

HB 2316 B STAFF MEASURE SUMMARY

House Committee On Revenue

Action Date: 05/29/25

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed B-Eng.)

Vote: 6-0-1-0

Yeas: 6 - Hudson, Marsh, Nathanson, Reschke, Smith G, Walters

Exc: 1 - Levy B

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 5/15, 5/29

WHAT THE MEASURE DOES:

Establishes the Home Start Lands Fund (HSLF), a revolving fund to provide loans for the development of affordable housing on Home Start lands and grants for cities to develop necessary public services for residents. 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.

ISSUES DISCUSSED:

- State revolving fund
- Affordable housing
- Area median income definition
- Underutilized public land

EFFECT OF AMENDMENT:

Clarifies allowable residential density, which appraisers are allowed to conduct real property appraisals, and how grants and loans may be made for Home Start lands.

BACKGROUND:

The State of Oregon owns about 1.8 million acres of land on 10,600 tax lots. About 98 percent of the land is managed by the Department of State Lands (44 percent), Department of Forestry (40 percent), Department of Fish and Wildlife (8 percent), Parks and Recreation Department (5 percent), and public universities (1 percent). State-owned lands currently serve a variety of purposes. For example, for lands managed by the Department of State Lands, proceeds from leases, easements, and other authorizations to use school lands are credited to the Common School Fund.

Land burdened by an affordable housing covenant which requires housing to be affordable for low- and moderate-income households for at least 99 years is exempt from property tax. Improvements on the land must be owner-occupied housing, or the land may be held for a reasonable period if owner-occupied housing will be built on the land. For owner-occupied condominium units burdened by an affordable housing covenant, 27 percent of the assessed value is exempt from property tax. The exemption does not have a sunset date.