

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

<b>Bill Number:</b>	<b>HB 2316 - A6</b>
<b>Revenue Area:</b>	<b>Property Tax</b>
<b>Economist:</b>	<b>Beau Olen</b>
<b>Date:</b>	<b>5/23/2025</b>

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

**Measure Description:**

Establishes the Home Start Lands Fund (HSLF), a revolving fund to provide loans and grants to develop affordable single-family housing, cottage clusters, and middle housing on Home Start lands. Allows the Department of Administrative Services (DAS) to sell, transfer, or lease state-owned and locally nominated lands designated by DAS as Home Start lands. Requires the net proceeds of Home Start land sales, transfers, and leases to be credited to the HSLF. Exempts Home Start lands from property tax for up to five years, including lands held or leased by a taxable owner. Requires construction of affordable housing on Home Start lands to qualify for the land exemption after the second year. Requires Home Start lands to be subject to an affordable housing covenant for at least 30 years and allows housing developed on these lands to be part of a planned community.

**Revenue Impact:**

The measure has no direct revenue impact on local governments. The property tax exemption for Home Start lands is permissive in the sense that it may only be granted after certain actions are taken by DAS, cities, counties, housing developers, and local landowners in some situations.

**Impact Explanation:**

Currently, it is not entirely clear how much of the 1.8 million acres of state-owned land in Oregon, on 10,600 tax lots, are underutilized and could be better suited for the development of affordable single-family housing, cottage clusters, and middle housing. Under the measure, the impacts of the land exemption on local property tax revenue depend on: (1) the designation of state-owned and locally nominated Home Start lands by DAS, (2) capitalization of the HSLF from the net revenue of sales, transfers, or leases of Home Start lands made by DAS, (3) the amount of HSLF loans and grants made by DAS to develop affordable housing on Home Start lands, including grants to cities to fund necessary public services, (4) the mix of affordable single-family housing, cottage clusters, and middle housing built by developers, and (5) whether the developers are private or public entities which may qualify for other property tax exemptions (e.g., public housing authorities). For Home Start lands sold, transferred, or leased to a taxable owner, the improvements may be taxable, and land may be taxable after the land exemption expires. Potential revenue impacts also depend on whether Home Start lands, including lands which are part of a planned community, are made subject to an affordable housing covenant for at least 99 years, which may qualify the land for the Affordable Housing Covenant property tax exemption.

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

The policy purpose of this measure is to increase the supply of affordable housing on underutilized public lands.

State Capitol Building  
900 Court St NE  
Salem, Oregon 97301-1347

Phone (503) 986-1266  
Fax (503) 986-1770  
<https://www.oregonlegislature.gov/lro>