

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
83rd Oregon Legislative Assembly  
2025 Regular Session  
Legislative Revenue Office

**Bill Number:** HB 3232  
**Revenue Area:** Property Tax  
**Economist:** Beau Olen  
**Date:** 3/31/2025

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:**

Allows limited equity cooperative property to be exempt under the low-income rental housing property tax exemption if the property is constructed or converted before the city or county adopts the exemption program and all other criteria are met. Applies to property tax years 2026-27 and after.

**Revenue Impact (in \$Millions):**

	Fiscal Year		Biennium		
	2025-26	2026-27	2025-27	2027-29	2029-31
<b>Local Governments</b>	N/A	-\$0.03	-\$0.03	-\$0.05	-\$0.06

**Impact Explanation:**

Under current law, newly constructed rental housing occupied by low-income persons or held for development as low-income rental housing is exempt from property tax for 20 years. Only property owned by certain nonprofits may qualify for the exemption if the rental housing was constructed or converted before the city or county adopts the exemption program.

The revenue impact on local governments from allowing an existing limited equity cooperative to qualify is -\$0.03 million in 2025-27, -\$0.05 million in 2027-29, and -\$0.06 million in 2029-31. There is no impact in 2026-27 because the change applies to 2026-27 and after. The impact is attributable to one limited equity cooperative which has existed since 1981. The cooperative is comprised of six accounts classified as improved residential property or improved multi-family property. In 2024-25, these accounts had a total real market value of about \$4.2 million, assessed value of \$1.4 million, and non-bond taxes of \$28,000.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

The policy purpose of this measure is to assist in providing housing equity throughout the state and reduce homelessness.