

Requested by Representative MANNIX

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2316**

1 On page 1 of the printed bill, delete lines 4 through 25.

2 Delete pages 2 through 6 and insert:

3 **“SECTION 1. Definitions. As used in sections 2 to 11 of this 2025**  
4 **Act:**

5 **“(1) ‘Affordable housing’ means dwellings or dwelling units that**  
6 **may be purchased or rented, with or without government assistance,**  
7 **by persons of low or moderate income households.**

8 **“(2) ‘Cottage clusters’ means groupings of no fewer than four de-**  
9 **tached housing units per acre with a footprint of less than 900 square**  
10 **feet each and that include a common courtyard.**

11 **“(3) ‘Home Start Lands’ mean lands designated by the Oregon De-**  
12 **partment of Administrative Services under section 2 of this 2025 Act**  
13 **or nominated by a local government under section 3 of this 2025 Act.**

14 **“(4) ‘Local government’ means:**

15 **“(a) For land within a city’s boundaries, the city; or**

16 **“(b) For all other land not described in paragraph (a) of this sub-**  
17 **section, the county in which the land is located.**

18 **“(5) ‘Low income household’ means a household with income less**  
19 **than or equal to 80 percent of the area median income.**

20 **“(6) ‘Middle housing’ means:**

21 **“(a) Duplexes;**

- 1       **“(b) Triplexes;**  
2       **“(c) Quadplexes;**  
3       **“(d) Cottage clusters; and**  
4       **“(e) Townhouses.**

5       **“(7) ‘Moderate income household’ means a household with income**  
6 **less than or equal to 120 percent and greater than 80 percent of the**  
7 **area median income.**

8       **“(8) ‘Townhouses’ means a dwelling unit constructed in a row of**  
9 **two or more attached units, where each dwelling unit is located on an**  
10 **individual lot or parcel and shares at least one common wall with an**  
11 **adjacent unit.**

12       **“SECTION 2. State designation of Home Start Lands. (1) As used**  
13 **in this section:**

14       **“(a) ‘Lands owned by the state’ means real property or interest in**  
15 **real property that is:**

16       **“(A) Subject to ORS 270.100;**

17       **“(B) Controlled by the State Department of Fish and Wildlife;**

18       **“(C) State forestlands that the State Forestry Department controls;**

19       **“(D) Controlled by the Department of Transportation;**

20       **“(E) Controlled by the State Parks and Recreation Department; or**

21       **“(F) Controlled by the Department of State Lands.**

22       **“(b) ‘Lands owned by the state’ does not include real property that**  
23 **is:**

24       **“(A) State lands as classified in ORS 273.251, or is otherwise a part**  
25 **of the Common School Fund;**

26       **“(B) Land held by the state as a trustee;**

27       **“(C) Lands whose use under sections 2 to 11 of this 2025 Act would**  
28 **be unconstitutional or prohibited by or inconsistent with any federal**  
29 **law; or**

30       **“(D) Lands for which the state has only subsurface ownership or**

1 mineral rights.

2 “(2)(a) The Oregon Department of Administrative Services shall  
3 identify lands owned by the state and shall designate the property as  
4 Home Start Lands if, in the department’s discretion, the lands have  
5 not been used or committed for any permanent state purpose and are,  
6 or could be made, better suited for the development of housing.

7 “(b) In considering whether the lands have not been used or com-  
8 mitted for any permanent state purpose and are, or could be made,  
9 better suited for the development of housing, the department shall  
10 consider whether the lands are underutilized or are contiguous lands  
11 that may be combined to accommodate the development of middle  
12 housing types.

13 “(3) The department may also identify real property owned by the  
14 state for exchange for real property of approximately equal aggregate  
15 value that will be designated as Home Start Lands.

16 “(4) The department shall confer with any state agency that owns,  
17 manages, operates or is authorized to act on behalf of the state re-  
18 garding the real property prior to designation under this section.

19 “(5) Lands designated under this section are not subject to ORS  
20 chapter 270 or any law governing the state or any agency’s use, man-  
21 agement or operation of lands owned or operated by the state.

22 “(6) The department may adopt rules administering this section and  
23 sections 6, 7, 8, 9, 10 and 11 of this 2025 Act.

24 **SECTION 3. Housing and Community Services Department desig-**  
25 **nation of Home Start Lands.** (1) The Housing and Community Services  
26 Department may designate real property as Home Start Lands if the  
27 department finds that the property complies with the requirements  
28 under subsection (2) of this section and that the local government and  
29 property owners have identified a plan or funding source that is sub-  
30 stantially likely to increase the supply of affordable housing in this

1 state.

2 “(2) Local governments may identify real property that is eligible  
3 for designation as Home Start Lands and may, by ordinance, nominate  
4 real property for designation as Home Start Lands, provided that:

5 “(a) The property is all or a portion of a tract, as defined in ORS  
6 215.010, that is contiguous to, or across a road from, an urban growth  
7 boundary;

8 “(b) The property is subject to an affordable housing covenant as  
9 described in ORS 456.270 to 456.295 that will make the property, in-  
10 cluding each lot or parcel created from the property by division of  
11 land:

12 “(A) Developable only for housing that will be made available for  
13 homeownership and affordable to moderate or low income households  
14 for a period of no less than 30 years from the date of sale to a home-  
15 owner; or

16 “(B) Developable only for rental housing that will be made available  
17 for rent and affordable to moderate or low income households for a  
18 period of no less than 30 years from the date the rental housing is first  
19 occupied; and

20 “(c) All owners of the property have consented to the designation.

21 “(3) The department may adopt rules to administer this section.

22 “SECTION 4. Planning and uses of Home Start Lands. (1) Home  
23 Start Lands may be zoned, divided, developed and used only for one  
24 single-family dwelling, duplex, triplex, quadplex, cottage cluster or  
25 townhouse, or may be zoned, combined, developed and used only for  
26 middle housing.

27 “(2) Except for laws applicable only to the procedures for dividing  
28 land under ORS 92.010 to 92.192, Home Start Lands are not subject to  
29 any provision of:

30 “(a) ORS chapter 195, 197, 197A, 215 or 227;

1       **“(b) A statewide land use planning goal;**

2       **“(c) Rules or orders adopted by the Land Conservation and Development Commission;**

3       **“(d) A comprehensive plan; or**

4       **“(e) Land use regulations, except as provided in subsection (3) of this section.**

5       **“(3) A local government may adopt, by ordinance, regulations for identifying real property that is eligible for designation as Home Start Lands consistent with section 3 of this 2025 Act and siting or development regulations consistent with this section for the specific purpose of regulating Home Start Lands.**

6       **“(4)(a) For property designated as Home Start Lands under section 2 or 3 of this 2025 Act, the local government shall authorize use of the property for residential development provided that the local government finds that the property is suitable and available for residential use.**

7       **“(b) Notwithstanding paragraph (a) of this subsection, a local government may reject an application for development of Home Start Lands under subsection (5) of this section if the application or planned use do not comply with siting or development regulations adopted by the local government under subsection (3) of this section.**

8       **“(5) An application for development of Home Start Lands under this section must be:**

9       **“(a) Approved or rejected by the governing body of the local government;**

10       **“(b) Approved or rejected within 100 days from the date of the application; and**

11       **“(c) Appealed only as a writ of review under ORS 34.010 to 34.100.**

12       **“(6) An approval of a development application under subsection (4) of this section becomes void four years after the date it is issued.**

1       **“SECTION 5. Termination of Home Start Lands designation. The**  
2 **designation of real property as Home Start Lands is terminated for**  
3 **real property if a development application for the property has not**  
4 **been approved by the local government under section 4 of this 2025**  
5 **Act within three years of the property’s designation as Home Start**  
6 **Lands and:**

7       **“(1) For property designated under section 2 of this 2025 Act, the**  
8 **Oregon Department of Administrative Services has issued an order**  
9 **terminating the designation; or**

10       **“(2) For property designated under section 3 of this 2025 Act:**

11       **“(a) The local government has adopted an ordinance terminating**  
12 **the designation; or**

13       **“(b) The Housing and Community Services Department has issued**  
14 **an order terminating the designation.**

15       **“SECTION 6. Disposition of lands designated as Home Start Lands.**

16 **(1) The state, through the Oregon Department of Administrative Ser-**  
17 **vices, may sell, transfer or lease for a period not to exceed 99 years**  
18 **all real property designated as Home Start Lands under section 2 of**  
19 **this 2025 Act to housing developers for the purpose of facilitating the**  
20 **development of affordable housing on Home Start Lands. Except where**  
21 **the department is exchanging real property, the consideration for the**  
22 **transfer or lease may be cash or real property, or both.**

23       **“(a) The authority to lease property granted by this section includes**  
24 **authority to lease property not owned or controlled by the state at the**  
25 **time of entering into the lease. Such lease shall be conditioned upon**  
26 **the subsequent acquisition of the interest covered by the lease.**

27       **“(b) Before the department sells, transfers or leases real property**  
28 **under this section, the department shall cause the real property to be**  
29 **appraised by one or more competent and experienced appraisers in**  
30 **accordance with rules adopted by the department.**

1       “(2) Property sold, transferred or leased under this section must be  
2 subject to an affordable housing covenant as described in ORS 456.270  
3 to 456.295 that makes the property, including each lot or parcel created  
4 from the property by division of land:

5       “(a) Developable only for housing that will be made available for  
6 homeownership and affordable to moderate or low income households  
7 for a period of no less than 30 years from the date of sale to a home-  
8 owner;

9       “(b) Developable only for housing units that are subject to a shared  
10 equity ownership model under a community land trust and affordable  
11 to moderate or low income households for a period of no less than 30  
12 years from the date of sale to a homeowner; or

13       “(c) Developable only for rental housing that will be made available  
14 for rent and affordable to moderate or low income households for a  
15 period of no less than 30 years from the date the rental housing is first  
16 occupied.

17       “(3) In the event that more than one housing developer is interested  
18 in real property available for sale, transfer or lease under this section,  
19 the department shall conduct a bidding process that includes consid-  
20 eration of the entity most capable of delivering services and housing  
21 options to conform with the purposes of this 2025 Act.

22       “SECTION 7. Publication of notice of sale. The Oregon Department  
23 of Administrative Services shall give notice of a proposed sale under  
24 section 6 of this 2025 Act not less than once a week for three succes-  
25 sive weeks by publication in one or more newspapers of general cir-  
26 culation in the county in which such real property is located, and in  
27 such other newspapers, if any, as the department considers advisable.  
28 The notice shall describe generally and by legal subdivision such real  
29 property and the asking price. The department may accept or reject  
30 any proposal.

1       **“SECTION 8. Development on Home Start Lands. (1) For real**  
2 **property sold, transferred or leased under section 6 of this 2025 Act,**  
3 **the housing developer shall:**

4       **“(a) Work to diligently prepare affordable housing by taking nec-**  
5 **essary steps and engaging contractors to:**

6       **“(A) Partition, subdivide or replat the lands for the development**  
7 **of housing under this section; and**

8       **“(B) Prepare the land for housing, through grading, surveying,**  
9 **planning, installing infrastructure for residential development on the**  
10 **land and other activities;**

11       **“(b) Develop single-family dwellings or middle housing on the land;**  
12 **and**

13       **“(c) For housing and real property made available for sale, convey**  
14 **the homes and real property in a manner pursuant to the applicable**  
15 **affordable housing covenant under section 6 (2)(a) or (b) of this 2025**  
16 **Act and pursuant to the deed restrictions under section 11 (2) of this**  
17 **2025 Act; or**

18       **“(d) For housing made available for rent, lease the rental housing**  
19 **in a manner pursuant to the affordability restriction under section 6**  
20 **(2)(c) of this 2025 Act.**

21       **“(2)(a) For real property sold, transferred or leased to a housing**  
22 **developer under section 6 of this 2025 Act for a nominal amount, the**  
23 **developer shall assume responsibility for capital improvements, as de-**  
24 **finied in ORS 223.299, which may be in addition to or in lieu of the**  
25 **developer’s payment of system development charges, to ensure suffi-**  
26 **cient infrastructure capacity for anticipated housing on the land.**

27       **“(b) For real property sold, transferred or leased to a housing de-**  
28 **veloper under section 6 of this 2025 Act at market rate, the department**  
29 **shall, as necessary, disperse or lend moneys for purposes of capital**  
30 **improvements, as defined in ORS 223.299, which may be in addition to**



1 or in lieu of the developer’s payment of system development charges,  
2 to ensure sufficient infrastructure capacity for anticipated housing on  
3 the land.

4 “(3) Notwithstanding the exclusion of developments subject to an  
5 affordable housing covenant from the definition of ‘planned commu-  
6 nity’ under ORS 94.550, housing developed on Home Start Lands under  
7 this section may be made a part of a planned community, provided  
8 that the state or housing developer retains ownership of and respon-  
9 sibility for land to be maintained for public utility or infrastructure  
10 purposes, including a common courtyard required for a cottage clus-  
11 ter. Home Start Lands subdivided or partitioned and developed as part  
12 of a planned community are subject to the provisions of ORS 94.550 to  
13 94.783.

14 “SECTION 9. Proceeds of sale. (1) The proceeds, less costs, of real  
15 property sold by the Oregon Department of Administrative Services  
16 under section 6 of this 2025 Act may be credited to and deposited in  
17 the Capital Projects Fund established by ORS 276.005 or the Trust for  
18 Cultural Development Account established in ORS 359.405.

19 “(2) The revenue from the rental or lease of Home Start Lands  
20 managed by the department shall be deposited in the State Treasury  
21 to the credit of the operating fund established by ORS 238.076.

22 “(3) Notwithstanding the provisions of subsection (1) or (2) of this  
23 section, an agency may negotiate with the department to apply the  
24 proceeds of a sale, transfer or lease of Home Start Lands to another  
25 capital acquisition of that agency.

26 “SECTION 10. Disposition of operating fund revenues. At the end  
27 of each biennium, the Oregon Department of Administrative Services  
28 shall transfer from the Oregon Department of Administrative Services  
29 Operating Fund to the Capital Projects Fund established by ORS  
30 276.005 all revenue from the rental or lease of real property on Home

1 Start Lands described in section 9 of this 2025 Act not expended for  
2 administration, taxes or capital improvements as provided under sec-  
3 tion 8 (2) of this 2025 Act.

4 **“SECTION 11. Occupancy requirements for dwellings sold on Home**  
5 **Start Lands.** (1) For purposes of this section, ‘primary residence’  
6 means the place where an individual actually resides for at least nine  
7 months of the calendar year and that the individual continues to  
8 maintain as the individual’s principal residence.

9 “(2) When a property developed on Home Start Lands becomes  
10 available to sell under section 8 of this 2025 Act, each deed conveying  
11 the property under section 8 of this 2025 Act must:

12 “(a) Require that the property be used as the homeowner’s primary  
13 residence for a period of no less than five years and that such use be  
14 enforceable by the city or county in which the property is located and  
15 by the department; and

16 “(b) Grant to the state, through the Oregon Department of Ad-  
17 ministrative Services, a right of first refusal to purchase the property  
18 that shall run concurrent with the applicable affordable housing  
19 covenant under section 6 (2)(a) or (b) of this 2025 Act.

20 **“SECTION 12.** Sections 13 to 17 of this 2025 Act are added to and  
21 made a part of ORS chapter 308.

22 **“SECTION 13. Definitions for sections 13 to 17 of this 2025 Act.** As  
23 used in sections 13 to 17 of this 2025 Act, ‘government restriction on  
24 use’ means a restriction that limits the use, sale price or rental rate  
25 of property through an affordable housing covenant described in sec-  
26 tion 3, 6, 8 or 11 of this 2025 Act.

27 **“SECTION 14. Property taxes for dwellings on privately owned**  
28 **Home Start Lands.** (1) This section applies only to property developed  
29 on privately owned lands that are designated as Home Start Lands  
30 under section 3 of this 2025 Act or Home Start Lands transferred or

1 sold to a housing developer by the Oregon Department of Administra-  
2 tive Services under section 6 of this 2025 Act.

3 “(2) The specially assessed value, maximum assessed value and as-  
4 sessed value of a property developed on privately owned Home Start  
5 Lands shall be determined under this section if:

6 “(a) The property is subject to a government restriction on use; and

7 “(b) The owner of the property subject to a government restriction  
8 on use has filed an application for special assessment under section  
9 15 of this 2025 Act and that application has been approved.

10 “(3) For property conveyed to the first homeowner under a deed  
11 subject to section 3 (2)(b)(A) of this 2025 Act, or to a homeowner under  
12 a deed subject to section 11 (2) of this 2025 Act, the property shall be  
13 specially assessed by adjusting the unrestricted market value of the  
14 property being specially assessed, computed without regard to any  
15 government restriction on use applicable to the property, based on the  
16 ratio of the restricted sale or resale price of the property to the aver-  
17 age sale price of comparable properties in the same area that are not  
18 subject to a government restriction on use.

19 “(4) For rental housing developed subject to section 3 (2)(b)(B) of  
20 this 2025 Act, or developed under sections 4, 5, 6 or 8 of this 2025 Act,  
21 the property shall be specially assessed by adjusting the unrestricted  
22 market value of the property being specially assessed, computed  
23 without regard to any government restriction on use applicable to the  
24 property, based on the ratio of the average annual rent of the dwelling  
25 units to the average annual rent of comparable rental housing that is  
26 not subject to a government restriction on use.

27 “(5)(a) For the first tax year for which property is assessed under  
28 this section, the maximum assessed value of the property subject to  
29 special assessment under this section shall equal the product of the  
30 specially assessed value of the property under subsection (3) or (4) of

1 this section multiplied by the ratio, not greater than 1.00, of the av-  
2 erage maximum assessed value to the average real market value of  
3 property in the same area and property class as the specially assessed  
4 property.

5 “(b) For each tax year after the first tax year in which the property  
6 is assessed under this section and prior to any disqualification from  
7 special assessment, the maximum assessed value of property assessed  
8 under this section shall equal 103 percent of the property’s assessed  
9 value from the prior year or 100 percent of the property’s maximum  
10 assessed value from the prior year, whichever is greater.

11 “(c) If omitted property is added to the property assessed under this  
12 section or a lot line adjustment is made to the property assessed under  
13 this section, the maximum assessed value of property subject to spe-  
14 cial assessment under this section shall be determined as prescribed  
15 in ORS 308.149 to 308.166, substituting the specially assessed value un-  
16 der subsection (3) or (4) of this section for real market value.

17 “(6) The assessed value of property subject to special assessment  
18 under this section shall equal the lowest of:

19 “(a) The specially assessed value of the property determined under  
20 subsection (3) or (4) of this section;

21 “(b) The maximum assessed value of the property determined under  
22 subsection (5) of this section; or

23 “(c) The real market value of the property.

24 “(7) For each tax year following the first tax year in which the  
25 property is subject to special assessment under this section, the owner  
26 of the property must comply with any requirements prescribed by the  
27 Department of Revenue by rule for the continued special assessment  
28 of the property under this section.

29 **“SECTION 15. Application procedure for special assessment. (1) An**  
30 **owner of property seeking to have the property assessed under section**

1 14 of this 2025 Act must file a written application under this section.

2 “(2) Except as provided in subsection (3) of this section, an appli-  
3 cation must be filed with the county assessor on or before April 1  
4 preceding the first tax year for which special assessment under section  
5 14 of this 2025 Act is sought.

6 “(3) An application may be filed after April 1 and on or before De-  
7 cember 31 of the first tax year for which special assessment under  
8 section 14 of this 2025 Act is sought, if the application is accompanied  
9 by a late filing fee equal to the greater of \$200 or one-tenth of one  
10 percent of the real market value of the property to which the appli-  
11 cation relates, as of the assessment date for that tax year.

12 “(4) The application must be in the form and contain the informa-  
13 tion prescribed by the Department of Revenue, including:

14 “(a) The name and address of the property owner;

15 “(b) The address and tax lot or account number of the dwelling or  
16 rental housing;

17 “(c) A description and documentation of the government restriction  
18 on use to which the property is subject, including but not limited to  
19 a deed declaration, restrictive covenant, contractual agreement or  
20 other legally binding government restriction on use; and

21 “(d) The anticipated duration of the government restriction on use.

22 “(5) The county assessor shall review the application. If the assessor  
23 determines that the property consists of housing that is subject to a  
24 government restriction on use, the assessor shall approve the appli-  
25 cation. Approval of the application shall result in the property to  
26 which the application relates being qualified to be assessed under sec-  
27 tion 14 of this 2025 Act.

28 “(6) The county assessor shall notify the applicant in writing of the  
29 assessor’s determination within 120 days following the date the appli-  
30 cation was filed with the assessor.

1       “(7) An applicant may appeal the determination of the county  
2 assessor as provided in ORS 305.275.

3       “SECTION 16. Disqualification from special assessment. (1) An  
4 owner of property assessed under section 14 of this 2025 Act must no-  
5 tify the county assessor if:

6       “(a) The property is no longer a dwelling or rental housing that is  
7 subject to a government restriction on use;

8       “(b) New property is constructed at the location of the dwelling or  
9 rental housing, or new improvements are made to the dwelling or  
10 rental housing; or

11       “(c) An event described in ORS 308.146 (3)(b) or (c) occurs with re-  
12 spect to the dwelling or rental housing.

13       “(2) The notification must be made within 60 days following the date  
14 on which the circumstance described in subsection (1) of this section  
15 occurred.

16       “(3) The notification must be made in writing and must indicate the  
17 date on which the circumstance described in subsection (1) of this  
18 section occurred.

19       “(4) The Department of Revenue may by rule prescribe penalties to  
20 be imposed on a property owner if notification is not made as required  
21 by subsection (1), (2) or (3) of this section.

22       “(5)(a) Property shall be disqualified from special assessment under  
23 section 14 of this 2025 Act as of the tax year immediately following any  
24 change or event described in subsection (1)(a) or (c) of this section.

25       “(b) Following disqualification for any change or event described in  
26 subsection (1)(c) of this section, a property owner may apply for spe-  
27 cial assessment pursuant to section 15 of this 2025 Act.

28       “(6) New property constructed at the location of the dwelling or  
29 rental housing or new improvements made to the dwelling or rental  
30 housing may qualify for special assessment under section 14 of this

1 2025 Act only if the property owner files an application under section  
2 15 of this 2025 Act in the time and manner prescribed by section 15 of  
3 this 2025 Act.

4 “(7) As used in this section, ‘new property or new improvements’  
5 has the meaning given that term in ORS 308.149.

6 “SECTION 17. Rules. The Department of Revenue shall prescribe  
7 rules necessary to implement the provisions of section 14 (3) and (4)  
8 of this 2025 Act. The department may make any other rules necessary  
9 to administer the provisions of sections 13 to 17 of this 2025 Act.

10 “SECTION 18. Definitions for sections 18, 19 and 20 of this 2025 Act;  
11 rules. (1) As used in sections 18, 19 and 20 of this 2025 Act:

12 “(a) ‘Government restriction on use’ means a restriction that limits  
13 the use, sale price or rental rate of property through an affordable  
14 housing covenant described in sections 3, 6, 8 or 11 of this 2025 Act.

15 “(b) ‘Land’ means state-owned Home Start Lands, above the land  
16 itself or under water, but does not include any buildings, structures,  
17 improvements or fixtures erected upon, under, above or affixed to the  
18 land under sections 4, 6 or 8 of this 2025 Act.

19 “(c) ‘Reasonable period’ means a period not exceeding seven years  
20 from the date land is first leased by a housing developer under section  
21 6 of this 2025 Act.

22 “(2) The Department of Revenue may make rules necessary to ad-  
23 minister the provisions of sections 18, 19 and 20 of this 2025 Act.

24 “SECTION 19. Exemption for state-owned Home Start Lands under  
25 lease.(1) Notwithstanding ORS 307.110, land leased by a housing devel-  
26 oper from the Oregon Department of Administrative Services under  
27 section 6 of this 2025 Act is exempt from property taxation if, for any  
28 property tax year:

29 “(a) The land is being used to develop affordable housing pursuant  
30 to and in compliance with an applicable government restriction on use

1 for a reasonable period; or

2 “(b) Buildings on the land are used solely to provide affordable  
3 housing in compliance with an applicable government restriction on  
4 use.

5 “(2) To obtain the exemption under this section, the lessee or, if the  
6 lessee is not in possession of the property, the entity in possession of  
7 the property, must file a claim for exemption with the county assessor,  
8 verified by the oath or affirmation of the president or other proper  
9 officer of the entity or the person, showing:

10 “(a) A complete description of the property for which exemption is  
11 claimed;

12 “(b) All applicable facts relating to the use of the property by the  
13 lessee or, if the lessee is not in possession of the property, by the en-  
14 tity or person in possession of the property;

15 “(c) A true copy of the lease or sublease agreement covering the  
16 property for which exemption is claimed; and

17 “(d) Any other information required by the claim form.

18 “(3)(a) The claim must be filed on or before April 1 preceding the  
19 tax year for which the exemption is claimed, except:

20 “(A) If the lease or sublease is entered into after March 1 but not  
21 later than June 30, the claim must be filed within 30 days after the  
22 date the lease or sublease is entered into if exemption is claimed for  
23 that year; or

24 “(B) If a late filing fee is paid in the manner provided in ORS 307.162  
25 (2), the claim may be filed within the time specified in ORS 307.162 (2).

26 “(b) The exemption first applies for the tax year beginning July 1  
27 of the year for which the claim is filed.

28 “(4)(a) An exemption granted under this section continues as long  
29 as the use of the property remains unchanged and during the period  
30 of the lease or sublease agreement.



1       “(b) If the use changes, a new claim must be filed as provided in  
2 this section.

3       “(c) If the lease or sublease agreement expires before July 1 of any  
4 year, the exemption terminates as of January 1 of the same calendar  
5 year.

6       “(5) Each year that a parcel of land is granted exemption under this  
7 section, the county assessor shall enter on the assessment and tax roll  
8 that the property is exempt and is subject to potential additional taxes  
9 as provided under section 20 of this 2025 Act.

10       “(6) ORS 315.037 does not apply to this section.

11       “SECTION 20. Termination of exemption; penalties. (1) If, after an  
12 exemption has been granted for land under section 19 of this 2025 Act,  
13 the Department of Revenue or the county assessor discovers that the  
14 land or buildings on the land are used for any purpose other than  
15 those prescribed under section 19 (1)(a) or (b) of this 2025 Act as of a  
16 date the land or buildings are required to be used for such purpose in  
17 order to receive the exemption:

18       “(a) The exemption granted the land under section 19 of this 2025  
19 Act shall terminate immediately, without right of notice or appeal;

20       “(b) The land shall be assessed and taxed as other property similarly  
21 situated is assessed and taxed pursuant to ORS 307.110; and

22       “(c) There shall be added to the general property tax roll for the tax  
23 year next following the discovery, to be collected and distributed in the  
24 same manner as other real property tax, an amount equal to the dif-  
25 ference between the amount of tax that would have been due on the  
26 property had it not been exempt under section 19 of this 2025 Act for  
27 each of the years, not to exceed the last 10 years, during which the  
28 property was exempt from taxation under section 19 of this 2025 Act.

29       “(2) If, at the time of discovery, the property is no longer exempt,  
30 additional taxes shall be imposed as provided in this section, but the

1 number of years that would otherwise be used to compute the addi-  
2 tional taxes shall be reduced by one year for each year that has  
3 elapsed since the year the property was last granted exemption begin-  
4 ning with the oldest year for which additional taxes are due.

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

7 “SECTION 21. Applicability of property tax special assessment.  
8 Sections 13 to 17 of this 2025 Act apply to property tax years beginning  
9 on or after July 1, 2028.

10 “SECTION 22. Applicability of property tax exemption. Sections 18,  
11 19 and 20 of this 2025 Act apply to property tax years beginning on or  
12 after July 1, 2028.

13 “SECTION 23. Captions. The section captions used in this 2025 Act  
14 are provided only for the convenience of the reader and do not become  
15 part of the statutory law of this state or express any legislative intent  
16 in the enactment of this 2025 Act.”.

17