

DRAFT

SUMMARY

Exempts from taxation amounts received from sale of real property to housing authority at price below fair market value.

Increases amount of fees charged and collected by county clerks to record or file certain real property documents.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to assessments for real property transactions; creating new provisions; amending ORS 205.323 and 306.815; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2016 Act is added to and made a part of ORS chapter 316.

SECTION 2. (1) As used in this section:

(a) “Community development corporation” has the meaning given that term in ORS 458.210.

(b) “Housing authority” has the meaning given that term in ORS 456.128.

(c) “Market rate rental housing” means privately owned multifamily rental housing without rent or income restrictions and not associated with any public investment or subsidy.

(2) Amounts received as a result of the sale of market rate rental housing to a community development corporation or housing authority are exempt from the tax imposed by this chapter.

SECTION 3. Section 4 of this 2016 Act is added to and made a part of ORS chapter 317.

SECTION 4. (1) As used in this section:

(a) “Community development corporation” has the meaning given that term in ORS 458.210.

(b) “Housing authority” has the meaning given that term in ORS 456.128.

(c) “Market rate rental housing” means privately owned multifamily rental housing without rent or income restrictions and not associated with any public investment or subsidy.

(2) Amounts received as a result of the sale of market rate rental housing to a community development corporation or housing authority are exempt from the tax imposed by this chapter.

SECTION 5. Sections 1 to 4 of this 2016 Act apply to tax years beginning on or after January 1, 2017, and before January 1, 2020.

SECTION 6. ORS 205.323 is amended to read:

205.323. (1) In addition to and not in lieu of the fees charged and collected under ORS 205.320 and other fees, the county clerk shall charge and collect the following fees for the recording or filing of any instrument described in ORS 205.130:

(a) A fee of \$1, to be credited as provided in subsection (4)(a) of this section;

(b) A fee of \$10, to be credited as provided in subsection (4)(b) of this section; and

(c) A fee of [~~\$20~~] **\$30, to be credited as provided in subsection (4)(c) of this section.**

(2) Subsection (1) of this section does not apply to the recording or filing of the following:

(a) Instruments that are otherwise exempt from recording or filing fees under any provision of law;

(b) Any satisfaction of judgment or certificate of satisfaction of judgment;

or

(c) Internal county government instruments not otherwise charged a recording or filing fee.

(3) Subsection (1)(c) of this section does not apply to the recording or filing of:

(a) Instruments required under ORS 517.210 to maintain mining claims;

(b) Warrants issued by the Employment Department pursuant to ORS 657.396, 657.642 and 657.646; or

(c) A certified copy of a judgment, a lien record abstract as described in ORS 18.170 or a satisfaction of a judgment, including a judgment noticed by recordation of a lien record abstract.

(4) Of the amounts charged and collected under this section:

(a) The recording or filing fee charged and collected under subsection (1)(a) of this section must be deposited and credited to the Oregon Land Information System Fund established under ORS 306.132.

(b) The recording or filing fee charged and collected under subsection (1)(b) of this section shall be credited as follows:

(A) Five percent of the fee must be credited for the benefit of the county;

(B) Five percent of the fee must be credited for the benefit of the county clerk for the purposes described in ORS 205.320 (2); and

(C) 90 percent of the fee must be credited to and deposited in the County Assessment and Taxation Fund created under ORS 294.187.

(c) The recording or filing fee charged and collected under subsection (1)(c) of this section must be credited to and deposited in the County Assessment and Taxation Fund created under ORS 294.187.

(5) The Department of Revenue is exempt from paying the fee under subsection (1)(c) of this section.

SECTION 7. ORS 306.815 is amended to read:

306.815. (1) A city, county, district or other political subdivision or municipal corporation of this state shall not impose, by ordinance or other law, a tax or fee upon the transfer of a fee estate in real property, or measured

by the consideration paid or received upon transfer of a fee estate in real property.

(2) A tax or fee upon the transfer of a fee estate in real property does not include any fee or charge that becomes due or payable at the time of transfer of a fee estate in real property, unless that fee or charge is imposed upon the right, privilege or act of transferring title to real property.

(3) Subsection (1) of this section does not apply to any fee established under ORS 203.148.

(4) Subsection (1) of this section does not apply to any tax if the ordinance or other law imposing the tax is in effect and operative on March 31, 1997.

(5) Subsection (1) of this section does not apply to any tax or fee that is imposed upon the transfer of a fee estate in real property if the fee that is imposed under ORS 205.323, for the recording or filing of the instrument conveying the real property being transferred, is less than [\$32] \$42.

SECTION 8. The amendments to ORS 205.323 and 306.815 by sections 6 and 7 of this 2016 Act apply to moneys deposited in the General Housing Account, the Emergency Housing Account and the Home Ownership Assistance Account on or after the effective date of this 2016 Act.

SECTION 9. This 2016 Act takes effect on the 91st day after the date on which the 2016 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.