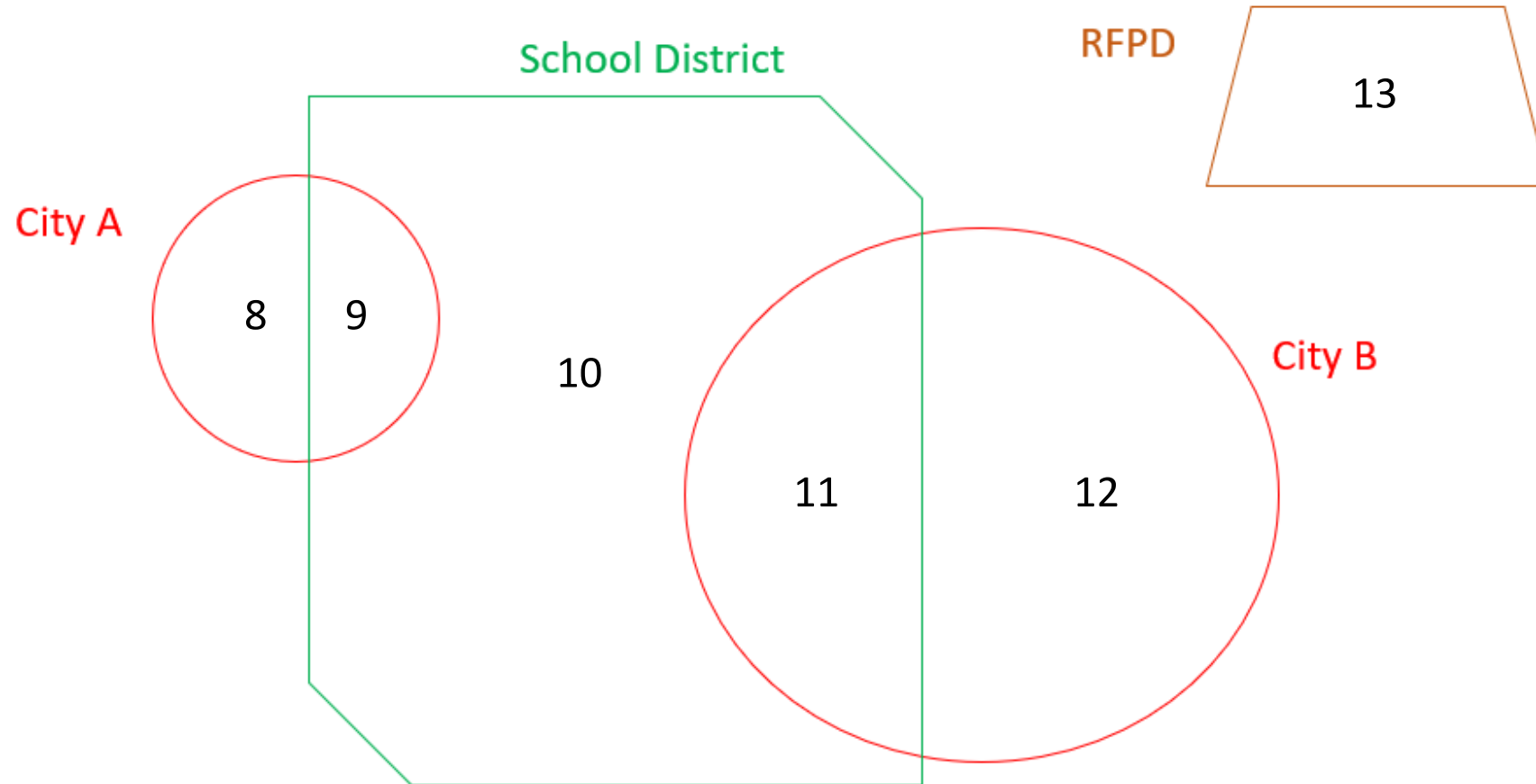
District Tax Rates	
County:	\$1.50

Code Area Tax Rates	
1:	\$1.50

Simplified Code Areas – County Opt In (cont.)



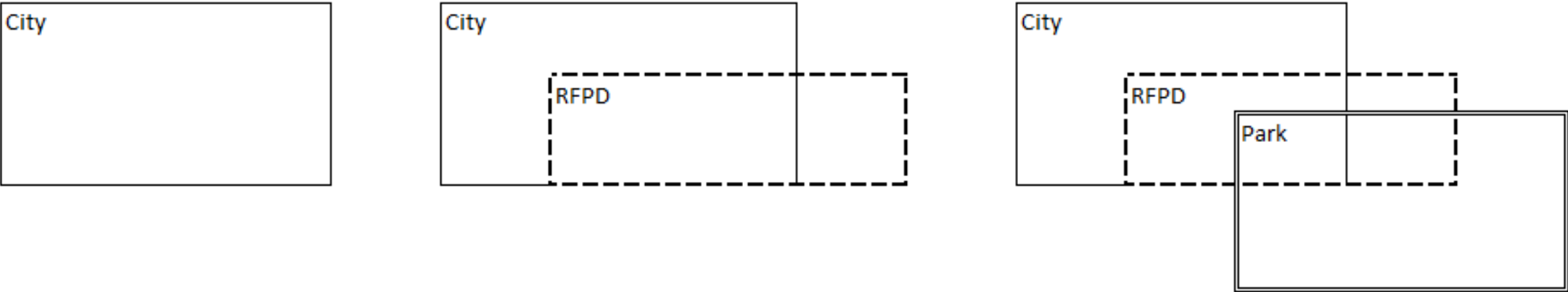
Simplified Code Areas – County Opt In (cont.)



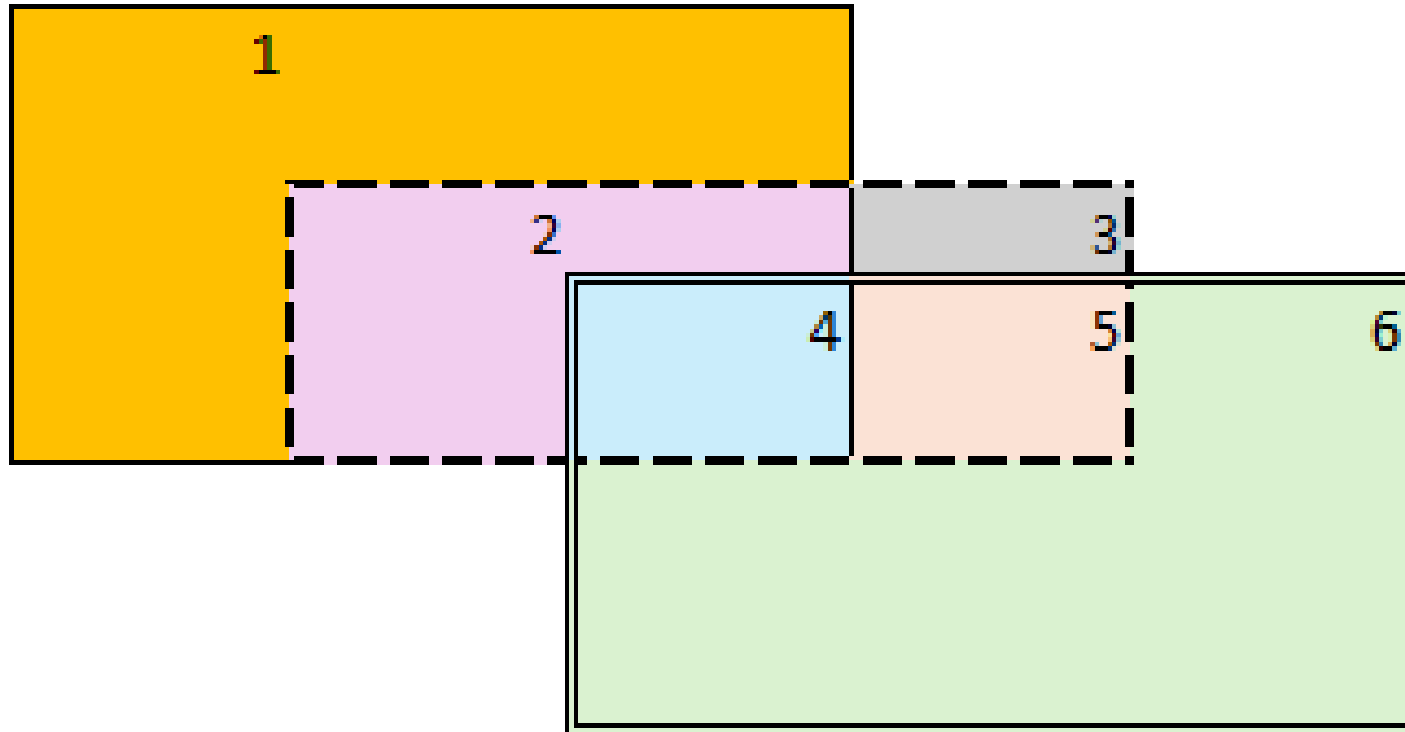
District Tax Rates	
County:	\$1.50
City A:	\$1.00
City B:	\$2.00
School:	\$3.00
RFPD:	\$1.25

New Code Area Tax Rates	
8:	\$1.00
9:	\$4.00
10:	\$3.00
11:	\$5.00
12:	\$2.00
13:	\$1.25

Simplified Code Areas – RFPD Opt Out



Simplified Code Areas – RFPD Opt Out

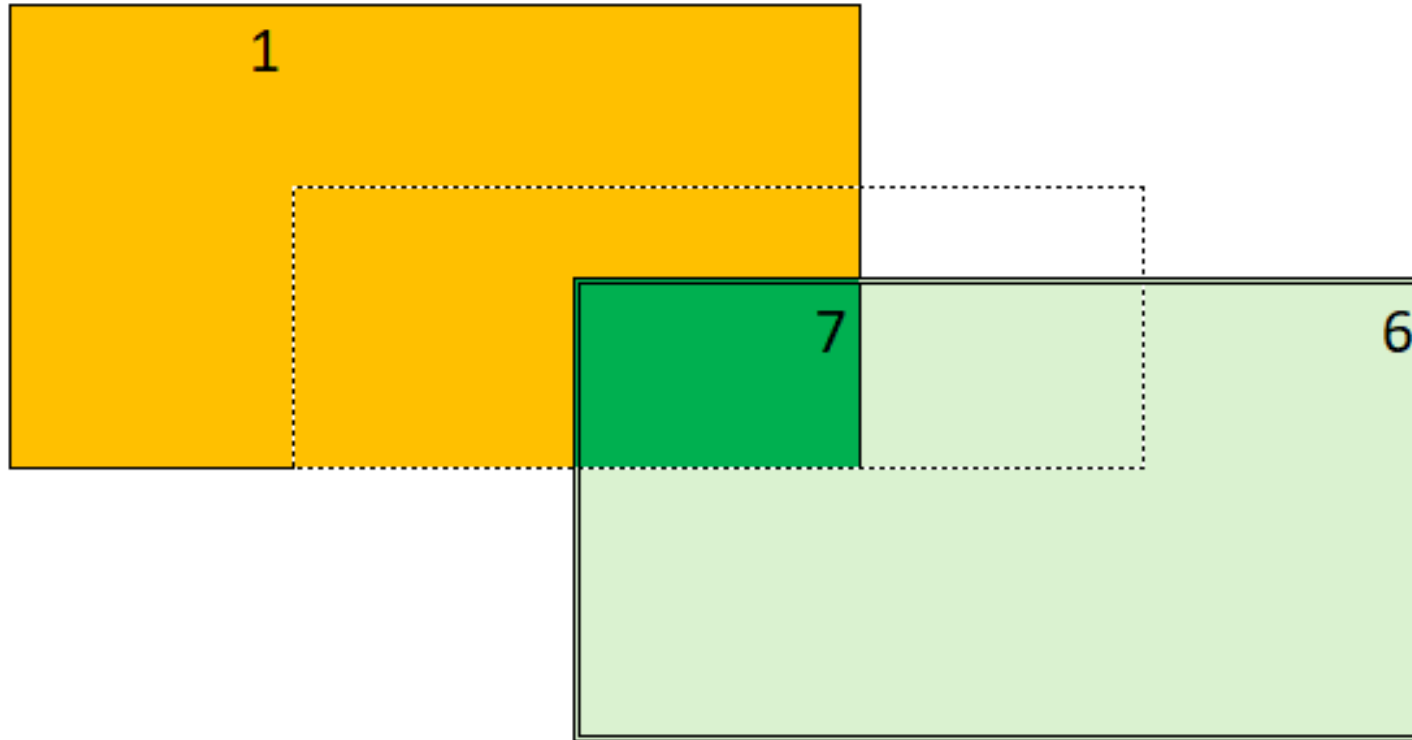


District Tax Rates	
City:	\$4.00
RFPD:	\$2.00
Park:	\$1.00

Code Area	Linked Districts
1:	City
2:	City, RFPD
3:	RFPD
4:	City, RFPD, Park
5:	RFPD, Park
6:	Park

Code Area Tax Rates	
1:	\$4.00
2:	\$6.00
3:	\$2.00
4:	\$7.00
5:	\$3.00
6:	\$1.00

Simplified Code Areas – RFPD Opt Out (cont.)



District Tax Rates	
City:	\$4.00
RFPD:	\$2.00
Park:	\$1.00

Code Area	Linked Districts
1:	City
2:	City, RFPD
3:	RFPD
4:	City, RFPD, Park
5:	RFPD, Park
6:	Park
7:	City, Park

Code Area Tax Rates	
1:	\$4.00
2:	\$6.00
3:	\$2.00
4:	\$7.00
5:	\$3.00
6:	\$1.00
7:	\$5.00

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