



SENATE MAJORITY OFFICE

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Bill clears the way for communities to provide affordable housing

HB 3112A specifies that low-income housing owned by local governments is exempt from property taxes

SALEM—Today the Oregon Senate took action on a bill that allows cities and counties to better serve low-income Oregonians seeking affordable housing. House Bill 3112A, which passed the Senate on a vote of 28-2, specifies that residential buildings designated for low-income housing that are owned by local governments are not subject to property taxes.

“Housing is a basic necessity, and Oregonians should be able to afford somewhere to live and still have enough money for groceries and other basic needs,” said Senate Majority Leader Diane Rosenbaum. “Today we’re ensuring that low-income Oregonians have a chance to find adequate affordable housing.”

Current law does not clearly specify whether buildings owned by local governments are subject to property taxation when units in the building are rented to low-income tenants. House Bill 3112A provides a clear exemption such buildings, provided that the exemption is targeted at providing affordable housing opportunities for low-income Oregonians in need.

In 2001, the City of Portland acquired the Fairfield Hotel, an 82-unit single-room occupancy rental property that serves the community’s most vulnerable and low-income residents. Recently, the Multnomah County Assessor found the property to be taxable under an interpretation of the current law. House Bill 3112A resolves that ambiguity by making such properties not taxable.

“As we continue to struggle with the effects of the housing and foreclosure crisis, it’s especially important for communities to have affordable housing options available,” said Senator Ginny Burdick (D-Portland), chair of the Senate Finance and Revenue Committee. “Oregonians shouldn’t have to choose between paying the rent and putting food on the table, and providing this clarity on property taxes will hopefully expand housing options for Oregonians on limited incomes.”

Senate Democrats have consistently made affordable housing for Oregonians a high priority. In 2009, Senate Democrats took the lead in passing HB 2436, which significantly expanded resources available for affordable housing through an increase in the fee charged for recording real estate documents.

The bill now goes to Governor John A. Kitzhaber for his approval.

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